



(ปีบัญชีสิ้นสุดวันที่ 28 กุมภาพันธ์ 2562)

รายงานประจำปี Annual Report

2561/2562 2018/2019

(Fiscal year ended February 28, 2019)



บริษัท อีออน ธนสินทรัพย์ (ไทยแลนด์) จำกัด (มหาชน)

AEON Thana Sinsap (Thailand) Public Company Limited

Easy, Convenient and Good Value



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AEONTS Group Performance for FY2018

พม่า / Myanmar

ยอดขายการให้สินเชื่อ/Sales ▲66%

รายได้/Revenues ▲71%

กำไรสุทธิ/Net Profit ▲206%

ลาว / Laos

ยอดขายการให้สินเชื่อ/Sales ▲18%

รายได้/Revenues ▲35%

กำไรสุทธิ/Net Profit ▲6 เท่า/times

เวียดนาม / Vietnam

ยอดขายการให้สินเชื่อ/Sales ▲17%

รายได้/Revenues ▲33%

กำไรสุทธิ/Net Profit ▲4 เท่า/times

ไทย / Thailand

ยอดขายการให้สินเชื่อ/Sales ▲4%

รายได้/Revenues ▲11%

กำไรสุทธิ/Net Profit ▲18%

กัมพูชา / Cambodia

ยอดขายการให้สินเชื่อ/Sales ▲75%

รายได้/Revenues ▲43%

กำไรสุทธิ/Net Profit ▲16 เท่า/times

កម្ពុជា / Cambodia



မာ / Myanmar



ລາວ / Laos

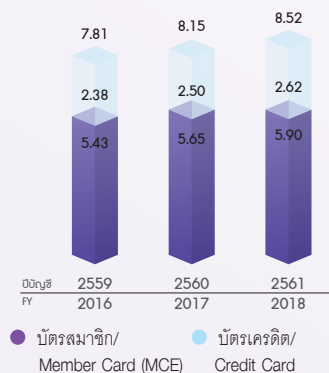


เวียดนาม / Vietnam



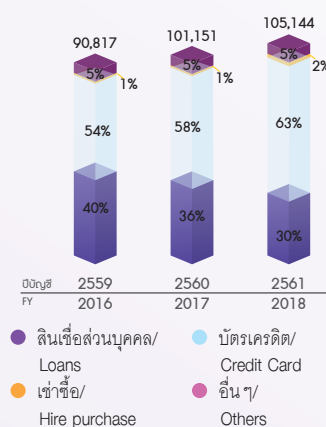
จำนวนบัตร No. of Cards

(ล้านบัตร) / (Million Cards)



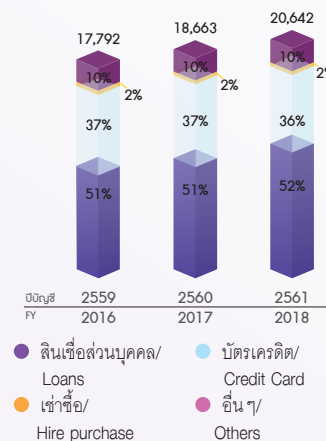
ยอดการให้สินเชื่อ Turnovers

(ล้านบาท) / (Million Baht)



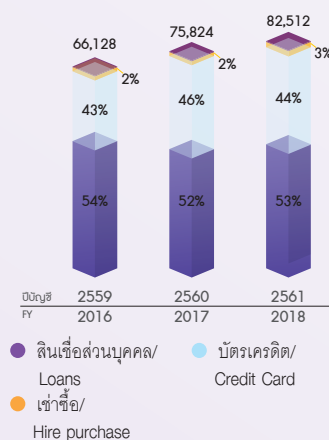
รายได้รวม Total Revenues

(ล้านบาท) / (Million Baht)



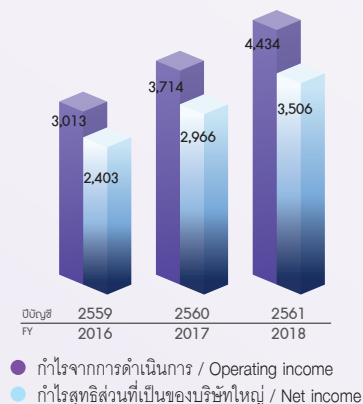
ลูกหนี้การค้า Accounts Receivable

(ล้านบาท) / (Million Baht)



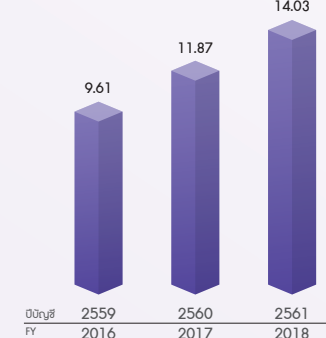
กำไรจากการดำเนินงานและกำไรสุทธิ Operating income & Net income

(ล้านบาท) / (Million Baht)



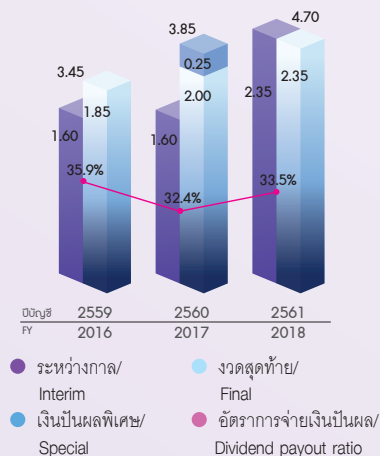
กำไรต่อหุ้น Earnings per share

(บาท) / (Baht)

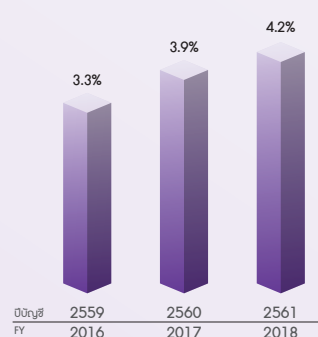


เงินปันผล Dividend

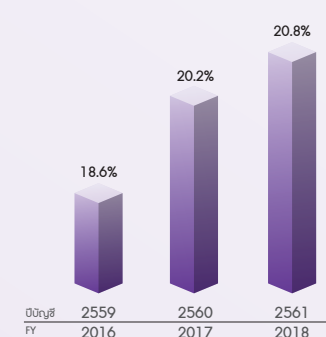
(บาทต่อหุ้น) / (Baht per share)



อัตราผลตอบแทนสินทรัพย์รวม Return on Assets (ROA)



อัตราผลตอบแทนผู้ถือหุ้น Return on Equity (ROE)



จุดเด่นในรอบปีบัญชี 2561 FY2018 HIGHLIGHTS

(สิ้นสุดวันที่ 28 กุมภาพันธ์ 2562)

ฐานลูกค้า / Customer Base			
บัตรเครดิต	2.62 ล้านบัตร	Credit card	2.62 million cards
บัตรสมาชิก	5.90 ล้านบัตร	Member card	5.90 million cards
จำนวนบัตรรวม	8.52 ล้านบัตร	Total card	8.52 million cards

เครือข่ายสาขาและร้านค้า / Member and Branch Networks	
สาขา 104 แห่งทั่วประเทศ	104 branches nationwide
เครื่องเบิกและชำระเงินสดอัตโนมัติ 440 เครื่อง	440 ATMs
ร้านค้ากว่า 4,800 แห่ง	More than 4,800 dealer shops

ปีบัญชี	Fiscal Year	2559/2016	2560/2017	2561/2018
		ณ วันที่ 28 กุมภาพันธ์ 2560	ณ วันที่ 28 กุมภาพันธ์ 2561	ณ วันที่ 28 กุมภาพันธ์ 2562
ฐานะการเงิน (ล้านบาท)	Financial Status (Million Baht)			
สินทรัพย์รวม	Total assets	72,638	80,771	87,121
ลูกหนี้การค้า	Accounts receivable	66,128	75,824	82,512
ค่าเผื่อนี้สงสัยจะสูญ	Allowance for doubtful accounts	2,260	2,416	2,880
หนี้สินรวม	Total liabilities	58,865	64,950	68,733
เงินกู้ยืมและหุ้นกู้	Borrowings and debentures	55,648	59,334	63,658
ส่วนของผู้ถือหุ้นรวม	Total shareholders' equity	13,773	15,822	18,388
ผลการดำเนินงาน (ล้านบาท)	Financial results (Million Baht)	2559/2016	2560/2017	2561/2018
รายได้รวม	Total revenues	17,792	18,663	20,642
ค่าใช้จ่ายในการดำเนินงานและการบริหาร	Operating and administrative expenses	7,360	7,981	8,521
ค่าตอบแทนกรรมการและผู้บริหาร	Directors and managements' remuneration	149	172	182
หนี้สูญและหนี้สงสัยจะสูญ	Bad debts and doubtful accounts	5,117	4,679	5,285
ต้นทุนทางการเงิน	Finance cost	2,110	2,104	2,175
ค่าใช้จ่ายอื่นๆ	Other expenses	32	13	50
กำไรจากการดำเนินงาน	Operating income	3,013	3,714	4,434
กำไรสุทธิ	Net income	2,403	2,966	3,506
ส่วนได้เสียที่ไม่มีอำนาจควบคุม	Non-controlling interest	15	28	60
อัตราส่วนทางการเงิน	Financial Ratios			
มูลค่าตามบัญชีต่อหุ้น (บาท)	Book value per share (Baht)	54.7	62.9	72.2
กำไรต่อหุ้น (บาท)	Net income per share (Baht)	9.61	11.87	14.03
อัตราผลตอบแทนสินทรัพย์รวม	Return on assets	3.3%	3.9%	4.2%
อัตราผลตอบแทนผู้ถือหุ้น	Return on equity	18.6%	20.2%	20.8%
อัตราเงินปันผลจ่ายต่อกำไรสุทธิ	Dividend payment	35.9%	32.4%	33.5%

การดำเนินงานที่สำคัญในรอบปี MILESTONES OVER THE YEAR

พฤษภาคม / May



บริษัทฯ ร่วมมือกับ บริษัท การบินไทย จำกัด (มหาชน) และ บริษัท มาสเตอร์การ์ด (ประเทศไทย) จำกัด ออกบัตร เครดิตอีออน รอยัล ออร์คิด พลัส เวิลด์ มาสเตอร์การ์ด มอบ สิทธิประโยชน์เหนือระดับภายใต้คอนเซ็ปต์ “สู่โลกอิสระของ การเดินทาง” เพื่อตอบโจทย์ลูกค้าระดับพรีเมียม นักธุรกิจ และผู้รักการเดินทางที่มีไลฟ์สไตล์การใช้ชีวิตระดับเวิลด์คลาส

The Company cooperated with Thai Airways International Public Company Limited and Mastercard (Thatiland) Company Limited to launch the AEON Royal Orchid Plus World Mastercard, which offering special privileges under the concept “Enjoy the World of Travelling Freedom”. The AEON Royal Orchid Plus World Mastercard offers an ultimate travelling experience with superior benefits for both business and leisure travelers.

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สิงหาคม / August

บริษัทฯ เริ่มให้บริการออกบัตรด่วน หรือ Instant Card ที่สาขาของบริษัทฯ ทั่วประเทศ สำหรับบัตรสมาชิกอีออน เพื่ออำนวยความสะดวกให้กับลูกค้าสามารถ ใช้บริการเบิกถอนเงินสดและผ่อนชำระสินค้าได้ทันที

The Company launched an instant card service for AEON Member Card at AEON branches nationwide which the customers are able to withdraw cash and installment loans instantly.

AEON Happy Pay พร้อมให้บริการแล้ววันนี้
อีออน แฮปปี้ เพย์

ให้บริการอีออน แฮปปี้ เพย์ พร้อมสินเชื่อและบริการผ่อนชำระสินค้าและบริการ
พร้อมรับสิทธิพิเศษมากมาย*

บริการ	วงเงิน	ดอกเบี้ย
สินเชื่อเงินสด	สูงสุด 5,000 บาท*	0%
สินเชื่อผ่อนชำระ	สูงสุด 500,000 บาท*	0%

พร้อมรับสิทธิพิเศษมากมาย*

บริษัทฯ ได้เปิดตัวบริการ AEON Happy Pay ลูกค้าสามารถใช้วงเงินสินเชื่อในการเบิกถอนเงินสดได้ เต็มวงเงินและรับบริการผ่อนชำระสินค้าและบริการ โดย สามารถเลือกผ่อนชำระได้นานสูงสุดถึง 48 เดือน

The Company launched “AEON Happy Pay”, which the customers are able to withdraw cash up to maximum credit limit or purchase products and services by installment loans up to 48 months.

กันยายน / September

บริษัทฯ ได้ขยายบริการการชำระเงินออนไลน์ผ่าน AEON Thai Mobile Application โดยเพิ่มช่องทางให้ลูกค้าสามารถชำระเงินออนไลน์ได้ทุกธนาคารผ่านบริการพร้อมเพย์ ภายใต้ฟังก์ชัน “Pay Alert”

The Company expanded a new online payment function “Pay Alert” on AEON Thai Mobile Application to allow customers process bill payment under PromptPay service.



ตุลาคม / October

PT. AEON Credit Service Indonesia ได้จดทะเบียนเพิ่มทุนจำนวน 3,340 หุ้น โดยมีราคาตามมูลค่าหุ้นละ 30,000,000 รูเปียห์ อย่างไรก็ตาม บริษัทฯ ได้สละสิทธิในการซื้อหุ้นเพิ่มทุนดังกล่าว ทำให้สัดส่วนในการถือหุ้นของบริษัทลดลงจากเดิมร้อยละ 5.2 เป็นร้อยละ 2.6

PT AEON Credit Service Indonesia registered a capital increase of 3,340 shares. The par value of shares is 30,000,000 rupiahs. However, the Company waived its right to purchase shares of PT AEON Credit Service Indonesia. As a result, the proportion of shareholding of the company decreased from 5.2% to 2.6%.

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พฤศจิกายน / November

บริษัทฯ ได้ร่วมมือกับ บริษัท เจซีบี อินเตอร์เนชั่นแนล (ประเทศไทย) จำกัด เปิดตัวบัตรเครดิตอิออน เจ-พรีเมียร์ แพลทินัม มอบสิทธิประโยชน์ในเรื่องการกินเที่ยว และช้อปปิ้ง ภายใต้คอนเซ็ปต์ “Extreme Japan Experience”

The Company cooperated with JCB International (Thailand) to launch the AEON J-Premier Platinum Credit Card, which offering exclusive privileges in dining, travel and shopping under the concept “Extreme Japan Experience”.



บริษัทฯ เปิดตัวบริการใหม่ กดเงินโดยไม่ต้องใช้บัตรอิออน ยัวร์แคช เพื่ออำนวยความสะดวก และเพิ่มความคล่องตัวในการใช้จ่ายสำหรับลูกค้าที่ใช้บริการสินเชื่อยัวร์แคช วงเงินสดพร้อมใช้ โดยใช้ AEON Thai Mobile Application และสแกน QR Code ที่ตู้เอทีเอ็มของอิออนและธนาคารกสิกรไทยทั่วประเทศ

The Company launched a new service called “Cardless Withdrawal” under AEON Your Cash as an alternative to provide greater convenience and flexibility for AEON customers. AEON customers can withdraw cash via the AEON Thai Mobile Application and scan a QR Code and withdraw cash instantly at AEON ATM and KBank ATM nationwide.



พฤศจิกายน / November

บริษัทฯ เปิดตัวเว็บไซต์ AEON Auto Loan ซึ่งเป็นเว็บไซต์ที่รวบรวมข้อมูลรถยนต์ใช้แล้วโดยบริษัท Goo Inspection จำกัด ผู้ให้บริการตรวจสอบสภาพรถยนต์ชั้นนำในประเทศญี่ปุ่น โดยบริษัทฯ มุ่งมั่นที่จะสร้างประสบการณ์ใหม่ในการค้นหารถยนต์ใช้แล้วอย่างมีคุณภาพให้กับลูกค้า

The Company launched its new website for AEON Auto Loan service, which is a website that provides information on high quality used cars inspected by Goo Inspection Thailand Company Limited, a leading car inspection service provider in Japan.



พฤศจิกายน / November

บริษัทฯ ได้มีการออกและเสนอขายหุ้นกู้ จำนวน 2 ชุด มูลค่ารวม 2,800 ล้านบาท การเสนอขายหุ้นกู้ในครั้งนี้เป็นการเสนอขายในวงจำกัดต่อผู้ลงทุนสถาบัน โดยหุ้นกู้ชุดที่ 1 อายุ 2 ปี ดอกเบี้ยคงที่ที่ร้อยละ 2.96 ต่อปี และหุ้นกู้ชุดที่ 2 อายุ 3 ปี ดอกเบี้ยคงที่ที่ร้อยละ 3.26 ต่อปี เพื่อรองรับการเติบโตและขยายตัวของยอดสินเชื่อที่เพิ่มขึ้น

The Company issued two tranches of debentures for Private Placement to institutional investors and high net-worth investors at the amount of 2,800 million baht comprise; (1) Tranche 1: Debenture term is 2 years and fixed interest rate at 2.96% per annum (2) Tranche 2: Debenture term is 3 years and fixed interest rate at 3.26% per annum, to support new loans expansion.



ธันวาคม / December

ตลาดหลักทรัพย์แห่งประเทศไทย ร่วมแสดงความยินดีกับ บริษัท อีออน ธนสินทรัพย์ (ประเทศไทย) จำกัด (มหาชน) เนื่องในโอกาสที่บริษัทฯ ได้รับคัดเลือกเข้าเป็นหลักทรัพย์ในกลุ่มดัชนี SET100 ซึ่งมีผลตั้งแต่ 1 มกราคม 2562

The Stock Exchange of Thailand congratulated to AEON Thana Sinsap (Thailand) Public Company Limited on the occasion of AEONTS being listed on SET 100 index, effective on January 1, 2019.

สารถึงผู้ถือหุ้น



若林秀樹

นายฮิเดกิ วะกะบายะชิ
ประธานกรรมการ

Mr. Hideki Wakabayashi
Chairman of the Board

ในปี 2561 เศรษฐกิจไทยขยายตัวได้ดี โดยได้รับแรงขับเคลื่อนมาจากการบริโภคและการลงทุนทั้งภาคเอกชนและภาครัฐ การขยายตัวของอุปสงค์ในประเทศตามความเชื่อมั่นของผู้บริโภคปรับตัวดีขึ้น ถึงแม้ว่าภาคการส่งออกจะขยายตัวในอัตราชะลอลง ในครึ่งปีหลัง แต่ภาคการส่งออกและภาคการท่องเที่ยวก็ยังคงเป็นตัวขับเคลื่อนหลักของเศรษฐกิจในประเทศ ส่งผลให้เศรษฐกิจไทยในปี 2561 ขยายตัวร้อยละ 4.1 เพิ่มขึ้นจากปีก่อนที่ร้อยละ 4.0 เช่นเดียวกับผลการดำเนินงานของบริษัทฯ ที่ดีขึ้นอย่างต่อเนื่อง และสามารถทำกำไรสูงสุดเป็นประวัติการณ์อีกปีหนึ่ง

ในปีบัญชี 2561 นี้ บริษัทฯ มีจำนวนบัตรสมาชิกและบัตรเครดิตเพิ่มจาก 8.15 ล้านบัตร เป็น 8.52 ล้านบัตร ณ วันที่ 28 กุมภาพันธ์ 2562 โดยบริษัทฯ มีรายได้ จำนวน 20,642 ล้านบาท เพิ่มขึ้นร้อยละ 11 จากปีก่อน และมีกำไรสุทธิที่ 3,506 ล้านบาท เติบโตร้อยละ 18 จากปีก่อน คิดเป็นกำไรต่อหุ้นที่ 14.03 บาท เป็นผลจากธุรกิจหลักที่เติบโตได้อย่างต่อเนื่องและการเติบโตของหนี้สูญได้รับคืนและลูกหนี้การค้า อีกทั้ง บริษัทฯ สามารถควบคุมค่าใช้จ่ายในการดำเนินงานและคุณภาพสินเชื่อได้เป็นอย่างดี ตลอดจนบริหารต้นทุนทางการเงินได้อย่างมีประสิทธิภาพ โดยการออกหุ้นกู้ใหม่ทดแทนหุ้นกู้เดิมที่ครบกำหนดด้วยดอกเบี้ยที่ต่ำลง อีกทั้ง บริษัทฯ ย่อยในต่างประเทศมีการเติบโตอย่างมากทั้งจำนวนลูกค้าและกำไรสุทธิที่เพิ่มขึ้น ส่งผลให้อัตราผลตอบแทนผู้ถือหุ้นของบริษัทโดยรวมเพิ่มขึ้นอยู่ที่ร้อยละ 20.8 และในปีนี้บริษัทฯ ยังได้รับคัดเลือกให้เข้าเป็นหลักทรัพย์ในกลุ่มดัชนี SET100 อีกด้วย

ท่ามกลางภาวะการแข่งขันในเศรษฐกิจยุคดิจิทัล บริษัทฯ ได้พัฒนาและเพิ่มรูปแบบการทำธุรกรรมบนสมาร์ตโฟน ผ่าน AEON Thai Mobile Application นอกจากลูกค้าออนไลน์จะสามารถเปิดใช้บริการบัตร ตรวจสอบยอดใช้จ่าย รับข่าวสารโปรโมชั่นและชำระเงินออนไลน์ได้แล้วนั้น ในปีที่ผ่านมา บริษัทฯ เปิดตัวบริการใหม่ถอนเงินสดผ่านวงเงินสินเชื่อหมุนเวียน (Your Cash) โดยไม่ต้องใช้บัตรภายใต้บริการ “Cardless Your Cash” เพื่ออำนวยความสะดวกแก่ลูกค้าในการทำรายการผ่าน AEON Thai Mobile Application และสแกน QR Code เพื่อเบิกถอนเงินสดผ่านทางตู้เอทีเอ็มของออนไลน์และธนาคารกสิกรไทย โดยปัจจุบันมีจำนวนลูกค้าดาวโหลด 1.5 ล้านราย และมีจำนวนผู้ใช้บริการกว่า 7 แสนรายต่อเดือน เพิ่มขึ้นกว่า 3 เท่าจากปีก่อน นอกจากนี้ บริษัทฯ มีการปรับเปลี่ยนการให้บริการสินเชื่อผ่อนชำระ (Purpose Loan) เป็นบริการสินเชื่อ AEON Happy Pay โดยลูกค้าสามารถผ่อนสินค้าผ่านวงเงินสินเชื่อหมุนเวียน ณ ร้านค้าตัวแทนออนไลน์ทั่วประเทศ และในส่วนของพัฒนางานภายในองค์กรนั้น บริษัทฯ ได้เริ่มนำระบบ Robotic Process Automation หรือที่เรียกว่า RPA มาใช้แล้วในบางส่วนงาน และมีแผนที่จะพัฒนาระบบดังกล่าวปรับใช้ทั้งองค์กรเพื่อช่วยเพิ่มประสิทธิภาพและควบคุมกระบวนการทำงานภายในให้ดียิ่งขึ้น

Message to Shareholders

In 2018, Thai economy continued to expand, driven by consumption and investment from both private and public sectors, as domestic demands increased in response to growing customer confidence. Even though the growth rate of the export sector slowed down toward the latter half of the year, the export and tourism sectors remained the main driving force of domestic economy. As a result, Thai economy expanded by 4.1% in 2018, rising from 4% in the previous year. The Company's performance, likewise, has constantly improved, setting another year of records for highest profits.

In this fiscal year of 2018, the Company's member cardholders and credit cardholders increased from 8.15 million to 8.52 million. As of February 28, 2019, the Company's revenue was 20,642 million baht, increasing by 11% from the previous year, with net profit of 3,506 million baht, increasing by 18% from the previous year and accounting for earnings per share of 14.03 baht. This was because the Company's core businesses have enjoyed consistent growth as well as growth of income from bad debt recovery and accounts receivable. Moreover, the Company had effective control over the operating expenses and the quality of credits, and efficiently managed its financial cost by issuing new corporate debentures with lower interests to replace the debentures that have reached maturity date. The overseas subsidiaries of the Company have also grown considerably in terms of the number of customers and the net profits, contributing to the increase in returns on equity of 20.8%. In addition, the Company has been listed as one of the SET100 in this year.

Amidst the competitive environments in the era of digital economy, the Company has developed several financial services on smart phones via AEON Thai Mobile Application. Today, AEON customers can activate their cards, check account balance, receive news, notifications, and promotion as well as pay their bills through online platforms. During the last year, the Company has also launched a new service "Cardless Your Cash" to facilitate customers who perform transactions through AEON Thai Mobile Application. The service allows customers to withdraw cash without cards from their revolving credit lines ("Your Cash") by scanning QR Code at ATMs of AEON and Kasikorn Banks. Until now, the application has been downloaded by 1.5 million users, with more than 700,000 monthly users, tripling last year's figure. The Company has adjusted its purpose loans to incorporate AEON Happy Pay service, which allows customers to pay product installments through revolving credit lines at AEON dealers nationwide. As for development of organizational systems, the Company has introduced Robotic Process Automation (RPA) in particular work sectors, with plans to apply it to the entire organization so as to enhance performance and internal work processes.



นายคิโยยาสึ อะซะนุมา
รองประธานกรรมการและกรรมการผู้จัดการ

Mr. Kiyoyasu Asanuma
Vice Chairman of the Board
and Managing Director

บริษัทฯ ยังคงมุ่งเน้นการขยายกลุ่มลูกค้าโดยการจัดทำโปรโมชั่นให้ตอบใจลูกค้าทุกกลุ่ม และออกบัตรใหม่ร่วมกับพันธมิตรทางธุรกิจที่มีศักยภาพ ส่งผลให้ลูกค้าใหม่เพิ่มมากขึ้น โดยในเดือนพฤษภาคม 2561 บริษัทฯ ได้ร่วมมือกับ บริษัท การบินไทย จำกัด (มหาชน) และ บริษัท มาสเตอร์การ์ด (ประเทศไทย) จำกัด ออกบัตรเครดิต อีออน รอยัล ออร์คิต พลัส เวิลด์ มาสเตอร์การ์ด มอบสิทธิประโยชน์ภายใต้คอนเซปต์ “สู่โลกอิสระของการเดินทาง” มอบสิทธิประโยชน์สำหรับลูกค้าระดับพรีเมียม นักธุรกิจ และผู้รักการเดินทาง และในเดือนพฤศจิกายน บริษัทฯ ได้ร่วมมือกับ บริษัท เจซีบี อินเตอร์เนชั่นแนล (ประเทศไทย) จำกัด เปิดตัว บัตรเครดิตอีออน เจ-พีเรียล พลัดทินัม สำหรับกลุ่มลูกค้าที่ชื่นชอบท่องเที่ยวประเทศญี่ปุ่น ด้วยสิทธิประโยชน์มากมาย ภายใต้คอนเซปต์ “Extreme Japan Experience”

สำหรับบริษัทฯ ย่อยทั้งในประเทศและต่างประเทศนั้นเติบโตได้อย่างต่อเนื่อง โดยในปี 2561 ยอดการให้สินเชื่อและจำนวนลูกค้าเพิ่มขึ้นทุกเดือน ซึ่งบริษัทฯ ย่อยทั้ง 5 บริษัทมีสัดส่วนรายได้คิดเป็นร้อยละ 6 ของรายได้รวมของบริษัทฯ โดย AEON Specialized Bank (Cambodia) Plc และ AEON Microfinance (Myanmar) Co., Ltd ได้เปิดสาขาใหม่อีก 2 แห่งเพื่อขยายฐานลูกค้าใหม่ ๆ อีกทั้ง เริ่มให้บริการทางการเงินผ่านทาง Mobile Application เพื่อยกระดับการให้บริการให้สะดวกยิ่งขึ้น โดยขนาดธุรกิจของบริษัทในเครือมีแนวโน้มที่จะเติบโตมากยิ่งขึ้น

แผนการดำเนินงานในปีบัญชี 2562

บริษัทฯ ยังคงมุ่งมั่นที่จะสร้างการเติบโตที่แข็งแกร่งและยั่งยืน ผ่านการให้บริการและนำเสนอผลิตภัณฑ์ที่หลากหลายให้กับลูกค้าทุกกลุ่ม และเพื่อให้เป็นไปตามนโยบายของบริษัท อีออน ไฟแนนเชียล เซอร์วิส จำกัด บริษัทแม่ที่ประเทศญี่ปุ่น ซึ่งมุ่งมั่นที่จะให้ธุรกิจที่อยู่ภายใต้ AEON Group เป็นกลุ่มผู้ให้บริการสินเชื่อรายย่อยอันดับหนึ่งของเอเชียผ่านผลิตภัณฑ์และบริการทางการเงินที่เข้าถึงง่าย สะดวกสบาย และตอบสนองความต้องการของลูกค้า “Easy, Convenient and Good Value” บริษัทฯ ได้กำหนดแผนธุรกิจระยะกลางสำหรับปี 2562 โดยบริษัทฯ มุ่งมั่นที่จะพัฒนานวัตกรรมเทคโนโลยีทางการเงินด้วยการเพิ่มช่องทางต่าง ๆ เพื่อเพิ่มฐานลูกค้าที่หลากหลายและให้ลูกค้าเข้าถึงผลิตภัณฑ์และบริการได้อย่างรวดเร็ว อาทิเช่น พัฒนารูปแบบการใช้งาน AEON Thai Mobile Application ให้มีฟังก์ชันที่หลากหลายและใช้งานง่ายขึ้น และออกบัตร Virtual card เพิ่มความสะดวกสบายในการทำธุรกรรมทางการเงินโดยไม่ต้องพกบัตร, เปิดตัวสาขารูปแบบใหม่ที่พร้อมให้บริการด้วยเครื่องอัตโนมัติสำหรับสังคมยุคดิจิทัล ในปัจจุบัน, มีแผนที่จะออกบัตรใหม่ร่วมกับพันธมิตรทางธุรกิจ และเพิ่มสิทธิประโยชน์ในบัตรให้มากยิ่งขึ้น นอกจากนี้ บริษัทฯ ได้ให้ความสำคัญและสนับสนุนธุรกิจ Start Up โดยให้มีการจัด Open Innovation Contest เพื่อให้องค์กรเปิดรับและแลกเปลี่ยนองค์ความรู้ แนวคิดและประสบการณ์ด้านเทคโนโลยีและนวัตกรรมใหม่ ๆ เพื่อนำมาพัฒนาในองค์กรต่อไป อีกทั้ง บริษัทฯ ได้พัฒนาระบบติดตามหนี้ใหม่เพื่อเพิ่มประสิทธิภาพในงานติดตามหนี้ให้ดียิ่งขึ้น อีกด้วย

นอกเหนือจากการดำเนินธุรกิจให้เติบโตอย่างมั่นคงและยั่งยืนแล้ว บริษัทฯ ยังตระหนักถึงความสำคัญของการดำเนินงานภายใต้การกำกับดูแลกิจการที่ดี และให้ความสำคัญถึงความรับผิดชอบต่อผู้มีส่วนได้เสียทุกฝ่าย เพื่อให้ธุรกิจเติบโตอย่างยั่งยืนในระยะยาว ตลอดจนตระหนักถึงหน้าที่และความรับผิดชอบต่อสังคมสิ่งแวดล้อมเสมอมา ในปีที่ผ่านมามูลนิธิอีออนประเทศไทยได้มีการจัดกิจกรรมอย่างต่อเนื่องทั้งปีรวมทั้งหมด 61 กิจกรรม และ บริษัทฯ มีนโยบายเพื่อป้องกันการมีส่วนเกี่ยวข้องกับการทุจริตคอร์รัปชัน และนโยบายป้องกันการฟอกเงินและการต่อต้านการสนับสนุนทางการเงินแก่การก่อการร้าย โดยได้สื่อสารไปทั้งระดับกรรมการ ผู้บริหารและพนักงาน โดยมุ่งเน้นส่งเสริมคุณธรรม จริยธรรม และความโปร่งใสในการดำเนินธุรกิจภายใต้กรอบจริยธรรมทางธุรกิจของกลุ่มบริษัทฯ

สุดท้ายนี้ บริษัท อีออน ธนสินทรัพย์ (ไทยแลนด์) จำกัด (มหาชน) ขอขอบคุณ ผู้ถือหุ้น ลูกค้า และคู่ค้าทางธุรกิจ ตลอดจนคณะผู้บริหาร และพนักงานที่ให้การสนับสนุนบริษัทฯ ด้วยดีเสมอมา บริษัทฯ ยังคงเดินหน้าขยายธุรกิจเพื่อเป้าหมายที่จะเป็นกลุ่มบริษัทผู้ให้บริการสินเชื่อรายย่อยอันดับหนึ่งของเอเชีย และขอให้มั่นใจว่าบริษัทจะดำเนินธุรกิจตามหลักการกำกับดูแลกิจการที่ดี และตระหนักถึงผู้มีส่วนได้เสียทุกฝ่าย เพื่อเติบโตอย่างยั่งยืนในปีนี้และปีต่อไป

The Company has maintained its focus on expanding customer circles by offering different promotions to every group of customers, and issuing new cards in collaboration with potential business allies. In May 2018, the Company has cooperated with Thai Airways Public Company Limited and Mastercard (Thailand) Company Limited to introduce AEON Royal Orchid Plus World MasterCard, a credit card which will endow holders with privileges under the concept “the infinite freedom of traveling” catering to premium customers, businesspersons, and travelers with world-class lifestyle. In November, the Company has partnered with JCB International (Thailand) Company Limited, announcing AEON J Premier Platinum Credit Card, addressing customers with passion about Japan, offering exclusive privileges with the concept “Extreme Japan Experience”

The Company’s subsidiaries both domestic and overseas have also grown continuously, as the total turnovers and the number of customers increased every month throughout 2018. The five subsidiaries revenues amount to 6% of the Company’s total revenues. During the last year, AEON Specialized Bank (Cambodia) PLC and AEON Microfinance (Myanmar) Company Limited opened two new branches to expand a new customer base, as well as offered financial services via Mobile Application to enhance the quality of services. Regarding future prospects, all the businesses under the Company’s management tend to enjoy further expansion.

Plans for Fiscal Year 2019

The Company will maintain its determination to build stability and sustainability, while offering different products to all types of customers. In accordance with the policies of AEON Financial Service Co., Ltd, the headquarters in Japan, the Company, as a part of the AEON Group, strives to be the leader in retail finance services company in Asia, with numerous financial products and services designed for optimum accessibility, convenience, and suitability to all kinds of lifestyles, as professed in our mission: “Easy, Convenient and Good Value.” As for 2019, the Company has planned middle-term business, aimed at developing financial innovations and technologies in different aspects, to promote the variety of customers and provide quick and easy access to products and services. For instance, the Company has improved the formats of AEON Thai Mobile Application to be more user-friendly and include more functions, issued Virtual Card; a cardless financial service, opened cutting-edge new branches with automated machines in digital society, and plans to issue new credit cards with enhanced privileges in collaboration with business partners. Realizing the importance of start-up businesses, the Company has held Open Innovation Contest to encourage the exchange of knowledge and experiences in the fields of technology and innovations, which will pave the way toward the Company’s further developments. In addition, the Company has developed a new collection system to strengthen workforce capability and improve the efficiency of debt collection.

Apart from stable and sustainable financial growth, the Company recognizes the significance of ethical business operations and responsibilities to the society and environment, putting emphasis on delivering benefits to all stakeholders. Last year, AEON Thailand Foundation has hosted 61 events in contribution to the public. The Company has been upholding Anti-Corruption, Anti-Money Laundering, and Counter Financing of Terrorism policies, while instilling in the staffs of all ranks the importance of work ethics, morals, and transparency of business operations under the ethical guideline of the AEON Group.

Lastly, AEON Thana Sinsap (Thailand) Public Company Limited would like to extend our thankfulness to all shareholders, customers, business partners, as well as executives and employees for the continued support. Working toward our goal of being Asia’s top retail finance provider, we assure you that we will continue operating our business with transparency and good corporate governance to ensure sustainable growth this year and in the years to come.

คณะกรรมการบริษัท



นายฮิเดกิ วะกะบายะชิ
ประธานกรรมการ
Mr. Hideki Wakabayashi
Chairman of the Board



นายคิโยยะชิ อะซะนุมะ¹
รองประธานกรรมการและกรรมการผู้จัดการ
Mr. Kiyoyasu Asanuma
Vice Chairman of the Board and Managing Director



นายมะซะโนริ โคะซะคะ²
กรรมการ (กรรมการบริหาร)
Mr. Masanori Kosaka
Director (Executive Director)



นางสุพร วัฒนเวทิน
กรรมการ (กรรมการบริหาร)
Mrs. Suporn Wattanavekin
Director (Executive Director)



นายบัณฑิต โชติwijิต
กรรมการ (กรรมการบริหาร)
Mr. Nuntawat Chotvijit
Director (Executive Director)



นางสาวสุริพร ธรรมวาทิต
กรรมการ (กรรมการบริหาร)
Ms. Suriporn Thammawatid
Director (Executive Director)

¹ นายคิโยยะชิ อะซะนุมะ ลาออกจากตำแหน่ง รองประธานกรรมการและกรรมการผู้จัดการของบริษัทฯ เมื่อวันที่ 1 มีนาคม 2562
Mr. Kiyoyasu Asanuma resigned from the Vice Chairman of the Board and Managing Director on March 1, 2019.

² คณะกรรมการบริษัทฯ มีมติอนุมัติแต่งตั้งนายมะซะโนริ โคะซะคะ เข้าดำรงตำแหน่งรองประธานกรรมการและรักษาการกรรมการผู้จัดการของบริษัทฯ โดยมีผลวันที่ 1 มีนาคม 2562 เป็นต้นไป

The Board of Director approved the appointment of Mr. Masanori Kosaka as the Vice Chairman of the Board and Acting Managing Director, effective from March 1, 2019 onwards.

Board of Directors



นางสาวกัณณิกา เกื้อศิริกุล
กรรมการ
Ms. Kannika Kursirikul
Director



นายชัชวาลย์ เจียรนวนนท์
กรรมการ
Mr. Chatchaval Jiaravanon
Director



นายณพนธ์ เมืองโคตร
กรรมการอิสระและประธานกรรมการตรวจสอบ
Mr. Noppun Muangkote
Independent Director and Chairman of Audit Committee



ดร. สุจริต คูณธนกุลวงศ์
กรรมการอิสระและกรรมการตรวจสอบ
Dr. Sucharit Koontanakulvong
Independent Director and Audit Committee Member



นายสุนอิจิ โคบายาชิ
กรรมการอิสระและกรรมการตรวจสอบ
Mr. Shunichi Kobayashi
Independent Director and Audit Committee Member



นายเคนจิ ฮะยะชิ
กรรมการอิสระ
Mr. Kenji Hayashi
Independent Director



ดร. มงคล เหล่าวรพงศ์
กรรมการอิสระ
Dr. Mongkon Laoworapong
Independent Director

Policy and Business Overview



Business Policy

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.

Vision

The vision of AEON Financial Service Group toward the year 2025 is to create a financial platform in the economic zone centered on Asia and aim to be a corporate group that enriches the daily lives of customers in the region and to become Asia’s No.1 retail finance services company.

Mission

We have defined our mission to earn customers trust 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.

Goal

The Company aims to provide financial services with greater convenience and satisfaction to our customers and member stores. This will lead to the Company’s becoming a leading retail finance company in Thailand as well as in neighboring countries in the future. Moreover, in order to achieve this goal, the Company plans to expand its customer base and its service network in all areas.

Regarding to its life and non-life insurance businesses, the Company aims 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 aim to provide our customers with the best satisfaction through our standardized and efficient services together with the expansion of our customer base, which will result in our becoming the leading debt collection service business in the future.



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, personal loan, hire purchase 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 52% of total revenues, respectively, while the hire purchase business represented 2% of total revenues.

As of February 28, 2019, the Company has active billing more than 3 million accounts for hire purchase, personal loan, and credit cards (included those which were under securitization) and more than 2 million IDs per month. Meanwhile, the number of issued cards was 8.52 million including 2.62 million credit cards and 5.90 million member cards.

For branch development network, the Company has 104 branches and AEON Lounge total 13 locations to facilitate enhanced convenience for the customer who holds AEON Gold and/or platinum card. In addition, the Company has more than 4,800 active dealers. Also, the Company has 440 ATMs located in Bangkok and provincial areas, including those in other major bank's ATMs and Counter Service through 7-11 nationwide, totaling more than 62,000 cashing channels.





Company	Business	Ownership (%)
Subsidiaries – Domestic		
1. ATS Rabbit Special Purpose Vehicle Company Limited ¹	Special purpose vehicles (SPV)	48.75
2. AEON Insurance Service Thailand Company Limited	Life / Non-life Insurance brokerage services	100.00
3. ACS Servicing (Thailand) Company Limited	Debt Collection services	100.00
Subsidiaries – Overseas		
4. AEON Specialized Bank (Cambodia) PLC (Formerly AEON Microfinance (Cambodia) Private Company Limited) ²	Specialized Bank	50.00
5. AEON Microfinance (Myanmar) Company Limited	Microfinance business in Myanmar	100.00
6. AEON Leasing Service (Lao) Company Limited ³	Leasing business in Laos	100.00
Other Affiliated Companies		
7. AEON (Thailand) Company Limited	Retail Department Store	5.23
8. PT. AEON Credit Service Indonesia Company ⁴	Microfinance business in Indonesia	2.59
9. AEON Credit Service Systems (Philippines) Inc	Information System Service in Philippines	3.33
10. ACS Trading Vietnam Company Limited	Installment service in Vietnam	20.00

Note:

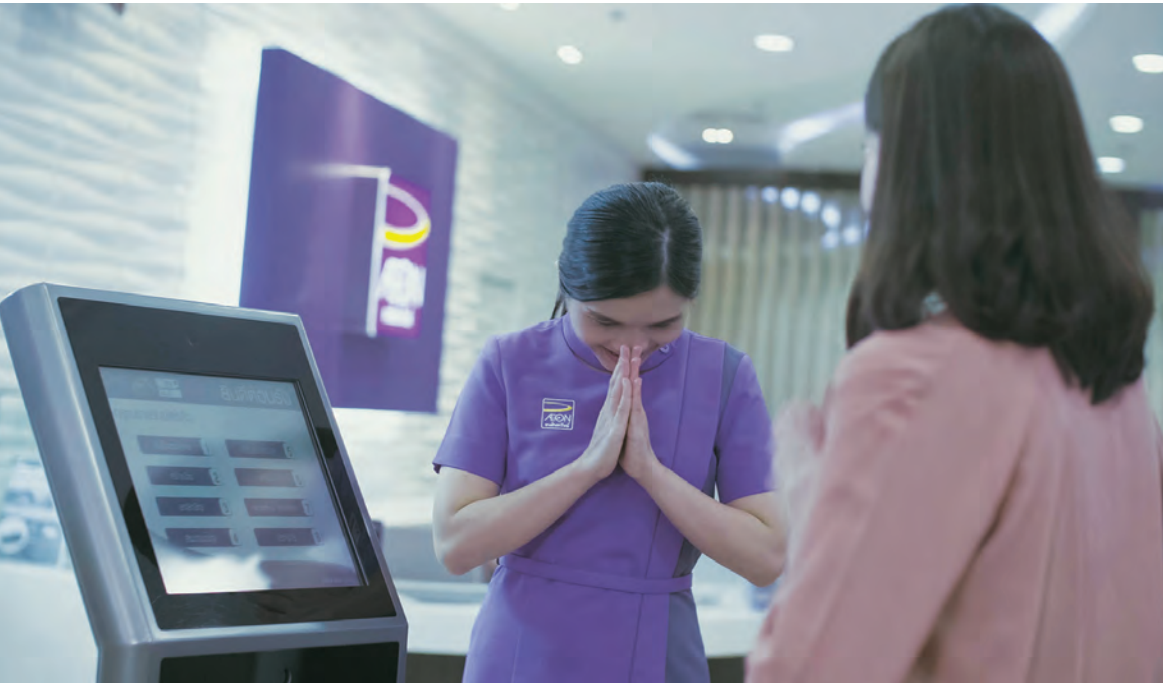
¹ The Company has the power to control over ATS Rabbit Special Purpose Vehicle Company Limited because the Company has power to appoint the board of directors and rights to provide certain service which is significantly impacted by the performance of underlying assets and has rights to get variable return from such company under securitization project.

² The Board of Director has approved to waive the pre-emptive rights to subscribe the additional issuance of AEON Specialized Bank (Cambodia) Plc. After the capital injection, the proportion of shareholding of the Company decreased from 80% to 50%

³ The Company holds shares indirectly through ACS Servicing (Thailand) Company Limited and AEON Insurance Service (Thailand) Company Limited with 3.71% and 3.71% shareholding, respectively.

⁴ The Board of Director has approved to waive the pre-emptive rights to subscribe the additional issuance of PT. AEON Credit Service Indonesia. The portion of shareholding of the company decreased from 5.2% to 2.59%.

Nature of Business



Background

On September 18, 1992, the Company was established by AEON Financial Service Co., Ltd. (formerly AEON Credit Service Co. Ltd.) under the name of the Thai Credit Service Company Limited with an initial registered capital of 1 million baht and a paid-up capital of 250,000 baht. In December 1992, the Company started a hire purchase business by first joining with Japanese department stores operating in Thailand. In October 1994, The Company changed its name again to AEON Thana Sinsap (Thailand) Company Limited.

AEON Financial Service Co. Ltd., (AEON Financial Service), the major shareholder of the Company, was listed in the 1st section on the Tokyo Stock Exchange, which is a holding company. Currently provides financial services including credit cards, personal loans and other services. On April 1, 2019, AEON Financial Service has completed its group restructuring in order to allow its financial service business to be carried out in full scale and with greater efficiency. The transition of new structure through establishment of AFS Corporation, as a bank holding company to separate management of its banking business group and non-banking group. As a result, the 50% investment of AEON Financial Service in AEON Specialized Bank (Cambodia) Plc. will be transferred to AFS Corporation, which holds shares in a group of banking companies under the new structure. The Board of Directors' meeting of the company passed a resolution on March 21, 2019 to approve such share transfer. However, this restructuring will not have any effect on the Company's business operations.

AEON Financial Service has also expanded its business to other Asian countries including Hong Kong, Thailand, Malaysia, Philippines, Indonesia, China, Taiwan, Vietnam, Cambodia, India, Laos and Myanmar.

The financial services business in each region will focus on consumers in that area. Hence, these businesses will have no conflict of interest.

Revenue Structure (Consolidated)

Fiscal Year	2016			2017			2018		
Business	Amount (MB)	%	Growth %	Amount (MB)	%	Growth %	Amount (MB)	%	Growth %
1. Credit Card	6,507	37	4	6,807	37	5	7,490	36	10
2. Loan	9,005	51	2	9,573	51	6	10,723	52	12
3. Hire Purchase	392	2	-9	370	2	-6	431	2	16
4. Commission income	471	3	-1	492	3	5	513	3	4
5. Collection service income	209	1	3	234	1	12	266	1	14
6. Others	1,208	6	-1	1,188	6	-2	1,219	6	3
Total	17,792	100	2	18,663	100	5	20,642	100	11

Notes: - For the fiscal year ended on the end of February of each year.

Nature of each business line

Credit Card

The Company provides two types of services as follows:

(a) Credit Purchase

Customer who uses the Company's credit card to purchase goods or services at merchant that accepts the payment by VISA, MasterCard, and JCB card.

(b) Cash Advance

Besides credit purchase, the Company's credit card member can also makes cash advance at branches or through the Company's cash dispensing machine. As of February 28, 2019, the Company has 440 ATMs located in Bangkok, its vicinity, and provincial area. In addition, AEON credit card holders are able to withdraw cash advance from ATM machines of other banks under the network CIRRUS, PLUS and JCB from both domestic and international ATMs.

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

1. AEON International Card

The Company issues the AEON MasterCard, the AEON VISA Card and the AEON JCB Card co-branded with MasterCard Worldwide, VISA Worldwide and JCB International Company Limited respectively. MasterCard credit cards, VISA credit cards and JCB credit cards can be used at member stores located worldwide. In addition to the Company's cash dispensing machines, cardholders can use the AEON MasterCard, the AEON VISA Card and the AEON JCB Card for cash advances via the CIRRUS and PLUS networks worldwide.

2. International Co- branded Card

The co-branded credit cards which the Company issues with other companies in several businesses are, for example, the AEON Royal Orchid Plus World Mastercard, the AEON Royal Orchid Plus Platinum Card, the Giffarine Card, the AEON Club Thailand Card, the B-Quik Card, the AEON M Gen Visa Card, the AEON J-Premier Platinum Card, the BigC platinum payWave Card, etc.

As at February 28, 2019, AEON Co-branded Cards are as follows:

Card Name	Co-Branded Company	Sector
AEON Royal Orchid plus world Mastercard	Thai Airways International PCL Mastercard (Thailand) Co., Ltd	National Carrier Business Credit Card
AEON Royal Orchid Plus Platinum Card	Thai Airways International PCL	National Carrier
Big C Platinum payWave Card	Big C Supercenter PCL	Retail business
AEON J-Premier Platinum Card	JCB International (Thailand) Co., Ltd	Business Credit Card
AEON M Gen Visa Card	Major Cineplex Group PCL	Cinema and Entertainment
B-Quik VISA Card	B-Quik Co., Ltd	Auto Service provider
Club Thailand VISA/MasterCard/JCB	Atlas Trading and Properties Co, Ltd	Card Servicing business
Giffarine VISA Card	Skyline Unity Co., Ltd	Direct sales cosmetic agents
Tang Hua Seng VISA Card	Tang Hua Seng Department Store Co., Ltd.	Retail Department Store
TDP VISA Card	Thai Department Stores Pool	Retail Department store

The Company has launched “AEON Gold Card” to facilitate several privileges to cardholders and also launched campaign “AEON Happy Plan”, an installment program which helps customers control their spending easily, campaign “365 Days of Happiness of AEON Credit Card” with potential partners such as McDonald’s, Pizza Hut, Hot Pot, MaxValu Supermarket, MaxValu Tanjai, and Major Cineplex Group. AEON card holders get selected Extra Value Meal™ (Medium size) only 79 baht from regular price 145-155 Baht at McDonald’s, Get 2 pans of pizza (size M) with Lover’s Line toppings only 199 baht at Pizza Hut. The Company also offers special movie ticket price for normal and honey moon seat in film system and digital system, special price for enjoying Hot Pot Buffet for 3 persons for the price of 2 (Come 3 pay 2) as well as cash back rewards program and organize an award ceremony etc. Beside, the Company also offers Buy 1 Get 1 Free Movie tickets at Major Cineplex Group theater.

In Fiscal Year 2018, the Company has issued AEON Royal Orchid Plus World Mastercard offering exclusive privileges to the cardholders with the concept “Enjoy the World of Travelling Freedom” that perfectly responds to the needs of customers who enjoy travelling and unlimited lifestyle since it provides the customers access to a host of exclusive benefits and privileges in one card while allowing you to earn reward points from ever purchase with the credit card to redeem Royal Orchid Plus miles faster (Every 15 Baht spent in foreign currency = 1 mile) and redeem for up to 50% discount (cash back) on Thai Airways air tickets. Further, it provides Royal Silk Lounge access at Suvarnabhumi Airport, allowing the customers to relax in comfort.

The Company has issued AEON J-Premier Platinum Credit Card offers the special discount and cash back up to 18% when shopping at AEON Mall in Japan and up to 12% discount at JCB merchants For every spending 20 baht, card member will earn 1 point and every 2 points will earn 1 Mile from Japan Airlines and Thai Airways. Moreover, they can enjoy the JCB lounge over 50 airports in Asia.

Income from credit cards consists of interest, revolving fees, collection fees and other fees e.g. the annual fee, cash advance fees, merchant discount fees from participating stores etc.

Personal Loan

Loans are a form of finance for lending cash to customers. The amount will be approved and made available to them in the form of revolving credit ("Your Cash") through AEON Member Cards. The customers may contact the Company's office to submit an application for personal loans or they can mail their requests together with required credentials to the office. The Company's revenues generated from this service comprise the interest received, the minimum payment fee, the handling fees, and the penalty fees.

The Company also offers AEON Happy Pay service. The customers can buy electrical appliances, gold, home decorative items, office equipment, mobile phones, IT products, etc. and pay for such products by using revolving credit limit through AEON Member Cards. Transactions are processed via EDC (Electronic Data Capture) machines at over 4,800 AEON dealers' shops nationwide. The customers can choose to pay for products or services by installments based on the available balance on their cards without having to wait for approval in the form of loan agreements. Moreover, this service offers more convenience to dealers' shops as they will receive payments on the following day. Our dealers no longer need to prepare billing documents the way they did previously for payment by installments.

The Company changed Personal Loan service at branches and turned loan by agreement into AEON member card issuing together with revolving credit (Your Cash).

As at February 28, 2019, AEON Co-branded for Member Cards are as follows:

Card Name	Co-Branded Company	Sector
AEON Rabbit Member Card	BTS Group Holdings Public Company Limited	Mass Transit Operator
Big C Exclusive Card	Big C Supercenter Public Company Limited	Retail business

Motorcycle Hire Purchase

Hire purchase is a form of finance whereby ownership of the motorcycle is vested in the Company and the Company hires the motorcycle to the borrower for a fixed term 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 motorcycle 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 installments and collection fees. Once the motorcycle is delivered to the customer, the member store will submit the sales slip to the Company and the Company will pay the sales amount to the member store.

Used Car Hire Purchase

Hire purchase is a form of used car finance whereby ownership of the cars is vested in the Company and the Company hires the cars to the borrower for a fixed term which the Company offers, from 24 months to 84 months. On expiry of the term of hire purchase, the Company transfers the ownership of the cars to the borrower. The Company's security derives from the fact that it retains ownership during the period of hire.

Debt Collection Service

ACS Servicing (Thailand) Co., Ltd (ACSS) provides debt collection service in line with Debt Collection Act B.E. 2558, Regulations of the Bank of Thailand, and policy & requirements of clients. The collection service of ACSS includes phone collection, field service, and legal service.

Currently, ACSS has more than 1,000 experienced collection staffs in head office located in Bangkok and 2 collection centers located in Konkean and Hatyai in order to operate debt collection activity to clients. The compensations include collection fee from collected amount and legal fee from legal activities.

ACSS focuses on quality of service by using recording system to all call units, automated notification letter, collection workflow and procedure to ensure each collection activity is complied with our policies and image of clients. Moreover, the company is committed to an information security policy and environmental policy. Our information security policy is complied with a principle of ISMS and ISO27001 whereas our environmental management policy is certified by ISO14001 from Bureau Veritas Certification (Thailand). These policies apply to all operation sites including head office and collection center nationwide.

Insurance Brokerage Services Business

The Insurance brokerage service business is operated by new subsidiary, namely AEON Insurance Service (Thailand) Co. Ltd., which is an amalgamation of two insurance subsidiaries, ACS Insurance Broker (Thailand) Co. Ltd. and ACS Life Insurance Broker (Thailand) Co. Ltd. in March, 2013. There are two main services provided, non-life insurance brokerage services and life insurance brokerage services via telemarketing and face-to-face sales. The Company also provides a consulting service and gives advice to all kinds of customers (individuals and corporate) in both life and non-life insurance including claim services on behalf of the insured with various insurance products, 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 sales and other income such as service income, advertising and marketing support.;

Overseas Business

The Company strongly expanding business towards CLMV (Cambodia, Laos, Myanmar, and Vietnam) countries due to high economic growth rate at 6-8% and majority of the population are working population at the age 20-30 years with high demand for financial services. Therefore, the Company has seen a great opportunities in expansion to the CLMV countries, which is expected to continue growing steadily. In 2018, the overseas businesses have the annual profits and their customers increase every month, detail as follows

(1) Business in Vietnam

Business in Vietnam established in 2008 for conducting retail finance business under ACS Trading Vietnam Co., Ltd. The Company holding 20% of its share, 40% owned by AEON Financial Service Co. Ltd and another 40% by ACS Capital Corporation Limited. They have four branches in Ho Chi Minh City, Hanoi, Danang and Kanto. Currently, ACS Trading Vietnam has more than 250,000 customers. Moreover, AEON Co.,Ltd, a Japanese company has established two large shopping centres in Ho Chi Minh City and one in Hanoi, and has a plan to open two new AEON Malls in 2019, in order to accelerate growth in retail finance business of its affiliates and support economic expansion in Vietnam. In 2018, ACS Trading Vietnam developed their financial service through mobile application and started providing E-invoice to increase customer convenience and reduce the operation cost as well as expand the hire purchase products.

(2) Business in Cambodia

AEON Specialized Bank (Cambodia) Plc. ("ASB Cambodia") established in 2011, which is a specialized bank providing credit card, personal loan, hire purchase, and motorcycle hire purchase. The Company holding 50% of its share and 50% owned by AEON Financial Service Co. Ltd. Currently, ASB Cambodia has eleven branches located in Phnom Penh, Chamkamon, Siemreap, Battambang, AEON Mall Phnom Penh, Kampong Cham, Takeo, Banteay Meanchey, Pochen Tong, Sihanukville and AEON Mall Sen Sok. ASB Cambodia has more than 80,000 customers. Moreover, AEON Co., Ltd. (Japan) also has built two large shopping center (AEON Mall) sizing 70,000 square meters in Phnom Penh, which become a key factor to support our business. In 2015, ASB Cambodia obtained the Specialized Bank License from the National Bank of Cambodia, which was the first specialized bank operated credit card business in Cambodia and started credit card business in 2016, which accounted for 30% of total business operation. In 2018, ASB Cambodia opened two new branches in Phnom Penh and a new lounge in AEON Mall Sen Sok. ASB Cambodia started providing E-wallet service with convenient access to financial services such as QR Code payment, reward point, money transfer between E-wallet members, and online promotion. In addition, ASB Cambodia launched the auto loan business in Phnom Penh. The auto loan sales are gradually increasing every month.

(3) Business in Myanmar

AEON Microfinance (Myanmar) Co., Ltd. starts operating in 2013 with the Company holding 100% of its shares. In 2018, AEON Myanmar opened two new branches at Sakura Tower branch and Yangin branch in Yangon. Currently, there are three branches in Yangon and one branch in Mandalay, the two large cities of trading and logistics hub in Myanmar. Business in Myanmar is growing faster than our expectation due to steadily increasing of both customer base and operating profit. Currently, AEON Myanmar has more than 150,000 customers. Thus, AEON Myanmar plans to expand more branch services and diversify its financial products to reach all customers segmentation. Moreover, AEON Co., Ltd. (Japan) also opened AEON Orange, a large supermarket in Myanmar to attract new customers and has 16 AEON Orange branches in total. AEON Orange is planning to open the new one as hypermarket sizing 30,000 square feet in 2019.

(4) Business in Laos

AEON Leasing Service (Lao) Co., Ltd. has operated hire purchase business since 2013 with the investment capital of 100% from the Company. AEON Leasing Service (Lao) has its first annual profit in 2018, due to continued expansion of sales and customer base. Currently, AEON Leasing Service (Lao) has more than 20,000 customers. AEON Leasing Service (Lao) plans to expand more branch services and business partners as well as launch auto loan business.

Web Business Service

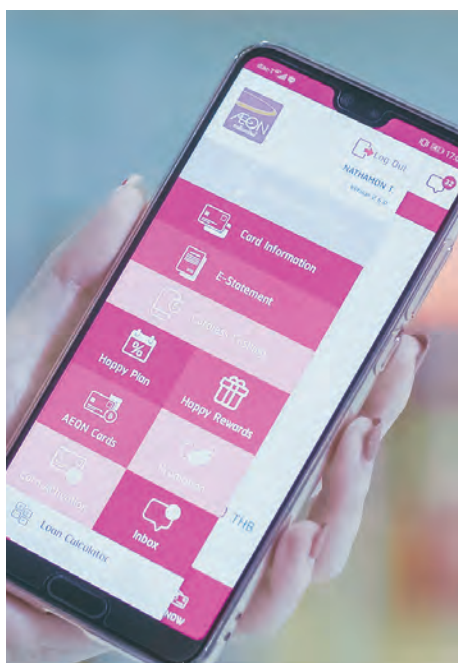
The Company is providing a variety of online services for AEON card customers to fulfill their online activities through the AEON website (www.aeon.co.th). Customers can browse company's information, products & services as well as apply for cards online. We also provide an online payment channel called "Payment Gateway" to support merchants that sell products online.

The Company provides online services for customers through AEON Thai Mobile Application where customers can apply for AEON cards online through the AEON Thai Mobile Application in easy steps:

- (1) Customers visiting the application for the first time will be required to sign up.
- (2) Customers input all the required details in order to make an AEON credit card back to AEON.
- (3) AEON call center contacts the customer in order to obtain information
- (4) AEON officer verifies the document and sends back an Approval message whether or not the details meet the requirement for opening a new credit card
- (5) AEON issues the credit card to the customers and sends it back to their specified address

AEON Thai Mobile Application also provides balance inquiry, payment service (Pay Now), unbilled transaction, Happy plan, statement history from the past 6 months, view outstanding Happy Point balance and redeem for premiums, and news alert.

In 2018, the Company expanded a new online payment function "Pay Alert" on AEON Thai Mobile Application to allow customers process bill payment under prompt pay service and also launch a new service called "Cardless Withdrawal" under AEON Your Cash as an alternative to provide greater convenience and flexibility for AEON customers. AEON customers can withdraw cash via the AEON Thai Mobile Application and scan a QR Code and withdraw cash instantly at AEON ATM and KBank ATM nationwide.



Marketing and Competition

The Company has operated retail finance as a non-bank, which supports customers in terms of financial services diversification. The basic qualifications required for any retail finance customers are to be aged more than 20 years old, to be earning a regular income and in possession of a secure job etc. From the Labour Force Survey in December 2018 by the National Statistical Office of Thailand (NSO) at the Ministry of Information and Communication Technology of Thailand, there were 56.41 million people, aged 15 years and over, and of this number; 38.35 million were in the total labour force or accounted for the 67.98% (37.87 million people who were employed; 0.13 were the seasonally inactive labour force; and 3.49 were unemployed or represented 0.98% of labour force). Compared to the same period last year, the number of employed increased by 2% and unemployed decreased by 4%. Mostly, the employed were in the agricultural sector and the non-agricultural sector at 33% and 67%, respectively.

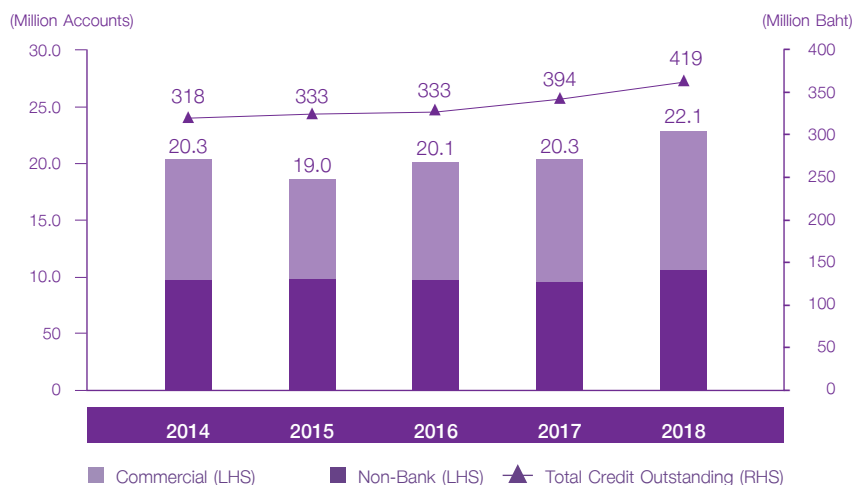
In addition, the NSO Household Socio-economic Survey for the year 2017 from a sample of 52,000 households showed that average total household income was 26,946 baht per month, mainly from economic activities such as wages and salaries. The amount of household debt was 178,994 baht. In 2018, the private consumption expenditure accelerated to 4% from 3.6% in 2017 due partly to restoring consumer confidence level, low inflation rate, together with government stimulus package.

Competitive Conditions

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 number of account credit card from foreign bank branches has been included in a group of commercial bank.

Credit Card Business Overview

At the end of 2018, the total number of credit cards increased by 9% or around 2 million accounts from the previous year, totaling 22.1 million accounts; 11.5 million accounts were from non-banks, increased by 8% y-y and 10.6 million accounts from commercial banks, increased by 10% y-y. Meanwhile, total credit outstanding at the end of 2018 amounted to 418,747 million baht, an increase of 6% from the previous year. This included 165,313 million baht from non-banks, increased by 5% y-y and 253,434 million baht from commercial banks, increased by 7% y-y. The largest portion of the total number of credit cards was mainly from non-banks, representing 52% of the total portfolio. The total credit outstanding from commercial banks was still the largest portion at 61% of the total amount outstanding in 2018.

The credit card business in Thailand will continue to grow steadily, thanks to positive factors from an increase in domestic demand and the recovery of the overall economy, as well as the changing consumer behavior. Online purchasing of products and services has been on the rise, resulting in stronger competition in the credit card business. Most business operators still continue to adopt a proactive marketing approach through various marketing campaigns to respond to customers' spending behavior in daily life and to develop new channels to provide financial services with the use of new technologies and innovations, aiming to offer consumers speedy and convenient access to products and services. Still, the owners of credit card businesses never fail to take quality of credits into consideration in order to avoid the problems of low quality debts.

However, the Bank of Thailand (BOT) revised regulations on credit card by reducing the maximum interest rate from 20%-18% as well as controlling credit line of customer's earning less than 30,000 baht to 1.5 times of the monthly average income and 3 times for those earning from 30,000 baht to less than 50,000 baht, started on September 1, 2017 onwards. The details of which are subject to the BOT's Notification No. SorNorSor. 13/2560.

Credit Card Business Competition

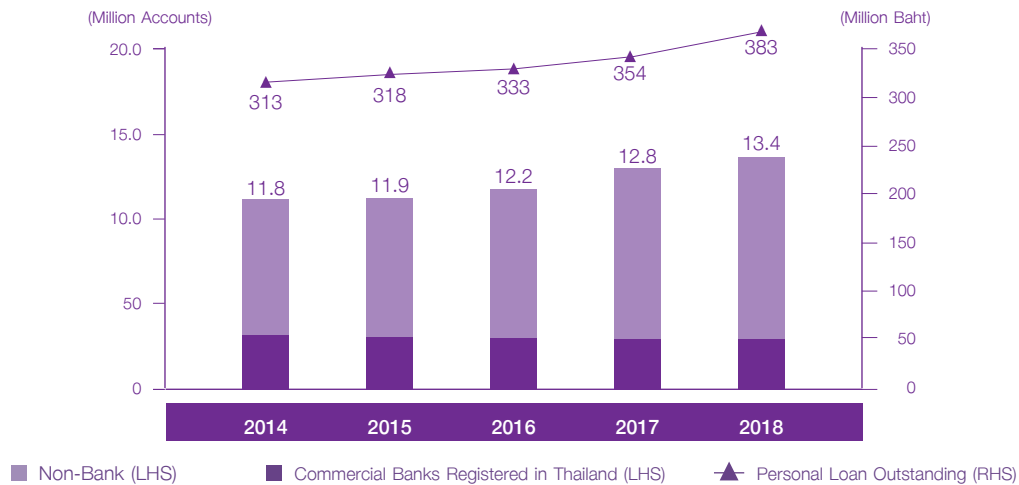
At December 2018, the industry has total credit card of 22.1 million cards, increased 9% from last year, while the Company has total credit card of 2.62 million cards, grew 5% from last year and shared 12% of total industry credit cards number.

At the end of fiscal year 2018, the Company's credit card outstanding was 36,623 million baht, shared 9% of the industry, increasing from 34,588 million baht or 6% from fiscal year 2017 which is the same level of credit card industry. Represents our competitiveness to continuously penetrate and expand the customer base by launching promotion campaigns to synergize with the customers' life style.

Personal Loan

The major competitors are commercial banks and non-banks

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 personal loan outstanding includes only the principal (less deferred revenue) at the end of month.
- Since December 2015, some non-banks companies had connected the data to follow BOT definition.
- From 2016 onwards, some non-banks separated a debt write-off which resulted in a decrease of total loan outstanding overdue more than 3 months.

Personal Loan Business Overview

In 2018, the personal loan accounts increased of 5% from 12.7 million accounts in previous year to 13.4 million accounts; 2.5 million accounts were from commercial banks registered in Thailand, increased by 4% y-y and 10.9 million accounts were from non-banks sector, increased by 5% y-y. In addition, personal loan outstanding at the end of 2018 expanded by 8% from the end of the previous year to 383,278 million baht, which can be attributed to commercial banks registered in Thailand constantly at the amount of 166,917 million baht, increased by 7% y-y and non-banks in the amount of 216,361 million baht, or an increase of 8% y-y. The largest portion of personal loan account and outstanding was mainly from non-banks, representing 81% and 56% of the total portfolio, respectively.

The personal loan business continues to show a steady growing trend as a result of the target group expansion of service providers and the consumers' increasing demand for personal loans. Marketing campaigns and proactive product presentations via online and digital channels are a significant increase. Both commercial banks and non-banks have placed more emphasis on personal loans because this is a big market. They are competing in terms of products, prices, development of service provision channels, and customer out-reach in order to increase market share. However, financial institutions still maintain their rigorous customer screening and Bank of Thailand revised regulations for conducting credit card and personal loan under supervision and became effective since September 1, 2017.

Personal Loan Business Competition

At December 2018, the personal loan industry reported the total number of accounts of personal loan under supervision amounted to 13.4 million accounts, 5% more than last year, while the Company has total personal loan account of 2 million accounts and shared 15% of total personal loan industry.

At the end of fiscal year 2018, the Company has personal loan outstanding of 43,590 million baht, increased from 39,797 million baht or 10% from the previous year. The loan growth is higher than industry of 8% and shared 11% of the personal loan industry, due to reviewing credit line for customer to be in line with their income.

Hire Purchase

Car and Motorcycle Hire Purchase business is a form of financial service which is not subject to the supervision of the Bank of Thailand as are banks and finance companies. Currently, the Company focuses on motorcycle hire purchase which the target customers are people of low to medium income level and with uses motorcycle as their principal vehicle. The popular brands are mainly Honda, Yamaha, Suzuki and Kawasaki.

According to the statistics from the Department of Land Transportation, the number of newly registered motorcycles in 2018 were 1,788,459 decreased 1.2% from 1,810,856 in the previous year.

In 2019, the motorcycle market is expected to continue to slow down due to more than 70% of motorcycle customers are in province area and low prices of agricultural commodities which affect consumers' purchasing power. Still, competitive pricing among business operators will go on. New models will be launched and the big-bike market, which so far has enjoyed a steady growth, will be expanded.

Used Car Hire Purchase

Used Car Hire Purchase business is a form of financial service which is not subject to the supervision of the Bank of Thailand. Currently, the Company mainly focuses on used car hire purchase which the target customers being people of a medium income level and with a car as their principal vehicle.

From the first-car scheme by Thai government in 2011, the customer who bought a vehicle under the scheme in 2011 has no right to sell or transfer ownership for 5 years. The majority of the automobiles distributed under the scheme were sold in 2011-2012 and the scheme ended in 2017-2018. So, it is anticipated that consumers who have decided to change vehicles will do from 2017 onward. The used car in Thailand is popular due to the price is cheaper than new car. As a result, used car market in 2018 grew 5% from previous year. However, the market trend on used car will accelerate by 5-7% in 2019, because new excise tax on car will push up the new car price higher. This will be the right time for hire purchase operator to focus on used car hire purchase sector.

Debt Collection Service Business

Debt collection business is highly competitive both from large collection company and local collection company. However, ACS Servicing can make the difference in terms of quality of service, expertized collector, coverage of collection center in strategic location, and image of clients which all of them are key factor for clients to select outsource collection partner. Moreover, ACS Servicing also has economic of scale from in number of clients in collection service.

Insurance Brokerage Services Business

Non-Life Insurance is projected to grow continuously. The inconstant situations, natural disaster including current economy situation have boosted demand for non-life insurance. Life insurance also continues growth due to higher demand from increased incomes resulting from the government's policy to boost incomes by raising the salaries of government staff and the daily minimum wage. Moreover, life insurance premiums are also deductible from personal income tax. Therefore, the potential customer base is expanding and demand for insurance is increasing as well. The Company has also adopted a strategy of selling through agents and telemarketing, which is in line with the top distribution channels. In addition, the Company has placed important and emphasized on technology which would be increased sales efficiency and effectiveness in order to comply with current situation and the AEC which has already been started. In the part of corporate sales, the Company has earned the trust from many well-known companies including government organization. Moreover, the Company also provides consulting services including claim services too.

Overseas Business

The Company has focused on expanding business overseas, especially to neighbor countries in ASEAN e.g Cambodia, Myanmar and Laos which recently opened for foreign business investment. These countries still lead with highest economic growth rate and high demand for financial services while many people are currently not able to reach those services. Our major competitors are both local and foreign Hire Purchase companies providing financial services for purchasing motorcycle, electrical appliances, mobile phone and personal loan.

Web Business Service

Nowadays, the number of internet users using online services is growing rapidly. As a result, many business sectors have started to focus on online service channel development for their customers on both PC and Smartphone platforms. The development of Smartphone applications has also become a popular trend, where customers can conveniently download and install applications for 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 editors. In addition, there is an online payment service where 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 are focusing 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 the online e-commerce market.

Strategies

The Company's competitive strategies consist of:

1. Utilization of Customers' databases

The Company has established a customer database which classifies their characteristics such as age, gender, occupation etc. The Company uses this information in developing and preparing marketing plans to provide beneficial services and information to increase customer satisfaction.

2. 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 a cash advance and cash revolving card service through our ATMs and offers personal loans. 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.

3. Variety of Products

Increasing the range of new products or services is aimed at maximizing its ability to meet customer needs. The Company's credit card offers 3 credit limit functions within one card, by 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.

4. Expansion of Member Stores

When increasing 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 store expansion for credit cards, the Company has issued more international credit cards for the worldwide network spending.

5. Centralization and Nationwide Networks

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

Distribution Channel

The distribution channels of the Company consist of,

1. Credit Cards' Recruitment Campaign

The company launches a daily campaign to recruit the customers at several populous areas such as office complexes, shopping centres and department stores. In addition, the company sets up Take-One-Boxes at commercial complexes and member stores for the distribution of the credit card application forms that can be returned by mail and at AEON Spot. Furthermore, Customers are able to apply for credit cards on the website.

2. Member Stores and Merchants

The Company has 4,851 member stores for hire purchase services. In addition, the Company's international cardholders can use their credit cards at MasterCard, VISA, and JCB merchants and member stores worldwide.

3. Service Network

As of February 28, 2019, the Company has provided refined services at 104 branches; 32 branches in Bangkok and 72 branches in the provinces, with more than 5,000 EDC machines installed in several department stores and member dealers for enhancing the speedy processing of hire purchase transactions. In addition, the Company has located 440 ATMs in Bangkok and provincial area.

4. Advertising

The Company has the policy to advertise its service including hire purchase, credit cards and personal loans through several promotional tools such as posters, leaflets and pocket-tissues and also by media such as newspaper, radio spots, TV commercials, the Bangkok Mass Transit System (BTS), the Mass Rapid Transit (MRT), and billboards etc. The Company also advertises its services via the Internet and AEON Thai Mobile Application.

5. Promotional Activities

The Company regularly arranges promotional campaigns through its own activities and also joins with manufacturing companies or member stores. When exhibitions have been organized the Company cooperates with them by setting up Company counters to receive application forms from the customers.

Credit Limit Approval

The Company has a credit process which covers credit policy, policy disclosure to the operations 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

Regarding to pre-write off account receivable managed under the team which consists of management and staff for totally 2,000 people, the key component in operating financial service business is debt management that has effective procedure and system in order to manage the debt which can be categorized into 3 main functions as follows:

1. Technology

The Company has implemented one of the most advanced technologies to manage its customer database in relation to payment behavior and grouping data by collection ageing. All customers profiles are available on-line so all collection staff can directly access the database through his/her own computer terminal. In addition, the system enables the management to monitor the collection performance of each staff and each branch all over the country.

2. Monitoring and Managing

The Company has the philosophy of close monitoring and managing the debt. It examines the collection performance on a daily basis. All databases of collection performance are centralized in each regional center and at the head office. This information is examined and evaluated by the management who is ready to make decisions, support and act to improve and solve problems of collection. In addition, five centralized centers ensure business continuity, operations and performance and act as backup recovery sites among other things.

3. Collection Procedure

The Company has several collection methods. When a debtor starts being default, the collection staffs separated by type of loan and delinquent status, will promptly perform their job. The Company has a large customer base and the number of customers is increasing, therefore, account receivable grouping and number of customers must be related to the number of collection staff in order to ensure that the debt management is efficiently and promptly executed. The principal way is to make phone calls to the debtor. After each call, the collection staff will immediately record information both can contact and cannot contact to customers. The collection staff will be continuously contacting the debtor via telephone as long as he/she can make the contact and will negotiate with the debtor to repay some debt to the Company. If the staff is unable to contact the debtor or the debtor tries to avoid having conversation with the staff or the debtor changes his/ her residence or resigns from their work without notifying the Company, whether or not any of such action has been done purposely, the Company will send the short message and voice message via debtor's mobile telephone or send a survey staff to investigate or check more information of the debtor.

In addition, the Company's collection procedure is carefully implemented under Debt Collection Act, B.E. 2558 (2015), which were enforced on September 2nd, 2015. The company has cooperated with Bank of Thailand reduced collection fee to 100 baht since January 2016 onward. Nevertheless, such change in collection fee is not significant impact of the Company.

Customers' payment

The customer's statements is calculated by the Company on monthly basis which specified the due date on 2nd of each month and customer needs to make payment before the 2nd of the following month. Customer can pay the principle, interest or any fees in many ways such as pay cash at Company ATMs, pay thru AEON Thai Mobile application, pay at the commercial bank counters, Counter Services, mPAY stations, True Partner, Tesco Lotus , Big C or Pay at Post; more than 20,000 counters nationwide. In addition, the payment can be made by post-dated cheque or by bank account auto-payment. Currently, AEON Thai Mobile application has been downloaded by 1.5 million users, with more than 700,000 monthly users, grew 3 times form last year.

For any installment loan for goods or service thru member card (AEON Happy Pay), the customer has to pay a monthly installment and the installment period varies from 3 to 48 months depending on the value of the purchased goods or services. The average installment period is approximately 12 months. In case of monthly installments for Motorcycle hire purchase is from 6 to 48 months and for personal loans or credit card loans, customer may either pay the full balance at once or make a partial payment, the amount of which will be at least equivalent to the minimum amount fixed by the Company and in line with BOT regulations.

Policy for Allowance of Doubtful Accounts

The allowance for doubtful accounts on accounts receivable have been calculated based on a collective approach by classifying a group of loans having similar credit risk characteristics based on the historical loss experience of each loan category, which the Company's allowance for doubtful accounts shall not be less than allowance for doubtful accounts fully provided for all receivables over 3 installments contractually past due, in order to comply with the notification of the Office of the Securities and Exchange Commission (the "SEC"). (See Note 3.3 and 5.4 in the Company Financial Statements).



Risk Factor

The Company realizes that there are various risk factors that can affect the Company's business operations. The Company has accordingly established a risk management policy as well as enhanced methodologies and tools employed for quantifying risks to ensure risk management is effective and efficient and the availability of support relevant to risks that may occur in the future. The risk factors that may occur and affect the Company's performance are described below:

1. Interest rate fluctuation 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 to the Financial Statement 18 and 20. The subsidiaries did not have interest rate fluctuation risk as all of the loans carry fixed rates.

2. Foreign Exchange rate risk

As of February 28, 2019, the Company has overdraft and short-term loans in the amount of USD 35 million or the equivalent of 1,142 million baht and LAK 82,600 million or the equivalent of 315 million baht and MMK 45,408 million or the equivalent of 954 million baht, current portions of long-term loans and debentures in the amount of JPY 7,200 million or the equivalent of 2,071 million baht and USD 129 million or the equivalent of 4,085 million baht, long-term loans and debentures in the amount JPY 29,742 million or the equivalent of 8,555 million baht and USD 640 million or the equivalent of 20,250 million baht.

In order to hedge against its exposure to foreign exchange rate risks, the Company has entered into Cross Currency Swap contracts for all long-term foreign currency loans and the current portion of long term loan totals. (Details are disclosed in Notes to the Financial Statements No. 18 and 20). The Company does not and will not enter into such contracts for trading or speculative purposes at present or in the future.

3. Working capital insufficiency risk

The Company extends credit to customers by lending borrowed funds. As of February 28, 2019, the Company's net accounts receivable in the amount of 79,632 million baht and its working capital was raised by borrowing and issuing debentures in the amount of 63,658 million baht.

The Company is aware of the risk that may arise from depending on any major source of funds. The Company, therefore, has diversified its sources of funds by borrowing from or establishing credit facilities at 16 banks including 4 foreign bank's branches and 8 local banks and 4 foreign banks. During this past period, the Company has not relied on any creditor's fund for more than 30% of the total loans. The Company has also raised funds via direct financing such as by issuing debentures and entering into contracts with financial institutions for a committed revolving Credit Facility Agreements of 3,000 million baht. The Company also has a policy of consistently keeping sufficient funds in place in order to increase what is receivable by sales expansion. Thus, the Company plans to considerably diversify its financing by issuing straight bonds and securitization.

The Company has raised funds through securitization by establishing a Special Purpose Vehicle Company (SPV) under Securitization Law. The Company holds 48.75% of the each SPV's share capital and the SPVs issued debentures, which have been backed by the credit card receivables and loan receivables of the Company that sold the SPVs.

4. Credit Risk

Credit risk is the potential for loss due to the failure of counterparty to meet its obligations to pay the Company in accordance with agreed terms. This results from risk factors arising from the current economic conditions.

- World economic slowdown directly affecting the customer's ability to repay the loan.
- The discontinuation of employment in some areas, temporary ceasing of operations in some industries and wage reduction, which directly affect the debt repayment ability of customers.
- Natural disasters i.e. flood, drought, etc. that affect the customer's ability to repay a loan.

This risk is managed through a framework that sets out policies and procedure. The Company defines the strategy and goals of lending and strategic risk as a whole, such the policy and strategy had been revised timely e.g. Adjusted strengthen Personal Loan payment ratio for the good preparation during economic slowdown. Such policy had been cascade to all relevant staff regularly.

The Company has many tools to manage credit risk such as credit scoring which include geographies and industries etc., setting credit criteria, performing credit reviews, and also layering authority for credit approval. Credit origination function and the credit approval functions are clearly segregated to enhance internal control in order to mitigate credit risk.

5. Fraudulent Risk

The Company realizes the risk from false statement provided by credit applicants or contracted members' stores to let them exploit cash, product or services resulting in damage to the Company's revenue caused by credit loss. The Company considers that verification via the credit approval process including data screening with in-house databases, external information (telephone directory with CD-ROM for confirmation by telephone), and any further document concern. The Company will send independent unit to inspect and collect additional evidence as appropriate.

The Company is facing potential risk from fraudulent acts by a credit officer who intentionally misjudges or approves a credit line without compliance with the Company's credit approval criteria and this can bring credit loss that may effect to the Company's revenue. To hedge against those risks, Quality Control Division randomly rechecks and reviews credit applications, on the basis of whether the approval was granted appropriately. In addition, Credit Control Department regularly analyses credit quality of delinquent customer. Lessons learned reviews and root cause analyses from external and internal fraud events are used to improve credit criteria, processes and controls.

6. Operational Risk

Operational risk refers to the risk of loss arising from inadequate or failed internal processes, people and systems (Information Technology) or event due to external factors includes legal risk but excludes strategic risk and reputation risk. This risk arises from normal course of business activities. However, the Company's Department Operation Manual clearly identified each work flow process so the employees understand the process and can operate effectively. The Company has also established policy framework for operational risk management in order to maintain a low probability of an unexpected loss event. Risk Management Committee receives regular reports on risk concern and conducts 'deep dive' review on risk information reporting of prudential risks.

The Company established many tools that support the coordination of operational risk activities to identify, monitor, manage and report risk issue which included the respective units to perform Risk Control Self Assessments (RCSA) to identify operational risk of each core operational processing. The assessment identifies inherent risk to current operating process and evaluates effectiveness of existing control. The results are presented to business units committees and relevant senior committees for agreement and setting of action plans to mitigate or eliminate the risk where the exposure is deemed unacceptable and ensure residual risk is at acceptable level. The analyses and result will be used as part of Key Risk Indicators (KRI) to monitor risk event.

Operational Risk Matrix had been established as guideline to assess and assign risk rating to each operational incident. Incident report is to consolidate all damage events both financial and non-financial loss including other damage or unusual events. The company will use that information for either process improvement or established additional control to minimize risk or loss due to operational risk event.

Moreover as part of risk mitigation process, the Company had Business Continuity Plan (BCP) to ensure continuity of key activities during a crisis event, should any emergency event occurred such as offenses and disasters the Company will provide constantly service to customer or minimize operating disruption period to acceptable duration. The plan has been annually revised by all departments, Regeneration system and key company's operating process also annually rehearsed to ensure the Company can efficiently perform normal operation in all crises.

7. Lost or leakage information risk

The Company realized that operation relies on huge confidential information which include customer information hence the Company is more concern on protecting information leakage such those information must be store in secure place and disclose to only authorize person as appropriate to their responsibility. Inappropriate access might cause significant adverse effects to the Company. The Company has determined authorized person to access the information as appropriate to their position and responsibility. User & password and access ID being use to identify a person. In 2015, the Company implemented "Finger Vein Scanner" as a method of biometric authentication that uses pattern-recognition techniques based on human finger vein patterns beneath the skin's surface to identify individuals and verify their identity to protect unauthorized information access. So the Company can reduce the risk and likelihood of information leakage.

The Company relies on computer networks to store huge database of information including customer confidential information, should any unstable or incident occur to the network may also cause significant adverse effects to the Company reputation and operation. In order to minimize and eliminate negative opportunity of information leakage, data loss, shortage of data storage also host computer system failure, the Company had modified existing applications into the computer network so called "THIN CLIENT NETWORK" to share necessary information and applications. Furthermore, The Company also provides confidential data backup by backing up with tape recordings (Magnetic Tape), for which it has determined the period of recording as appropriate in enhancing the security of the data. The Company has delivered the tapes outside the Company to be stored in a secure place according to international standards.

In addition, the Company has also implemented Information Security Management System (ISMS) to all operational centres (Chiang Mai, Khon Kaen, Hat Yai and Sriracha) including Bangkok and all branches. In 2015, all centres and branches were certified ISO 27001:2013 and that create more confidence on efficient protection from information leakage and ensure the adequate security controls protect the information assets of the Company and give the assurance at satisfaction level of knowing that the Company is protecting all information with controls which are the best practice and are commonly used by world class organizations.

8 Risk of Non-Compliance from the Government's Control

The Ministry of Finance has issued a notification on Permission to Operate Credit Cards under Section of the Announcement of National Executive Council No. 58 that delegates authority to the Bank of Thailand to control the credit card business. In this regard, the Bank of Thailand also issues BOT notifications with regard to the requirements and criteria in operating such a business as well as determining interest rates and fees chargeable to customers, the qualifications of credit cardholders and personal loan customers. The Company is authorized to operate a credit card business and personal loans 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 notifications regarding the requirements and criteria in operating such businesses.

The Anti-Money Laundering Office has defined various measures to prevent and suppress money laundering that includes 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 has therefore enacted the Anti-Money Laundering Act (No. 5) B.E. 2558 (2015) The Counter Terrorism Financing Act (No. 2) B.E. 2558 (2015) Ordinance of the Anti-Money Laundering for Financial Institution and non-financial institution following juristic persons 16(1) and 16(2) Anti-Money Laundering Act (No 3) including Ministerial Regulation prescribing rules and procedures for customers' due diligence B.E. 2556 enforceable in financial institutions and professions who are non-financial institutions as prescribed in Section 16 of the Anti-Money Laundering Act (No. 3). The Company, as one of the professions under Section 16 (9) has established a policy and procedure of anti-money laundering and combating the financing of terrorism and announced it for internal enforcement. It regulates rules and procedures for customer identification, customer due diligence, risk assessment and management and suspicious transaction reports as required by law.

The Office of The Consumer Protection Board has issued the Announcement of the Committee on Contracts and that the credit card business is to be a controlled business with respect to contracts B.E. 2556 (2013) (as amended). This notification stipulates procedures and conditions for execution contracts between companies as business operators and consumers having essence, for instance, that a contract shall contain Thai language which is clear, visible and readable; a text size no smaller than 2 millimeters containing no more than 11 letters in one inch; change of credit card conditions, interest rates, penalty rates, fees, service fees including procedures in using the credit card or any provision regarding the 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 posted in daily newspapers not less than 7 days prior to the effective date and, if by mean of posting in a newspaper, followed by the written notification of change, etc.

The Company has strictly adhered to respective laws, notifications and regulations. All process and procedure had been timely updated and enforce in honestly comply with such regulations. Corporate Compliance Department regularly performs independent review should any incompliance directly reported to Compliance Committee also Risk Management Committee with lesson learn and corrective action. None of breaching notified in 2017.

9. Risk from natural disaster

To ensure that the company can provide continuity of key activities, constantly service to customer and minimize operating disruption period during natural disaster. The Company has a back-up plan to transfer some key operations such as collection, credit approval and customer service from the Bangkok Centre to Upcountry Centres. In addition, company's property insurance against natural disaster had covered all assets in both Head Office and branch in nationwide to insure all these unforeseen risks.

10. 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 456 million baht non-recourse loan receivables to the ATS Rabbit Special Purpose Vehicle Company Limited (ATS Rabbit) on October 29, 2015. The Special Purpose Vehicle Companies 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) and under the securitization plan which was approved by the Office of the Securities and Exchange Commission.

The Company has the 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 ATS Rabbit Special Purpose Vehicle Company Limited, this non-exercise of failure shall constitute a trigger event. This situation will not occur as long as the Company has performed good debt management. (For details of agreements relating to securitization transaction see Note to Financial Statements No.36.2)

11. 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 the equivalent to 63.12% of paid-up capital. This has resulted in the fact that the major shareholder can control almost all shareholders' resolutions which require more than 50% of the votes except for the agenda stipulated by the 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 assemble their voting rights in order to provide a check and balance to 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 holds a monthly risk management meeting and department meeting which the executive directors and related executive management join to consider how to improve strategy and reach targets. In addition, the Company has monitored risks by assessing other risk factors that might affect 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 28, 2019

	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.	14,708,643	5.88
5	Mr. Chatchaval Jiaravanon	14,700,000	5.88
6	Mr. Sataporn Ngamruengpong	4,297,500	1.72
7	Aberdeen Long Term Equity Fund	3,344,000	1.34
8	Aberdeen Standard Growth Fund	3,325,400	1.33
9	BNP Paribas Securities Services Luxembourg	2,821,000	1.13
10	SE ASIA (TYPE B) NOMINEES LLC	2,759,200	1.10

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

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 is paid out as an interim dividend, which will be distributed from the first half year operating results and the second dividend payment is paid out as an annual dividend, which will be distributed from the operating results of the second half year.

For the fiscal year 2018, the Board of Directors' Meeting on October 5, 2018, resolved to pay interim dividend payment at 2.35 baht per share and paid the dividend to shareholders on November 1, 2018. In addition, the Board of Directors' meeting approved the final dividend payment for the fiscal year ended February 28, 2019, at the rate of 2.35 baht per share, which will be paid after being approved from AGM on June 21, 2019. The total dividend for the fiscal year 2018 will be 4.70 baht per share or 33.51% payout ratio, totally 1,175 million baht. The Company has set the record date on May 14, 2019, to determine the shareholders entitled to receive dividends.

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

	(Baht per share)	
	FY2017	FY2018
Interim Dividend	1.60	2.35
Final Dividend	2.00	2.35
Special Dividend	0.25	-
Total	3.85	4.70
Payout ratio	32.45%	33.51%

Management Structure

Management structure is comprised of the Board of Directors and Sub-Committee. The Company has four Sub-committees; Audit Committee, Risk Management Committee, Corporate Compliance Committee and Executive Committee as follows:

The Board of Directors of the Company

The Board of Directors comprises 13 directors; 5 independent directors; 3 non-executive directors; and 5 executive directors. The details of each director are listed below:

	Name	Position
1.	Mr. Hideki Wakabayashi	Chairman of the Board of Directors
2.	Mr. Kiyoyasu Asanuma	Vice Chairman of the Board and Managing Director (Executive director)
3.	Mrs. Suporn Wattanavekin	Director (Executive director)
4.	Mr. Nuntawat Chotvijit	Director (Executive director)
5.	Mr. Masanori Kosaka	Director (Executive director)
6.	Ms. Suriporn Thammawatid ¹	Director (Executive director)
7.	Ms. Kannika Kursirikul	Director
8.	Mr. Chatchaval Jiaravanon	Director
9.	Mr. Noppun Muangkote	Independent Director and Chairman of Audit Committee
10.	Dr. Sucharit Koontanakulvong	Independent Director and Audit Committee Member
11.	Mr. Shunichi Kobayashi ²	Independent Director and Audit Committee Member
12.	Mr. Kenji Hayashi	Independent Director
13.	Dr. Mongkon Laoworapong ³	Independent Director

Note : ¹ Ms. Suriporn Thammawatid was appointed to be Director of the Company on June 22, 2018.

² Mr. Shunichi Kobayashi was appointed to be the Audit Committee Member on May 25, 2018

³ Dr. Mongkon Laoworapong was appointed to be the Independent Director of the Company on June 22, 2018.

Authorized Signatory Directors

The authorized signatory of the Company is Mr. Hideki Wakabayashi or Mr. Kiyoyasu Asanuma and affixed with the Company's seal.

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

The Board of Directors of the Company gained stakeholders' trust to operate and manage the Company's assets. Therefore, the Board of Directors has to perform his/her duty to maximize shareholder wealth and stakeholder sustainable value in keeping the business direction with the Company's vision. Furthermore, the Board of Directors of the Company must always align the operation of the Company with regard to all stakeholders, good governance, and laws. Scope of powers and duties of the Board of Directors of the Company as below:

1. A director shall perform his/her duties in compliance with the law, good governance, the Company's objectives, and articles of association of the Company as well as the resolutions of the shareholders' meeting.
2. A director shall consider and make decisions on the business strategies, plans, and any other critical operations that have an effect to the Company.
3. 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.

4. A director shall, without delay, inform 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.
5. The Board of Directors shall hold at least once every three months.
6. A Director who has an interest in any resolution shall have no right to vote on such resolution.
7. At any meeting, in case of equality of votes, the chairman of the meeting shall be entitled to a casting vote.

The Sub-Committees

The Board has further appointed the Sub-Committee comprises the Audit Committee, the Risk Management Committee, the Executive Committee, and the Corporate Governance Committee. The Sub-Committee takes responsibilities for each specific area and also reports the results to the Board of Directors for consideration and decision making. The Company disclosed detail of purposes, numbers and list of members, and Scope of power and duties of Sub-Committee as following:

The Audit Committee

The Company's Audit Committee comprises 3 independent directors which the scope of authority and duties has considered and approved by the board, in accordance with the preliminary rules for the Audit Committee; details are according to the announcement (Qualifications and Scope of Work of the Audit Committee B.E. 2015) from the Stock Exchange of Thailand.

1. Review the Company's financial reporting process to ensure accuracy and adequacy.
2. Ensuring the Company has suitable and efficient internal control system and internal audit. The Committee shall consider the independence of the Internal Audit Office as well as approve the appointment, transfer and termination of Chief Internal Audit.
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's meetings, and the attendance of such meetings by each committee members.
 - 6.7 An opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter.
 - 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.

Independent Directors and Audit Committee

As of February 28, 2019, the lists of members of the Audit Committee and the number of the audit committee member's attendance are listed below:

	Name	Position	Number of Meetings Attended
1.	Mr. Noppun Muangkote	Independent Director and Chairman of Audit Committee	8/8
2.	Dr. Sucharit Koontanakulvong	Independent Director and Audit Committee Member (For the audit committee meetings no.5-6)	8/8
3.	Mr. Shunichi Kobayashi ¹	Independent Director and Audit Committee Member (For the audit committee meetings no.1-4)	4/4

Note: ¹ Mr.Shunichi Kobayashi was appointed to be the Audit Committee Member on March 25, 2018

The Risk Management Committee

Risk Management is a crucial process for the Company to achieving its business goals under changing conditions in the industry, economic fluctuations, economic policy uncertainty, political instability, and so on. Regarding the abovementioned, the Company becomes aware of the various risk factors that may affect the Company's operations and accordingly established the risk management committee to assist the board's duties on November 22, 2013. The board has considered the specification of roles, duties, and responsibilities for the Risk Management Committee, administrating risk management comprehensively in every level, and also building up shareholders and stakeholders to trust in the Company's Risk Management.

Scope of power and duties of Risk Management Committee

The major responsibility of the Risk Management Committee is to analyze and identify risk factors that may impact any activities associated with the Company's revenues, to improve the business operating practices, and to monitor and control risk factors to be in the acceptable risk level.

The Meeting of the Risk Management Committee shall be held on monthly via TV Conference system, together with AEON Financial Service (Japan) and its subsidiaries. The Company held the meeting of Risk Management Committee by TV conference in 2018 at totally 12 times.

List of the Risk Management Committee

As of February 28, 2019, the Risk Management Committee comprised 13 executives, whose names were listed below:

	Name	Position
1.	Mr. Kiyoyasu Asanuma	Vice Chairman of the Board and Managing Director
2.	Mrs. Suporn Wattanavekin	Director
3.	Mr. Nuntawat Chotvijit	Director
4.	Mr. Masanori Kosaka	Director
5.	Ms. Suriporn Thammavattid	Director
6.	Ms. Supanee Asawasuwana	Company Secretary and Senior Executive Vice President
7.	Mr. Kazumasa Oshima	Chief of Financial Officer and Senior Executive Vice President
8.	Ms. Ryoko Yaoi	Senior Executive Vice President
9.	Ms. Witchasorn Suwannakindra	Senior Executive Vice President
10.	Mr. Somsak Hempiam	Senior Executive Vice President
11.	Mr. Manavudhi Mingvanich	Senior Executive Vice President
12.	Mr. Junichi Iwakami	Senior Executive Vice President
13.	Mr. Tawatchai Peechat	Senior Executive Vice President

Corporate Governance and Compliance Committee

The Company places emphasis on Corporate Governance to conduct the company's operation to be fair, transparent, and respect all the stakeholders. Therefore the Company accordingly established the Corporate Governance and Compliance committee on November 12, 2013.

Scope of power and duties of Corporate Governance and Compliance Committee

- 1.) Consider and specify generally and professionally the policies and the plans that related to the guidelines of Corporate Governance and Compliance to propose to the board afterward.
- 2.) Acknowledge the processes and follow up the results for reconsidering and enhancing each plan to make reports and proposals to the board to be acknowledged and approved afterward.
- 3.) Make decisions to approve any operations added by the board, for maintenance and establishment of compliance framework of the Company.

The Company regularly held the meeting for the Corporate Compliance Committee for continuity of the Corporate Governance and Compliance management in the Company to effectively operate on the basis of respect to the stakeholders. In 2018, the Company held the meetings for the Corporate Committee at totally 10 times.

List of the Corporate Governance and Compliance Committee

As of February 28, 2019, the Corporate Governance and Compliance Committee comprised 13 members, whose names are as listed below;

	Name	Position
1.	Mr. Kiyoyasu Asanuma	Vice Chairman of the Board and Managing Director
2.	Mrs. Suporn Wattanavekin	Director
3.	Mr. Nuntawat Chotvijit	Director
4.	Mr. Masanori Kosaka	Director
5.	Ms. Suriporn Thammavatid	Director
6.	Ms. Supanee Asawasuwat	Company secretary and Senior Executive Vice President
7.	Mr. Kazumasa Oshima	Chief of Financial Officer and Senior Executive Vice President
8.	Ms. Ryoko Yaoi	Senior Executive Vice President
9.	Ms. Witchasorn Suwannakindra	Senior Executive Vice President
10.	Mr. Somsak Hempiam	Senior Executive Vice President
11.	Mr. Manavudhi Mingvanich	Senior Executive Vice President
12.	Mr. Junichi Iwakami	Senior Executive Vice President
13.	Mr. Tawatchai Peechapat	Senior Executive Vice President

Executive Committee

The Company must establish the Executive Committee to make the decision in any operation as assigned by the Board of Directors for the continuity of business planning propulsion and supporting the business' operation according to the Company's operational plan. Furthermore, the Executive Committee also takes responsibilities in screening the strategic plan of each department to conform to the set vision, mission, and the regulation of the Company. This practice will help to build confidence in systematic and ethical operation and management of the Company for the Board of Directors and shareholders.

Scope of power and duties of Executive Committee

- 1) Assist and recommend the Board of Directors in forming policies, setting goals and business plans, and the annual budget in addition to generating the operational report to update and provide important information to the Board of Directors to making the best decisions for the Company.
- 2) Consider and approve general activities relating to the Company's main business within the approved budget and resources, and afterward, report the investment and operating results to the Board of Directors.
- 3) Follow up the results of the business process and support any department's operations in order to align with the Company's business plans, mission, and vision, make sure the Company's operation is conforming to the company's code of conduct, the company's regulation, and also the laws.
- 4) Consider new projects and study the feasibilities for improving the Company's operation to support the Company's missions.
- 5) Consider new projects and study the feasibilities for improving the Company's operation to support the Company's missions.

The Company places importance on systematic business propulsion, which has to be monthly considered and approved by the Board of Directors.

Therefore, the Company regularly held the Executive Committee meeting at least twice a month. In 2018, the Company held the meetings for the Executive Committee at totally 19 times.

List of the Executive Committee

As of February 28, 2019, the Company has totaled 5 members, whose names are as listed below;

	Name	Position
1.	Mr. Kiyoyasu Asanuma	Vice Chairman of the Board and Managing Director
2.	Mrs. Suporn Wattanavekin	Director
3.	Mr. Nuntawat Chotvijit	Director
4.	Mr. Masanori Kosaka	Director
5.	Ms. Suriporn Thammavattid	Director

Summary of the Board of Directors' and Sub-Committees' Meeting Attendance in 2018

In 2018, the Board of Director Committee Meeting were held monthly (totaled 12 meetings). Each director individually attended the Board of Directors' Meeting more than 75% of all the meetings, complying with good corporate governance practices.

	Name	Board of Directors	Audit Committee	Executive Committee
1.	Mr. Hideki Wakabayashi	12/12	-	-
2.	Mr. Kiyoyasu Asanuma	12/12	-	18/19
3.	Mrs. Suporn Wattanavekin	10/12	-	18/19
4.	Mr. Nuntawat Chotvijit	12/12	-	19/19
5.	Mr. Masanori Kosaka	12/12	-	18/19
6.	Ms. Suriporn Thammavatid	7/7	-	17/19
7.	Ms. Kannika Kursirikul	12/12	-	-
8.	Mr. Chatchaval Jiaravanon	10/12	-	-
9.	Mr. Noppun Muangkote	11/12	8/8	-
10.	Dr. Sucharit Koontanakulvong	12/12	8/8	-
11.	Mr. Shunichi Kobayashi	12/12	4/4	-
12.	Mr. Kenji Hayashi	11/12	-	-
13.	Dr. Mongkon Laoworapong	7/7	-	-

The summarized of the Board of Directors' average attendance was 96% at the end of Fiscal Year 2018.

Management Executive officer

As of February 28, 2019, the Company has totaling 13 executive officers, whose names are listed below:

	Name	Position
1.	Mr. Kiyoyasu Asanuma	Vice Chairman of the Board and Managing Director*
2.	Mrs. Suporn Wattanavekin	Director*
3.	Mr. Nuntawat Chotvijit	Director*
4.	Mr. Masanori Kosaka	Director*
5.	Ms. Suriporn Thammavatid	Director*
6.	Ms. Supanee Asawasuwana	Company Secretary and SEVP - Corporate Planning Office
7.	Mr. Kazumasa Oshima	Chief of Financial Officer and SEVP - Finance and Control
8.	Ms. Ryoko Yaoi	SEVP - Contact Center
9.	Mr. Witchasorn Suwannakindra	SEVP - Business Control Management
10.	Mr. Somsak Hempiam	SEVP - Auto Finance
11.	Mr. Manavudhi Mingvanich	SEVP - System Development
12.	Mr. Junichi Iwakami	SEVP - I.T. and System
13.	Mr. Tawatchai Peechapat	SEVP - I.T.

Note :

- * Directors who involve in day-to-day operation of the Company
- Appointed Ms. Suriporn Thammavatid to be the Director of the Company on June 22, 2018
- Appointed Mr. Tawatchai Peechapat to be a Senior Executive Vice President on April 1, 2018
- Details of management shown on the Profile of Directors and Management pages

Corporate Secretary

The Company has appointed Miss Supanee Asawasuwana, Senior Executive Vice President- Corporate Planning Office to be the Corporate Secretary since September 1, 2008 (Details of Corporate Secretary shown on the Profile of Directors and Management pages) 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. The Corporate Secretary must have qualifications and experience, and has main duties and responsibilities, as follows:

Qualifications of the Corporate Secretary:

1. Having basic knowledge of accounting, laws and regulations related to the Company.
2. Having knowledge and understanding of corporate governance principles and best practices.
3. Having attended training courses concerning corporate secretarial practices.

Scope of duties and responsibilities of the Company Secretary:

1. Giving preliminary advices and suggestions to Board members on legal issues, and rules, regulations and practices of the Company in a manner of good corporate governance.
2. Undertaking arrangements for meetings of the Board and the Shareholders. Ensuring that the meetings conform to relevant laws and regulations, the Company's articles of associations and best practices.
3. Ensuring that corporate information disclosure and related regulatory filings are in accordance with laws and regulations and the Company's Disclosure Policy.
4. 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
5. Ensuring that the directors and executives have filed report on their interest and related persons' interest, as required by laws.
6. Maintain the Report on Stake Holding of Directors and Management.
7. Carry out other tasks as assigned by the Board of Directors.

Change in Shareholding of Board of Directors and Management

At the end of Fiscal Year 2018, directors and management's shareholding in the Company are as follows;

	Name - Surname	Position	No. of Common Share held (shares)		
			February 28, 2018	+ / (-)	February 28, 2019
1.	Mr. Hideki Wakabayashi	Chairman of the Board	-	-	-
2.	Mr. Kiyoyasu Asanuma	Vice Chairman of the Board and Managing Director	200,000	-	200,000
3.	Mrs. Suporn Wattanavekin	Director	200,000	-	200,000
4.	Mr. Nuntawat Chotvijit	Director	-	-	-
5.	Mr. Masanori Kosaka	Director	100,000	-	100,000
6.	Ms. Kannika Kursirikul	Director	2,000	-	2,000
7.	Mr. Chatchaval Jiaravanon	Director	14,700,000	-	14,700,000
8.	Ms. Suriporn Thammavattid ¹	Director	-	-	-
9.	Mr. Noppun Muangkote	Independent Director and Chairman of Audit Committee	-	-	-
10.	Dr. Sucharit Koontanakulvong	Independent Director and Audit Committee Member	-	-	-
11.	Mr. Shunichi Kobayashi ²	Independent Director and Audit Committee Member	100,000	-	100,000
12.	Mr. Kenji Hayashi	Independent Director	-	-	-
13.	Dr. Mongkon Laoworapong ³	Independent Director	-	-	-
14.	Ms. Supanee Asawasuwat	Company Secretary and SEVP - Corporate Planning Office	6,200	-	6,200
15.	Mr. Kazumasa Oshima	Chief of Financial Officer and SEVP - Finance and Affiliate Management	-	-	-
16.	Ms. Ryoko Yaoi	SEVP - Contact Center	-	-	-
17.	Mr. Witchasorn Suwannakindra	SEVP - Business Control Management	200	-	200
18.	Mr. Somsak Hempiam	SEVP - Auto Finance	-	-	-
19.	Mr. Manavudhi Mingvanich	SEVP - System Development	-	-	-
20.	Mr. Junichi Iwakami	SEVP - I.T. and System	-	-	-
21.	Mr. Tawatchai Peechapat ⁴	SEVP - I.T.	-	-	-
22.	Mr. Sittipong Kanaraksanti ⁵	Chief of Accountant	-	-	-

Note – Based on the information according to the report of interest of directors and management as of February 28, 2019

¹ Ms. Suriporn Thammavattid appointed to be a director of the Company on June 22, 2018

² Mr. Shunichi Kobayashi was appointed to be the Audit Committee Member on April 25, 2018

³ Dr. Mongkon Laoworapong was appointed to be Director of the Company on June 22, 2018

⁴ Mr. Tawatchai Peechapat was appointed to be a Senior Executive Vice President on April 1, 2018

⁵ Mr. Sittipong Kanaraksanti was appointed to be a Chief of Accountant in the replacement of Mr. Sarorch Pulkert on October 1, 2018

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 FY2018, the Company has totaling 13 directors and 13 executive officers, of which 5 executive officers are the Company's directors.

Types of Remuneration	Remuneration of Directors and Executive Officers (Million Baht)	
	FY2017	FY2018
Number of the Board of Directors ¹	14	15
Number of Executives ²	14	13
Salary and other incentives for executive officers	75.36	79.77
Directors' Remuneration	19.20	24.99
Contribution added into provident fund	3.34	3.31
Long-term management remuneration ³	3.04	7.10
Total	100.94	115.17

Note : ¹ Included resigning Directors

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

³ Long-term Management Remuneration for executive officers means estimation of benefits for each executive by evaluate the present value of the 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.

As of February 28, 2019, directors' remuneration can be summarized as follows:

No.	Name	Position	Retainer Fee	Bonus ⁸	Total Remuneration
1.	Mr. Hideki Wakabayashi ¹	Chairman of the Board of Directors	-	-	-
2.	Mr. Kiyoyasu Asanuma ²	Vice Chairman of the Board and Managing Director	-	4,033,000	4,033,000
3.	Mrs. Suporn Wattanavekin ²	Director	-	1,820,000	1,820,000
4.	Mr. Nuntawat Chotvijit ²	Director	-	1,690,000	1,690,000
5.	Mr. Masanori Kosaka ²	Director	-	520,800	520,800
6.	Ms. Suriporn Thammavattid ^{2,3}	Director	-	-	-
7.	Ms. Kannika Kursirikul	Director	-	600,000	600,000
8.	Mr. Chatchaval Jiaravanon	Director	1,560,000	700,000	2,260,000
9.	Mr. Noppun Muangkote	Independent Director and Chairman of Audit Committee	1,770,000	700,000	2,470,000
10.	Dr. Sucharit Koontanakulvong	Independent Director and Audit Committee Member	1,530,000	600,000	2,130,000
11.	Mr. Shunichi Kobayashi ⁴	Independent Director and Audit Committee Member	1,410,000	600,000	2,010,000
12.	Mr. Kenji Hayashi	Independent Director	1,320,000	600,000	1,920,000
13.	Dr. Mongkon Laoworapong ⁵	Independent Director	913,000	-	913,000
14.	Mr. Dej Bulsuk ⁶	Independent Director and Audit Committee Member	240,000	400,000	640,000
15.	Mr. Kunio Kawamura ⁷	Director	-	-	-
Total			8,743,000	12,263,800	21,006,800

Note : ¹ Directors from AEON Financial Service do not have any remuneration from the Company

² Executive directors

³ Ms. Suriporn Thammavattid appointed to be a director of the Company on June 22, 2018

⁴ Mr. Shunichi Kobayashi was appointed to be the Audit Committee Member on April 25, 2018

⁵ Dr. Mongkon Laoworapong was appointed to be the Independent Director of the Company on June 22, 2018

⁶ Mr. Dej Bulsuk, Independent Director and Audit Committee Member, has passed away on February 23, 2018

⁷ Mr. Kunio Kawamura resigned from the Company's Director on June 17, 2018

⁸ Director's Bonus calculated from the past Company's performance

Other remuneration

- None -

Employees

As of February 28, 2019, the Company had 5,622 employees in total, with pure regular employees and none temporary employees. All those employees can be divided based on the Company's branch offices as follows:

Company's branches	Number of Employees (person)		Total (person)
	Regular Employees	Temporary Employees	
Head Offices	3,850	-	3,850
Branches in Bangkok	257	-	257
Branches in upcountry	840	-	840
Service Counter - Bangkok	206	-	206
Service Counter in upcountry	469	-	469
Total	5,622	-	5,622

The employees on duty at the head office of the Company can be divided according to the working field as follows:

Types of Working field	Number of Employees (person)
1. Marketing, credit control, collection, contact center departments	3,376
2. Accounting, MIS, administration, internal audit, CCL, Legal and Corporate Planning Office	474
Total	3,850

As of February 28, 2019, the employees of a subsidiaries company as follow;

Subsidiary Company	Number of Employees (person)
AEON Insurance Service (Thailand) Co.,Ltd	254
ACS Servicing (Thailand) Co.,Ltd	1,191
AEON Specialized Bank (Cambodia) PLC	712
AEON Microfinance (Myanmar) Co.,Ltd	392
AEON Leasing Service (Lao) Co.,Ltd	115
Total	2,664

Change in Number of Employee

The number of the Company's employee in Fiscal Year 2018 increased 35% comparing with the previous year. This was the sequence from transfer 2,035 employees from ACS servicing (Thailand) Co., Ltd. in March, 2018.

During the past three years, the Company has had no material labor dispute. The total remuneration for all employees includes salary, overtime, bonus, incentive, and welfare, which included provident fund contributions for employees.

The total remuneration for all employees

In 2018, a total remuneration for 5,622 employees of the Company was THB 2,159.31 Million which composing of Salaries, Bonuses, Overtime, Operating Expense, and etc. as followed;

(Million Baht)		
Type of Remuneration	FY2017	FY2018
Salaries	799.82	1,183.93
Bonuses	140.64	295.24
Overtime	118.70	110.95
Operating Expenses ¹	207.51	569.19
Total remuneration	1,266.67	2,159.31

Noted – ¹ Operating Expenses are composing of Subvention, Cost of living, Mileage claims, Diligence Allowance, Telephone cost, transportation fringe benefits etc.

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 staffs at all levels, including the Management on a regular basis. This extensive training comprised training courses in technical and professional skills, information technology, business administration, management, and etc.

The Company also arranged a training course for new staffs 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. On average, employees received 10.5 hours of training per year.

To improve staffs competency and strengthen organizational capability, the Company has strongly supported the Human Resource Development to find more efficient courses for the staffs and planned to increase the employee development budget every year and also to build up comprehensive training road maps, which outlines the career development of each position. In Fiscal Year 2018, The Company provided 30 training program (455 courses) with a total of 10,267 staffs and send the employee to an external training program. In addition, AEON Financial Service (Japan) also offers new training courses and provided professional speakers to share the knowledge, especially Code of Conduct for the management every year.

Compensation and Benefits Employee

AEON provides the welfare and benefits which are consistent with the Company's performance since present and future time.

- Short-term employee benefits plans such as determining the annual salaries increases and bonuses for employee, both benefits plans are considered by the Company's results and KPI. (Key Performance Indicator)
- Long-term employee benefits plans such as the contribution made by The Company for securing staff's finance after their resignation or retirement. The Provident Fund consists of the contributions from the Company and staff, which the Company makes as percentage of 3 -15 of monthly basic salary of staff as well as of the staff's contribution.

Apart from Short-term and Long-term plans, the Company also provides the various fringe benefits to support the some parts of expenses such as Medical Treatment, Dental and others. Furthermore, the Company has improved the working areas room in whole centers, renovated branches, and completed providing the Relaxing room and Lactation room for Female staff to feed milk.

Kaizen

The Company has a policy of AEON to support Kaizen activities to enhance the potential of all staffs in the organization by using "Kaizen" as a tool in the administration. The word kaizen means "Continuous improvement" which presents the concept in continuous improvement by pulling abilities of all staffs 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, creative working environment has been built to facilitate the effective and efficient operations.

Protection of personal information

The company attaches great importance of transparent disclosure and equitable treatment to all concerned parties, both local and foreign; stakeholders, institutional investors, individual investors as well as general public. However, the Company also set up preventive measures to prevent exploitation of directors and executive officers from insider trading or using the Company's inside information for their own benefit.

Additionally, the Company also requires executives and employees to sign the Company's confidentiality agreement or Non-Disclosure agreement before start working for the Company with clear penalties for violators.

The Company places emphasis and aims to support convenient service to serve the customer's satisfaction. The Company also established a Customer Satisfaction Survey via Survey Form on the Company website <https://www.aeon.co.th/survey/> to reconsider and improve service to perfectly serve for customer's satisfaction.

Besides protecting the personal information related to the business, the company has established the quality management support unit or Corporate Quality Secretariat (CQS) to implement the Information Security Management System (ISO 27001:2013) which is the international standard within the company covered Head Office, all operational centers and branches that to be seriously protected the company's information against loss of the confidentiality, integrity and availability cover all document types of the business.

Furthermore, the Company considers the business environment by study and identifies all of the external and internal factors that could influence the information security management system using in company, and to get the benefit from those issues to help increase productivity and competitive advantage. The examples of external factor are the environment (the current economic), the customer responsive, business competitor, technology, legal, etc., the example of internal factor are marketing strategy, organization management, and human resource management, etc. These factors are taken into risk consideration and also further protection.

To increase the efficiency of operation and focus on the information security, the Company developed and improved by using the high technology to verify the security of information flow in the system such as Email Restriction which ensure that emails are successfully sent and received are secured to prevent all different kind of problems.

The Company has an information security control process to limit of emails usage such as

- Confidential information that is containing work related documents, customer and employee privacy data must not be sent externally though email.
- Sending confidential data, non-work data and prohibited words to external agents must not be sent externally though email.
- Sending emails is restricted to a maximum of 30 email addresses per time.
- Sending to free email providers such as Gmail, Yahoo, ect. are not allowed. Email should specific an email address related to work or Business Corporation; otherwise, the permission from Corporate Compliance Department is required.

In addition, the Company has determined authorize systems as appropriate for position and duties which controlled by use the Vein Scan System to identified person and code access to systems. The Company is strictly monitored and provides access to information of employees and those involved as well.

Furthermore, The Company also concentrates with business continuity to preparing for any issue or situation that could happen any time. The company has set up a backup with the appropriate approach base on the priority of data and arranged BCP Test Plan regularly cover core systems and operation of the company including improved operational risk management and internal control to raise awareness of data protection effectively and to ensuring with customers as well as shareholders and concerned person.

Internal Control

Overview of Internal Control and Risk Management

The Company has realized the significance of its good internal control system and the risk management system in the administration. Promote and support the implementation of a self-regulation process to conform to the frameworks and guidance of good governance, internal control and risk management, as prescribed in the 8 components of COSO-ERM as following:

1. Organization and Control Environment

The Company has determined the good internal environment as well as enhancing organization's culture, which would support management and employee to adhere with ethical. Moreover, the appropriate organization structure has been established to support the good internal environment such as code of ethic, power of authority and financial authority stipulated in Table of Authority Level as a guideline for operation.

2. Objectives Setting

The Company has been clearly specified objective in short-term and long-term as well as in the level of organization and business unit, which can be measured and assessed the achievement of objectives on an annually basis.

3. Event Identification

In order to perform appropriate risk management, the Company has gathered the events which might be caused of risk to impact the organization and business unit. Such an event may be occurred by either internal or external factors.

4. Risk Assessment

Risk Management Committee has responsible on risks assessment, which is related to the operation in the areas of Credit Risks, Security and system Risks, Human Risks and Market Risks, etc. Furthermore, the Committee will determine risk management strategy on regular basis for any events, which would impact to the Company.

5. Risk Responses

To reduce the impact of the potential risk to the acceptable level, the Company has determined risk management methodology as well as reviewed plans and strategies in accordance with business environment changes on a regular basis.

6. Control Activities

Control activities were established to cover either primary or secondary processes with the consideration on relevant risks and business' character. Moreover, the Company has set table of Authority as well as check and balance system herein each process as control activity tools.

7. Information and Communication

The Company realized the importance of information system and reporting data, which will be assisted to manage financial and customer data. Thus, safeguarding on information system is in the Company's focus. Furthermore, the information system has been continuously developed in order to response to the business requirements.

8. Monitoring and Evaluation

The Company has clearly determined targets and monitoring process in order to evaluate the operations on regular basis whether are in accordance with the Company's targets. Moreover, Internal Audit department has performed the review of the internal control system of the various business units according to the audit plan which has been approved by Audit Committee by covering the process with significant risk. The audit result has been reported to Audit Committee at least once every three months.

The Head of the Internal Audit

Roles and Responsibilities of Internal Audit

The Company established an Internal Audit Department as an independent function which directly reports to the Audit Committee. The Committee was appointed Miss Khajornporn Kittisobhone, Assistant Managing Director-Internal Audit Department; she has knowledge, abilities and work experience and is qualified to efficiently and adequately perform roles as assigned. The duties and responsibilities of the Internal Audit Department include reviewing, assessment of efficiency and effectiveness of internal control systems at the corporate level and the level of business-processes, evaluate relevant risks and corporate governance of the Company, its subsidiaries and affiliated companies in the Company's group. Moreover, the Internal Audit Department also provides consultations and advices with the aim of value added to the Company and improving on operational efficiency and control. According to this, the Company schedules meetings for reports of audit results and rectification approaches to Executive Management on a monthly basis and to Audit Committee at least once every three months. The appointment, transfer and termination of employment of the Chief of Internal Audit department shall be subject to the Audit Committee's approval.

In 2018, the Internal Audit Department performed reviewing and assessing the internal control by reviewing operational and business processes of various departments at the Head Office, Branches and Operation centers in each region as well as its subsidiaries and affiliated companies. Furthermore, compliance audits pertaining to relevant laws and regulations which may relate to the Company, its subsidiaries and affiliated companies were also conducted.

The opinion of the audit committee on the internal control system

At the meeting of Audit committee Members on April 23, 2019, 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. Also the Company appointed three auditors from Deloitte Touche Tohmatsu Jaiyos Audit Company Limited, the official auditor of the Company's financial reporting for the Fiscal Year 2018 ended February 28, 2019, whose names are listed below;

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

Non-conforming materials in the Company's internal control system not found in 2018.

The Head of the Compliance

The Head of the compliance unit is Mr. Junji Noda, Deputy Managing Director, who has appropriate knowledge and capability to support and control the Company's Operational Compliance System to be accordance with the rule of the SET, SEC and TSD.

Corporate Governance

The Company has been taking the importance of maintaining in good governance into consideration, which are generally accepted that it's a key factor in making fairness to the stakeholders, and strengthening effectiveness of the organizations. Thus, the Company aims to encourage the Company's operations to comply with the Corporate Governance Code: "CG Code" for listed company 2017, which are comprises five sections as follows:

Section 1 Rights of Shareholders

The Company realizes and places importance on equality of all shareholders' rights by keeping equitably with support and facilitation to all shareholders to exercise their rights as both investors and owners of the Company. Shareholders are entitled to access to the information accurately, completely, timely, and transparently via the Stock Exchange of Thailand's disclosure channel and the Company's website. Furthermore, the Company encourages shareholders to exercise their rights legally such as the right to buy, sell or transfer the share, the right to receive dividends, the right to participate and vote at meetings of shareholders. Apart from the abovementioned about the right of shareholders, the Company has made additional efforts to encourage and facilitate shareholders to exercise their rights as follows:

- 1.) The Company regularly disseminates important and necessary information to shareholders via the Stock Exchange of Thailand (SET) channel, media, publications, and also the Company's website. Moreover, the Company also set up information request through the E-mail addresses of Investor Relations section.
- 2.) The Company conducted shareholders' meetings within 4 months after the end of each fiscal year. The 2018 Annual General Meeting (AGM) of the Company was held on June 22, 2018 (No extraordinary meeting was held in this year). Considered by the convenient transport for the shareholders, the Company has chosen to hold the AGM at Grand Ballroom, Pullman Bangkok Grande Sukhumvit Hotel, 30 Sukhumvit 21 (Asoke) Road, Klongtoey Nua, Wattana, Bangkok. The Company sent two versions of the invitation letter for the shareholders' meeting to facilitate both Thai and foreign investors, 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 the criteria and procedures governing shareholders' meeting to shareholders for their consideration 15 days prior to the meeting. The notice of shareholders' meeting was disclosed on the Company's website at least 30 days before the meeting date. To comply with Public Limited Companies Act, B.E. 2535 (1992), the shareholders' notice was announced in the newspaper both Thai and English for 3 consecutive days.
- 3.) 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. Shareholders are free to send their meeting-related questions to the Company at least 15 days before of the meeting date.
- 4.) Before each meeting, the 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.
- 5.) For the shareholders' meeting on June 22, 2018, the Chairman of the Board of directors presided as Chairman of the Meeting and conducted the Meeting. There were 11 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. The Company disclosed in a timely manner the resolutions of the AGM via the SET's channel, delivered the minutes of the AGM to the regulatory agencies within 14 days of the meeting date, and disclosed such minutes on the Company's website.

Section 2 Equitable Treatment of Shareholders

The Company places importance on the interests for every shareholder, major or minor, individual or institutional as well as Thai or foreign investors equitably. To ensure equality and fair treatment for every shareholder, all shareholders regarded as the owners of the Company and entitled to be equitably treated on fair basis, regardless of gender, age, nationality. The Company disseminates important and necessary information to shareholders, arranged shareholders' meeting annually for shareholders to exercise their rights and participate in managing the Company 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 allowed shareholders to submit questions relevant to the shareholders' meeting agenda in advance.
- 4.) 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.
- 5.) 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.
- 6.) 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.
 - The Board of directors imposed the following policies to protect directors and executives to exploit the company's inside information for their own benefit. The directors and executive officers must report the sales of the Company Securities to the company secretary at least 1 day in advance. Moreover the directors and executives including of their spouses and minor children, must report the holding of the change to Company Securities to the Exchange Commission, Thailand, in pursuant with Section 59 of the Securities and Exchange Act B.E. 2535 within 3 days of such buy, sell and transfer.
- 7.) 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 which allows each shareholder to propose agenda items for consideration at a shareholders' meeting as well as allows each shareholder to nominate Directors who must meet the qualifications of Company directorship ahead of the actual meeting date.

Section 3 Roles of Stakeholders

The Company recognizes importance of rights of all stakeholders including shareholders, employees, customers, competitors, business partners, creditors and society and environment. It's a common duty of the Company to equally take care of every type of stakeholders, by taking actions legally with fairness as followed:

1.) The Company's guidelines for treatment of major stakeholders are summarized as follows:

- **Shareholder**

The Company respects shareholders' rights and 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. The Company's key information is disclosed to the shareholders in a correct, complete, transparent and accountable manner. In addition, the Company provides assistance to the shareholders to fully exercise their rights.

- **Employee**

The Company recognizes that its employees at all levels are valuable resources and key drivers of business 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.

In 2018, accidents at work statistics and Work Absence Rates were recorded as follow;

- Crucial Accidents at work statistics:
 - No crucial accidents at work statistics found -
- Work Absence Rates:

Type of leaving	Total Employees (persons)	Total leaves (days)
Sick Leave	4,474	23,136
Personal Leave	4,143	14,548
Vacation Leave	5,301	47,297
Birthday Leave	3,239	3,239
Maternity Leave	452	17,860

However, the Company has no fatal accident statistics causing death or seriously injury.

- **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, complaint resolution and protection of the customers' information in the framework of customer satisfaction approach, which is evaluated and reported to the management on monthly basis. (See details in Form 56-1 No.10.1 Protection of personal information)

- **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 in Corporate Social Responsibility Report)

2.) Channels for Complaints and Whistleblower Protection

The Company has more focus on the Good Corporate Governance by defining the policy as the major priority which all management and staffs must strictly conduct. The Company keeps providing many courses of the Code of Conduct program to all staffs in the group per year by using the instructor from both internal and external including the management from Japan.

The Company has ensured the establishment of communication channels through which the stakeholders can make convenient and fast contact with the Company to ask for information, express their complaints in case their rights are violated or whistleblower to the Company of any races as follows:

- Our 104 branches nationwide
- Call Center at 02-665-0123
- Email: csd@aeon.co.th
- Contact with Investor Relations: ir@aeon.co.th

Moreover, the Company sets up the channels of unfair treatment appeal which staff can use this channel to report in details to Top Management in case that he/she gets effect from the issues that being inappropriate conducts by either Company, Supervisor or Colleague. Those cases will be taken action immediately and the staff who reports must be covered as the high confidential. The Committee or responsible section will take charge to investigate and to find the best solution, and the directly report to top Management, respectively. Those channels are consisted of E-mail: aeonhai191@aeon.co.th, company telephone and fax.

3.) Preventive measures against corruption involvement

The Company has established rules and regulations including punishment regarding anti-corruption by prohibiting directors, managements and staffs from carrying or taking all kinds of corruption whether directly or indirectly and seriously prohibiting all staffs 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 staffs. 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.

4.) Anti-Money Laundering and Combating the Financing of Terrorism and Proliferation of Weapons of Mass Destruction : AML/CFT/WMD

In order to ensure that the compliance with the laws concerning Anti-Money Laundering and Combating the Financing of Terrorism of the Company is completely, successfully and efficiently made as per the relevant regulations and requirements on Anti-Money Laundering and Combating the Financing of Terrorism and Proliferation of Weapons of Mass Destruction (AML/CFT/WMD), the Company therefore implements the following policies:

1. The Company supports and is ready to comply with the laws concerning Anti-Money Laundering and Combating the Financing of Terrorism by ensuring that the customer identification and due diligence, transaction report and compliance with other duties and obligations as required by the applicable laws are completely made.
2. The Company determines to have subordinate policies and guidelines for conformity with the main policies on Anti-Money Laundering and Combating the Financing of Terrorism which covers the following topics: customer acceptance, customer identification, customer due diligence, risk assessment and management, transaction record and report, customer rejection or customers' relationship discontinuation. The Company also determines to have frequent adjustment processes of such subordinate policies and guidelines.
3. The Company controls, supervises, enhances and supports the Company's staffs to have knowledge and understanding on the compliance with the applicable laws, policies and guidelines regarding Anti-Money Laundering and Combating the Financing of Terrorism as well as provides training of such as per the training policy of the Company to the Company's staffs so that the Company's staffs are able to work correctly and efficiently.
4. The Company arranges to have its internal audit regarding the compliance with the main and subordinate policies as well as guidelines on Anti-Money Laundering and Combating the Financing of Terrorism by ensuring that the internal audit is independently made without intervention by any other departments.
5. The Company determines to have risk treatment policy on Anti-Money Laundering and Combating the Financing of Terrorism which may occur prior to introduction of new products or services or implementation of new technology or electronics network as per the requirement of the applicable laws. The Company also determines to have frequent review and adjustment of such for conformity with the system updates which is frequently made.

The Company has appointed Managing Director, to be the Chairman of AML/CFT Committee.

Section 4 Information Disclosure and Transparency

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 Report (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 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.

2.) Investor Relations

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, management discussion & analysis and notifications to SET/SEC, etc.

Contact with Investor Relations Section

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)
Telephone	: 0-2689-7008-9
Fax.	: 0-2689-7007
E-Mail	: ir@aeon.co.th

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 2018, the Company provided information to;

Forms of activities	Number of time	Number of Participants	Number of Companies
Foreign investors through international road show and conference call	12	121	72
Company visit	45	151	57
Analyst through yearly analyst meeting	2	133	74
Total	59	405	203

Section 5 Responsibilities of the Board

Board Structure

The Company places importance on the board structuring to create the most efficient board; making the best decision to take the Company to the expected direction. The composition of the board is considered by the board diversification strategy (Board Diversity), the board comprises directors with relevant experiences, diversity of professional backgrounds, education, nationality, and gender.

As of the fiscal year 2018 ended on February 28, 2019, the Board of Directors consists of 13 Directors as follows:

- 5 Executive Directors
- 3 Non-Executive Directors (1 director from AEON Financial Service (Japan), and 2 outside directors)
- 5 Independent Directors

The authorized signatory of the Company is Mr. Hideki Wakabayashi or Mr. Kiyoyasu Asanuma with affixing the Company's seal.

Term of Office

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.

Directorship of Executive Directors in Other Companies

The Company imposed the guideline that the Company's Executive Directors are able to hold directorship in not more than 5 other companies in order to ensure that the executive directors have sufficient time to perform their duties and work efficiency in conformity with the principle of good corporate governance for listed companies that imposed by the Securities and Exchange Commission. The details of directorship held by the Company's Executive Directors in other companies are reported in Profile of Board of Directors.

The Sub-committee

The Board of Directors has further appointed the Sub-Committee comprises the Audit Committee, the Risk Management Committee, the Executive Committee, and the Corporate Governance Committee. The Sub-Committee takes responsibilities for each specific area to improve work efficiency of the Board of Directors. The Company disclosed detail of purposes, numbers, list of members, and Scope of power and duties of Sub-Committee in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2).

Roles, Duties and Responsibilities of Chairman of the Board

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 Chairman of the Board of Directors has main duties and responsibilities, as follows:

1. To Convene Board of Director's meeting
2. To act as the Chairman of the Board of Directors' meeting and the Shareholders' meeting.
3. To promote good corporate governance standard of the Board of Director.
4. To controls and conducts meetings with efficiency and in compliance with the Company's Articles of Association and following the sequence of the agenda
5. To have a casting vote in case of tied votes in the Board of Directors' meetings.

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

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 goals, budget, etc., 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 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 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:

- 1) Facilitate all shareholders with fair and equal treatments
- 2) Operate business with transparency and scrutiny, and disclose adequate information to all stakeholders and related parties
- 3) The responsibilities of executive committee and management must be clear and concise with check and balance control system
- 4) Must follow all the related rules and regulations
- 5) Determine to create long-term value-added to the corporate for the maximum benefit of the shareholders, mitigate conflict of interest
- 6) Strict to the code of corporate ethics and engage in activities that conserve the environment and contribute to society
- 7) 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 Board of Directors' Meetings

The meeting of the Board of Directors shall be held at least once every three (3) months. However, additional meetings may be scheduled as required. To facilitate the Directors to allocate the time and attend the meeting, the Company has the Board of Directors' meeting schedule in advance. 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 Company provides a TV conference system to facilitate directors who cannot attend the meeting in person. Each agenda items and its resolution are recorded in writing, and the minutes of the meeting which have been affirmed by the Board. In 2018, the Board held a total of 12 board meeting. (Please see number of the meeting and number of attendance of each director in Management part)

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. Furthermore, the parent company in Japan also arranged the assessment of the managing director and executive directors' performance which evaluate each individual and overall performance. In addition, the Company also has the Personnel Management Committee which comprises of managing director and executive directors that shall conduct performance evaluation of all management and determine the remuneration results on the yearly base.

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 oversea 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.

Succession Planning

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

The selection and nomination of the directors and key executives of the Company

• Nomination of the Independent Director

The qualifications of “Independent Director” have been defined by the Company in accordance with the rules stipulated by the Capital Market Supervisory Board as follows:

1. Hold no more than 1 percent of the total number of shares with voting rights of the Company, the parent company, a subsidiary company, an associated company, a major shareholder or a controlling person of the Company. This is inclusive of the shares held by any related person of such independent director.
2. Neither being nor used to be an executive director, employee, staff, advisor with regular salary, or controlling person of the Company, the parent company, a subsidiary company, an associated company, a subsidiary company in the same level, a major shareholder or a controlling person of the Company unless the foregoing status has ended no less than 2 years prior to the date of his/her appointment. Such status excludes where the independent director used to be a governmental officer or an advisor of the government authority, which is a major shareholder or controlling person of the Company.
3. Not being a person related by blood or legal registration as a father, mother, spouse, sibling and child, including spouse of a child, other director, executive, major shareholder, controlling person or person to be nominated as director, executive or controlling person of the Company or a subsidiary company.
4. Neither having or used to have business relationship with the Company, the parent company, a subsidiary company, an associated company, a major shareholder or a controlling person of the Company which may impede his/her independent judgment, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the Company, the parent company, a subsidiary company, an associated company, a major shareholder or a controlling person of the Company unless the foregoing relationship has ended no less than 2 years prior to the date of his/her appointment.

The term “business relationship” mentioned above includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantees, providing assets as collateral, and any other similar actions which result in the Company or the counterparty being obligated to pay to the other party no less than 3 percent of the net tangible assets of the Company or Baht 20 million, whichever is lower. The value of the business relationship shall be determined using the calculation method for determining the value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions mutatis mutandis.

The value of obligation shall include any obligations occurred during the period of 1 year preceding the date of the business relationship with the same entity or person.

5. Neither being nor used to be an auditor of the Company, the parent company, a subsidiary company, an associated company, a major shareholder or a controlling person of the Company, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, the parent company, a subsidiary company, an associated company, a major shareholder or a controlling person of the Company unless the foregoing status has ended no less than 2 years prior to the date of his/her appointment.
6. Neither being nor used to be a professional service provider, including legal advisor or financial advisor who receives service fee exceeding Baht 2 million from the Company, the parent company, a subsidiary company, an associated company, a major shareholder or a controlling person of the Company, and not being a significant shareholder, controlling person or partner of the said professional service provider unless the foregoing status has ended no less than 2 years prior to the date of his/her appointment.
7. Not being a director appointed as a representative of the Company’s director, major shareholder, or shareholder related to major shareholder.
8. Not undertaking a business of the same nature and in competition with the Company or a subsidiary company, or not being a significant partner of a partnership, or executive director, employee, staff, advisor with regular salary, or hold shares exceeding 1 percent of the total number of shares with voting rights of any other companies operating the business of the same nature and in competition with the Company or a subsidiary company.
9. Have no other characteristics that prohibit the expression of independent opinion towards the Company’s business operation.

- **Nomination of the directors**

The process of nominating director is not performed by the Nomination Committee, due to the Company has not yet appointed Nomination Committee. However, the Board of Directors will consider nominating director from qualifications, experiences, expertise in various areas and various nationalities with gender-diverse boards. Additionally, the general meeting of shareholders will elect and appoint the directors of the Company afterward. (Details of managements shown in attachment #1)

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 5 independent directors which are not less than one - third of total board members

- **Key executives selection**

The responsibilities for recruiting and selecting executives lie with Human Resource department. The Company's executive recruitment and selection is considered from qualification and experiences of that person. However, the process of executive selection will be under the executive's direction afterwards.

Oversight of Company's Subsidiaries and Associates

The Company has developed corporate governance for its subsidiaries and associates to control their management and operation along with the protection for the Company's interests. To achieve the shared vision, the Company has appointed representative of the Company as directors of its subsidiaries and associates. Also, set up the mechanisms for financial information and connected transaction disclosure, under the related rules and regulations.

Code of Conduct

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 Financial Service (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 Auditors’ Remunerations

In the fiscal year 2018 ended February 28, 2019, 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, AEON Insurance Service (Thailand) Co.,Ltd, ACS Servicing (Thailand) Co.,Ltd. and ATS Rabbit Special Purpose Vehicle Co., Ltd., the details of the Company and subsidiaries’ audit remunerations are as follows:

The auditors’ remunerations for the fiscal year 2018 ended February 28, 2019 are as follows:

1. Audit fee

In Fiscal Year 2018, the Company paid 5,550,000 baht for its audit fee and 1,950,000 baht for its subsidiaries’ audit fee.

2. Non-Audit Fee

In addition, the Company and subsidiaries had non-audit services fee paid to the auditors and their related parties for the Fiscal Year 2018 ended February 28, 2019 of 6,250,000 baht, which is service fee for Engagement to Perform Agree-upon Procedures comprises 2.1 million baht for IFRS Impairment Model advisory, 1.8 million baht for J-SOX (Japanese version of Sarbanes-Oxley), 1.6 million baht for SAP System Assessment, and 800,000 baht for Fair Value Measurement.

RELATED PARTY TRANSACTION

The fiscal year ended on February 28, 2019, the Company has 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
<p>ACS Capital Corporation Ltd. ("ACS")</p> <p>A holding company to invest in related companies and operate car leasing business.</p>	<ul style="list-style-type: none"> A shareholder of AEONTS, holding 19.20% of shares One common directors: Ms. Kannika Kursirikul 	<p>1. The Company provides management services to ACS with the fee charged as follows:</p> <ul style="list-style-type: none"> In March 2018, Computer service fee at the rate of 1,000,000 Baht per month and 200,000 Baht per month from April 2019 onwards. In FY2018, the Company has total management service income 3,200,000 Baht, outsource collection income of 3,631,296 Baht and other income of 615,387 Baht. As of February 28, 2019, the Company has other receivables of 887,498 Baht. <p>2. In FY2018, the Company had paid the interim dividend and final dividend to ACS totally 220,800,000 Baht.</p>	<p>The Company provides service such as computer system services, and marketing support 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 as well as marketing research which based on the cost plus basis.</p> <p>(Approved by the Board of Director's meeting on March 20, 2018)</p>
<p>AEON (Thailand) Co., Ltd. ("AEON")</p> <p>Retail business</p>	<ul style="list-style-type: none"> 5.23% of shares held by the Company Two common directors: Mr. Kiyoyasu Asanuma Mr. Noppun Muangkote 	<p>1. In 2018, the Company had expense with AEON of 16,105,926 Baht, consist of office rental of 6,508,177 Baht, advertising & promotion of 9,304,310 Baht and other expense of 293,439 Baht. As of February 28, 2019, the Company had account payable of 1,434,191 Baht.</p>	<p>The Company rents the space for ATM machine with AEON, which the rental fee is in the normal course of business and based on general market price.</p>

Person with possibility to cause conflict	Relationship	Nature/ Size of Transaction	Necessity and Reasonableness of Transactions
AEON Financial Service Co., Ltd. ("AEON Financial Service") Retail Finance	<ul style="list-style-type: none"> A major shareholder of AEONTS, holding 35.12% of shares 	<p>1. In 2018, the Company has the expense with AEON finance Service of 98,911,971 Baht, consist of technical assistant fee of 85,011,022 Baht and other expenses of 13,900,949 Baht. As of February 28, 2019, the Company has other receivables of 1,080,504 Baht, and other payables of 154,881,635 Baht and financial cost of 1,483,459 Baht.</p> <p>2. In 2018, the Company has paid the interim dividend and final dividend to AEON Financial Service totally 403,880,000 Baht.</p>	<p>AEON Financial Service provides the technical assistant to the Company as AEON Financial Service needs to support other AEON Financial Service companies' group under the same direction. Therefore, they provide management support, staff, technical, marketing strategies and computer system for cost efficiency.</p> <p>AEON Financial Service has charged the technical assistance fee for all oversea listed companies in AEON Financial Service companies' group.</p> <p>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 companies' group and based on the cost plus basis.</p> <p>(Approved by the Board of Director's meeting on July 11, 2018)</p>
AEON Credit Service Co., Ltd. ("AEON Credit Service") Retail Finance	<ul style="list-style-type: none"> Common ultimate holding company 	<p>1. In FY2018, the Company paid personnel expense to AEON Credit Service of 45,765,153 Baht.</p> <p>2. As of February 28, 2019, the Company had other payables of 7,024,036 Baht.</p>	<p>AEON Credit Service provides the personnel support to the Company as AEON Financial Service needs to support other AEON Financial Service companies' group under the same direction. Therefore, they encourage AEON Credit Service to provide skilled personnel support to other AEON Financial Service companies' group.</p>

Person with possibility to cause conflict	Relationship	Nature/ Size of Transaction	Necessity and Reasonableness of Transactions
AEON Bank Ltd. ("AEON Bank") Banking Business	<ul style="list-style-type: none"> Common ultimate holding company 	<p>1. In FY2018, the Company paid personnel expense to AEON Bank of 2,556,614 Baht. As of February 28, 2019, the Company had other payables of 1,863,818 Baht.</p> <p>2. The Company has long term loan from AEON Bank. In FY2018, the Company had interest expense of 11,226,500 Baht. As of February 28, 2019, the Company has long term loan of 1,436,331,483 Baht.</p>	<p>AEON Bank provides the personnel support to the Company as AEON Financial Service needs to support other AEON Financial Service companies' group under the same direction. Therefore, they encourage AEON Bank to provide skilled personnel support to other AEON Financial Service companies' group.</p> <p>The value of transaction is determined on the actual cost occurred.</p> <p>The Company has long term loan from AEON Bank, which the Condition is based on general market interest rate and in the normal course of business.</p>
AEON Credit Service Systems (Philippines) Inc. ("AEON Philippines") System Development	<ul style="list-style-type: none"> 3.33% of shares held by the Company No common director 	<p>1. In 2018, the Company had expense with AEON Philippines of 7,402,340 Baht, consist of service fee in developing system of 4,462,160 Baht and other expenses 2,940,180 Baht.</p> <p>2. As of February 28, 2019 the Company had other payables of 224,331 Baht.</p>	<p>The Company receives system development service from AEON Philippines for the same standard among affiliated companies under AEON Financial Service companies' group. The service agreement to develop system between the Company and AEON Philippines is also fair and comparable to the similar market price charged by other outsourcers which providing the same services.</p> <p>(Approved by the Board of Director's meeting on March 20, 2018)</p>

Note: Revenues relating to securitization transactions are determined by the Company and the related company in accordance with securitization project (see Notes to Financial Statements No.26 and 31)



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 had completely performed the duties and responsibilities, as assigned by the Board of Directors, including the review of the financial statements, internal control system, internal auditing, risk management and compliance with applicable laws and regulations 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 28, 2019, eight Audit Committee meetings were held. All three Audit Committee members attended in six meetings, and two Audit Committee members attended in two meetings. In the meetings, the management, executives, external auditors and internal auditors had attended when appropriate.

The meetings had 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. The Audit Committee agreed with the external auditors that the Company's financial statements and its consolidated financial statements and subsidiaries were correctly and completely presented and disclosed in accordance with Thai Financial Reporting Standards.

In addition, the meetings had considered and recommended the transactions with related parties which may result in a conflict of interest and their disclosure to comply with the regulations of the Stock Exchange of Thailand (SET) and the Office of the Securities and Exchange Commission (SEC). The Audit Committee had also reviewed the Company's operation with regard to compliance with relevant laws and regulations relating to the Company's business. The Audit Committee had also considered and approved the annual plan of the Internal Audit Department as well as reviewed the operation information and the internal control system, to evaluate the sufficiency, appropriateness and effectiveness of the internal control system to achieve business goal, by reviewing the internal control system together with the internal auditors.

The Audit Committee had considered the appointment of external auditors and their remuneration based on their professional competency, past performance with knowledge, audit fee and their independent status. For the fiscal year ended February 28, 2020, the Audit Committee selected and proposed Mrs. Nisakorn Songmanee, Certified Public Accountant Registration No. 5035, Mr. Chavala Tienpasertkij, Certified Public Accountant Registration No.4301, and Mr. Yongyuth Lertsurapibul, Certified Public Accountant Registration No.6770 as the Company's external auditors to the Board of Directors for further approval from the Annual General Meeting of Shareholders.

Audit Committee was of the opinion that for fiscal year ended February 28, 2019, the Company accurately and adequately disclosed financial and operation information, had appropriate and effectiveness internal control and internal audit, complied with laws and regulations, disclosed the transactions with related parties correctly, and performed duties in compliance with the Good Corporate Governance principles, with adequacy, transparency and reliability.



(Mr. Noppun Muangkote)
Chairman of the Audit Committee

MANAGEMENT DISCUSSION AND ANALYSIS

The Company financial statements for FY2018 for the year ended February 28, 2019, which were audited by Deloitte Touche Tohmatsu Jaiyos Audit Company Limited. The consolidated and separate financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 (Revised 2017) “Presentation of Financial Statements”, which was effective for financial periods beginning on or after January 1, 2018 onwards, and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding “The Preparation and Submission of Financial Statements and Reports for the Financial Position and Results of Operations of the Listed Companies B.E. 2560” and the Notification of the Department of Business Development regarding “The Brief Particulars in the Financial Statements (No.2) B.E. 2559” dated October 11, 2016.

Overview

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

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

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

Operating Results

● Revenues

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

- **Credit Card**

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

- **Loans**

In the fiscal year ended February 28, 2019, loans shared 30% of total turnovers (shared 22% from personal loan and 8% from purposed loan for mobile phone, IT products, electrical appliances and etc. at over department stores and more than 4,800 dealers nationwide). Revenues from loans were 10,723 million baht, showing an increase of 1,150 million baht or 12% y-y. This is because the Company integrated credit limit of purpose loan and personal loan to AEON Happy Pay program and launched an instant card service for AEON Member Card at AEON branches nationwide. In the fourth quarter of 2018, The Company also launched a new service called “Cardless Withdrawal” under AEON Your Cash function as an alternative to provide convenience and flexibility for AEON customers. AEON customers can withdraw cash via the AEON Thai Mobile Application by scan a QR code to withdraw cash through AEON ATM and KBank ATM nationwide. For overseas businesses, loan income from AEON Microfinance (Myanmar) Company Limited grew by 73% y-y and AEON Specialized Bank (Cambodia) Plc grew by 57% y-y.

- **Hire Purchase**

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

- **Others**

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

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

● Expenses

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

● Operating and Administrative Expenses

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

● Bad debt and doubtful accounts

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

● Finance Cost

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

● Net Income

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

Financial Status

● Total Assets

As of February 28, 2019, consolidated total assets were 87,121 million baht, increasing by 6,350 million baht or 8% from 80,771 million baht as of February 28, 2018. Mainly, the assets were attributed to the portfolio of net accounts receivable, which was 95% of total assets.

● Accounts Receivable

For the year ended February 28, 2019, The Company had consolidated accounts receivable of 82,512 million baht, increasing by 9% y-y from 75,824 million baht in fiscal year 2017. This can be categorized by business type as follows: credit card receivable 36,623 million baht, increasing by 6% y-y which is the same level of credit card industry, loans receivable 43,590 million baht increasing by 10% y-y, the loan growth is higher than industry of 8%, and hire purchase receivable 2,118 million baht increasing by 67% y-y drove by auto loan business was launched last year, and other receivables 180 million baht increasing by 5% y-y.

As of February 28, 2019, the Company provided allowance for doubtful accounts of 2,880 million baht or 3.49% of total accounts receivable, increased from 3.19% at the end of previous fiscal year but decreased from 3.54% at the end of previous quarter. The percentage account receivable 3 months overdue or non-performing loan ratio (NPL) was 2.77% at February 28, 2019, increased from 2.35% at the end of previous year but decreased from 2.80% at the end of previous quarter. The Company has set aside higher allowance for doubtful accounts and the coverage ratio of allowance for doubtful accounts to accounts receivable overdue more than 3 months (NPLs) was 126% at February 28, 2019.

● Total Liabilities

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

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

● Shareholders' Equity

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

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

In addition, the Board of Directors' meeting has approved the final dividend payment for the fiscal year ended February 28, 2019, at the rate of 2.35 baht per share, which will be paid after being approved from AGM on June 21, 2019. The Company already paid the interim dividend of 2.35 baht per share on November 1, 2018. The total dividend for FY2018 will be 4.70 baht per share or 33.5% payout ratio. The company has set the record date on May 14, 2019 to determine the shareholders entitled to receive dividends (XD will be posted on May 13, 2019).

● Financial Liquidity

As at February 28, 2019, the Company and subsidiaries recorded cash balance of 4,068 million baht, decreasing by 22 million baht from previous year, which can be categorized as follows:

- Net cash used in operating activities of 2,289 million baht mainly resulted from an increase of accounts receivable.
- Net cash used in investing activities of 663 million baht mainly resulted from purchasing of leasehold improvement and equipment and intangible assets.
- Net cash provided by financing activities of 2,924 million baht mainly from long-term loans and short-term loans from financial institutions.

Combined the net decrease in cash and cash equivalents of 28 million baht and increase in exchange differences on transactions financial statement of foreign operations of 6 million baht with beginning cash balance of 4,090 million baht, the Company had ending cash balance at the end of the fiscal year 2018 in the amount of 4,068 million baht accordingly.

Board of Directors Profile

Mr. Hideki Wakabayashi¹	Chairman of the Board (Authorized Director)
	Appointed effective on June 12, 2014
Age (year)	61
Education Background	Bachelor Degree of Faculty of law Sophia University, Japan
Shareholding (%) (28/02/19)	None
Family Relationship with Directors and Executives	None

Working Experience for the last 5 years

AEON Group

2010 - Present	Director	AEON Financial Service Co., Ltd. / Retail Finance ²
2012 - 2013	Director	ACS Credit Management Co., Ltd. / Debt Collection Service
2011 - 2014	Auditor	AEON Credit Card (Taiwan) Co., Ltd. / Credit Card Business
2011 - 2014	Auditor	AEON Credit Service (Taiwan) Co., Ltd. / Hire Purchase Business
2012 - 2013	Director	AEON Housing Loan Service Co., Ltd. / Mortgage business
2010 - 2013	Auditor	AEON S.S. Insurance CO., LTD. / Small Amount and Short Term Insurance Business
2013 - 2014	Auditor	AEON Product Finance Co., Ltd. / Credit Guarantee Business
2013 - 2018	Director	AEON Credit Service Co., Ltd. / Retail Finance ³
2014 - Present	Chairman of the Board	AEON Thana Sinsap (Thailand) PLC / Retail Finance

Other listed company

-None-

Other non-listed company

-None-

Mr. Kiyoyasu Asanuma^{1,4}	Vice Chairman of the Board and Managing Director (Authorized Director)
	Appointed effective on June 17, 2016
Age (year)	58
Education Background	Diploma Tokyo Institute of Tourism, Japan
Training	AFS Group Director-Management Training Programme 2018
Shareholding (%) (28/02/19)	0.0800
Family Relationship with Directors and Executives	None

Working Experience for the last 5 years

AEON Group

2011 - 2014	President	ACS Credit Management Co., Ltd. / Debt Collection Service
2014 - 2016	Director	AEON Credit Service Co., Ltd. / Retail Finance ³
2016 - May 2018	Chairman of the Board	AEON Specialized Bank (Cambodia) PLC / Specialized Bank
2016 - Present	Vice Chairman of the Board Managing Director	AEON Thana Sinsap (Thailand) PLC / Retail Finance
2016 - Present	Director	ACS Servicing (Thailand) Co., Ltd. / Collection Servicer
2016 - Present	Chairman	AEON Thailand Foundation / Foundation
2016 - Present	Director	AEON (Thailand) Co., Ltd. / Retailing
2018 - Present	Chairman of the Board	AEON Microfinance (Myanmar) Co., Ltd. / Retail Finance

Other listed company

-None-

Other non-listed company

-None-

Mrs. Suporn Wattanavekin		Director
		Appointed effective on February 18, 2000
Age (year)		55
Education Background		Master Degree in Business Administration, National Institute of Development Administration
Training		Director Diploma Examination / IOD
		Director Certification Program (DCP) / IOD
		Capital Market Academy Greater Mekong Subregion Program
		Ultra Wealth Program
		AFS Group Director-Management Training Programme 2018
		Advanced Master of Management Program (AMM)
Shareholding (%) (28/02/19)		0.0800
Family Relationship with Directors and Executives		None

Working Experience for the last 5 years

AEON Group

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

Other listed company

-None-

Other non-listed company

December 2016 - Present	Director	The Ultrawealth Group Co.,Ltd
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Mr. Nuntawat Chotvijit		Director
		Appointed effective on June 12, 2014
Age (year)		49
Education Background		Master of Business Administration, Griffith University Australia
Training		AFS Group Director-Management Training Programme 2018
Shareholding (%) (28/02/19)		None
Family Relationship with Directors and Executives		None

Working Experience for the last 5 years

AEON Group

2009 - 2010	Senior Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance
2011 - May 2014	Senior Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance
June 2014 - Present	Director	AEON Thana Sinsap (Thailand) PLC / Retail Finance
June 2015 - May 2016	Non-Executive Director	AEON Credit Service (M) Berhad. / Retail Finance
June 2016 - Present	Chairman of the Board	AEON Leasing Service (Lao) Company Limited / Leasing
June 2018 - Present	Board of Member	ACS Trading Vietnam Co., Ltd / Retail Finance

Other listed company

-None-

Other non-listed company

2010 - 2011	Marketing Director	Focus Media Communication Co., Ltd. / CCTV
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Mr. Masanori Kosaka ⁵		Director
		Appointed to be the Vice Chairman of the Board and Acting Managing Director effective on March 1, 2019
		Appointed to be the Director effective on June 28, 2017
Age (year)		63
Education Background		Bachelor Degree of Faculty of law Kyoto Sangyo University, Japan
Training		AFS Group Director-Management Training Programme 2018
Shareholding (%) (28/02/19)		0.0400
Family Relationship with Directors and Executives		None

Working Experience for the last 5 years

AEON Group

2011 - 2012	Director	AEON Credit Service Co., Ltd. / Retail Finance
2013 - 2015	Managing Director	AEON Credit Holdings (Hong Kong) Co., Ltd.
2013 - 2014	Chairman of the Board	AEON Thana Sinsap (Thailand) PLC / Retail Finance
2015 - Present	Audit Division	AEON Financial Service Co., Ltd. / Retail Finance
April 2017 - Present	Managing Director	ACS Servicing (Thailand) Co., Ltd. / Collection Servicer
June 2017 - Present	Director	AEON Thana Sinsap (Thailand) PLC / Retail Finance
June 2017 - June 2018	Chairman of the Board	AEON Microfinance(Myanmar) Co.,Ltd. / Retail Finance
May 2018 - Present	Chairman of the Board	AEON Specialized Bank (Cambodia) PLC / Specialized Bank

Other listed company

-None-

Other non-listed company

-None-

Ms. Suriporn Thammawatid		Director
		Appointed effective on June 22, 2018
Age (year)		51
Education Background		Master of Management Srinakharinwirot University
Training		AFS Group Director-Management Training Programme 2018
Shareholding (%) (28/02/19)		None
Family Relationship with Directors and Executives		None

Working Experience for the last 5 years

AEON Group

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 - June 2018	Senior Executive Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance
June 2018- Present	Director	AEON Thana Sinsap (Thailand) PLC / Retail Finance

Other listed company

-None-

Other non-listed company

-None-

Ms. Kannika Kursirikul	Director
	Appointed effective on June 10, 2004
Age (year)	65
Education Background	Bachelor Degree in Accountancy, Thammasat University
Training	Director Certification Program (DCP) / IOD
	AFS Group Director-Management Training Programme 2018
Shareholding (%) (28/02/19)	0.0008
Family Relationship with Directors and Executives	None

Working Experience for the last 5 years

AEON Group

2004 - Present	Director	AEON Thana Sinsap (Thailand) PLC / Retail Finance
2005 - Present	Director	ACS Capital Corporation Ltd. / Leasing

Other listed company

-None-

Other non-listed company

-None-

Mr. Chatchaval Jiaravanon	Director
	Appointed effective on February 18, 2000
Age (year)	57
Education Background	Bachelor of Science in Business Administration, University of Southern California USA
Training	Director Accreditation Program (DAP) / IOD
Shareholding (%) (28/02/19)	5.8800
Family Relationship with Directors and Executives	None

Working Experience for the last 5 years

AEON Group

2000 - Present	Director	AEON Thana Sinsap (Thailand) PLC / Retail Finance
2007 - Present	Director	AEON Thailand Foundation / Foundation

Other listed company

1993 - Present	Director & Managing Director	TRUE Corporation PLC / Telecommunication
2001 - Present	Independent Director and Audit Committee Member	TICON Industrial Connection PLC / Property & Construction
2013 - Present	Chairman	Finansia Syrus Securities PLC / Securities Business
2014 - Present	Director	WP Energy PLC / Resources
2017 - Present	Independent Director and Audit Committee Member	SVI PLC / Technology

Other non-listed company

2000 - Present	President and CEO	Telecom Holding Co., Ltd. / Holding Company
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Mr. Noppun Muangkote		Independent Director and Chairman of Audit Committee
		Appointed effective on August 7, 2001
Age (year)		71
Education Background		Master Degree in Law New York University, USA
Training		Director Accreditation Program (DAP) / IOD
Shareholding (%) (28/02/19)		None
Family Relationship with Directors and Executives		None

Working Experience for the last 5 years

AEON Group

2015 - Present	Director	AEON Fantasy (Thailand) Co., Ltd. / Amusement park
2001 - Present	Independent Director and Chairman of Audit Committee	AEON Thana Sinsap (Thailand) PLC / Retail Finance
2005 - Present	Director	AEON Holdings (Thailand) Co., Ltd. / Holding
2007 - Present	Director	AEON Thailand Foundation / Foundation

Other listed company

1990 - Present	Director and Vice Chairman	Sahakol Equipment PLC / Construction Contractor / Energy
2001 - Present	Independent Director and Audit Committee Member Chairman Remuneration and Nomination Committee	Amata Corporation PLC / Property Development

Other non-listed company

1981 - Present	Chairman	International Business Lawyers Co., Ltd. / Legal Advisor
2005 - Present	Director	PF Controls Group Co., Ltd. /Water Treatment
2007 - Present	Independent Director and Chairman of Audit Committee	Charoensin Asset Co., Ltd. /Property Development

Mr. Shunichi Kobayashi		Independent Director and Audit Committee Member
		Appointed effective on November 21, 2001
Age (year)		76
Education Background		Diploma in Language Kanda Foreign Language Institute, Japan
Training		Director Certification Program (DCP) / IOD
Shareholding (%) (28/02/19)		0.0400
Family Relationship with Directors and Executives		None

Working Experience for the last 5 years

AEON Group

2001 - May 2017	Independent Director and Audit Committee Member	AEON Thana Sinsap (Thailand) PLC / Retail Finance
May 2017 - Apr 2018	Independent Director	AEON Thana Sinsap (Thailand) PLC / Retail Finance
Apr 2018 - Present	Independent Director and Audit Committee Member	AEON Thana Sinsap (Thailand) PLC / Retail Finance

Other listed company

-None-

Other non-listed company

1994 - Present	President	International Administration (Thailand) Co., Ltd. / Accounting and Legal Consulting
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Dr.Sucharit Koontanakulvong		Independent Director and Audit Committee Member
		Appointed effective on June 17, 2010
Age (year)		64
Education Background		Bachelor Degree in Chemical Engineering
		Master in Agricultural Engineering (Civil)
		Doctor in Agricultural Engineering (Civil) KYOTO University, Japan
Training		Director Certification Program (DCP) / IOD
		Independent Director Forum 2017 Updated COSO Enterprise
		Risk Management: Integrating with Strategy and Performance /
		Thai Institute of Directors Association
Shareholding (%) (28/02/19)		None
Family Relationship with Directors and Executives		None

Working Experience for the last 5 years

AEON Group

2010 - May 2017	Independent Director	AEON Thana Sinsap (Thailand) PLC / Retail Finance
May 2017 - Present	Independent Director and Audit Committee Member	AEON Thana Sinsap (Thailand) PLC / Retail Finance

Other listed company

2009 - Present	Independent Director and Audit Committee Member	Siam Steel Service Center PLC / Steel
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Other non-listed company

1996 - Present	Associate Professor, Faculty of Engineering	Chulalongkorn University / University
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Mr.Kenji Hayashi		Independent Director
		Appointed effective on June 17, 2016
Age (year)		68
Education Background		Bachelor Degree in German Language Tokyo University of Foreign Studies, Japan
Training		-
Shareholding (%) (28/02/19)		None
Family Relationship with Directors and Executives		None

Working Experience for the last 5 years

AEON Group

2015 - Present	Outside Director	AEON Credit Service Co., Ltd. / Retail Finance ⁴
2016 - Present	Independent Director	AEON Thana Sinsap (Thailand) PLC / Retail Finance
2016 - Present	Independent Director	AEON Credit Service (Asia) Co., Ltd. / Retail Finance

Other listed company

-None-

Other non-listed company

2007 - 2014	President & CEO	Sigma Base Capital Corporation
2014 - Present	Adviser	Institute of Corporate Governance, Japan
2017 - Present	Outside Director	Optical Comb, Inc.

Dr. Mongkon Laoworrapong		Independent Director
		Appointed effective on June 22, 2018
Age (year)		49
Education Background		Ph.D. of Business Administration (Accounting), Thammasat University
Training		Director Accreditation Program (DAP) / IOD
		Director Certification Program (DCP) / IOD
		Audit Committee Program (ACP) / IOD
		Monitoring the Internal Audit Function (MIA)/ IOD
		Successful Formulation & Execution of Strategy (SFE) / IOD
		How to Measure the Success of Corporate Strategy (HMS) / IOD
		Chartered Director Class (CDC)/ IOD
		Boardroom Success through Financing and Investment (BFI) / IOD
		Thai Standard on Auditing
		Thai Financial Reporting Standard
Shareholding (%) (28/02/19)		None
Family Relationship with Directors and Executives		None

Working Experience for the last 5 years

AEON Group

June 2018 - Present	Independent Director	AEON Thana Sinsap (Thailand) PLC / Retail Finance
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Other listed company

2011 - Present	Independent Director and Audit Committee Member	CPL Group Public Company Limited
2015 - Present	Independent Director and Audit Committee Member	Sahakol Equipment Public Company Limited
2016 - Present	Independent Director, Chairman of Audit Committee and Risk Management Committee Member	Applied DB Public Company Limited
2017 - Present	Chief Financial Officer	Begistics Public Company Limited

Other non-listed company

2015 - Present	Independent Director, Audit Committee and Risk Management Committee Member	Charoensin Asset Co., Ltd
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Note :

¹The authorized signatory of the Company is Mr. Hideki Wakabayashi or Mr. Kiyoyasu Asanuma with affixing the Company's seal. There is no family relationship between each director and the management.

²AEON Credit Service Co., Ltd. changed its name to AEON Financial Service Co., Ltd. since April 1, 2013.

³Aeon Credit Service Co., Ltd. is established on of November 29, 2012 and became 100% subsidiary company of AEON Financial Service Co., Ltd. on April 1, 2013.

⁴Mr. Kiyoyasu Asanuma has resigned from the Vice Chairman of the Board, Managing Director and Director with effect on March 1, 2019.

⁵Mr. Masanori Kosaka was appointed as the Vice Chairman of the Board and Acting Managing Director with effect from March 1, 2019 onwards.

Management Profile

Ms. Supanee Asawasuwat

Senior Executive Vice President (Company Secretary)

Appointed effective on September 21, 2009

Age (year)	51
Education Background	Master of Business Administration, Eastern Michigan University, USA Bachelor Degree of Accounting Assumption University Certified Public Accountant (CPA)
Training	Advance for Corporate Secretary Program
Shareholding (%) (28/02/19)	0.0025
Family Relationship with Directors and Executives	None

Working Experience for the last 5 years

AEON Group

2005 - 2009	Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance
2009 - Present	Senior Executive Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance

Other listed company

-None-

Other non-listed company

1997 - 2001	Senior Analyst	The Stock Exchange of Thailand
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Mr. Kazumasa Oshima

Chief Financial Officer (CFO) and Senior Executive Vice President - Finance and Control Department

Appointed to be CFO, effective on December 1, 2018

Appointed to be SEVP, effective on March 1, 2016

Age (year)	39
Education Background	Master of Business Administration (Finance) National Institute of Development Administration
Training	Business Analyst through Financial Statements / Federation of Accounting Professions
Shareholding (%) (28/02/19)	None
Family Relationship with Directors and Executives	None

Working Experience for the last 5 years

AEON Group

2014 - Present	Director	ACS Capital Corporation Limited
2015 - June 2018	Director	AEON Leasing Service (Lao) Company Limited
2016 - Present	Senior Executive Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance
June 2018 - Present	Corporate Auditor	AEON Leasing Service (Lao) Company Limited
Dec 2018 - Present	Chief Financial Officer	AEON Thana Sinsap (Thailand) PLC / Retail Finance

Other listed company

-None-

Other non-listed company

-None-

Mr. Somsak Hempiam**Senior Executive Vice President - Auto Finance Department**

Appointed effective on October 1, 2015

Age (year)	54
Education Background	Bachelor's degree in Computer Tokyo Computer, Japan
Shareholding (%) (28/02/19)	None
Family Relationship with Directors and Executives	None

Working Experience for the last 5 yearsAEON Group

2015 - Present	Senior Executive Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance
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<u>Other listed company</u>	-None-
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Other non-listed company

2010 - 2015	Senior Vice President	Corporate Planning & Support/Summit Capital Leasing Co., Ltd./Leasing
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Ms. Ryoko Yaoi**Senior Executive Vice President - Contact Center Department**

Appointed effective on March 1, 2012

Age (year)	44
Education Background	Diploma / Department of Literature St. Agnes College, Japan
Shareholding (%) (28/02/19)	None
Family Relationship with Directors and Executives	None

Working Experience for the last 5 yearsAEON Group

2005 - 2009	Assistant Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance
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2009 - 2012	Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance
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2012 - Present	Senior Executive Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance
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2014 - Present	Director	ACS Servicing (Thailand) Co., Ltd. / Collection Servicer
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<u>Other listed company</u>	-None-
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<u>Other non-listed company</u>	-None-
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Mr. Manavudhi Mingvanich

Senior Executive Vice President - System Development Department

Appointed effective on August 21, 2013

Age (year)	51
Education Background	Bachelor Degree / Computer Science Ramkhamhaeng University
Shareholding (%) (28/02/19)	None
Family Relationship with Directors and Executives	None

Working Experience for the last 5 yearsAEON Group

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 Executive Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance

Other listed company -None-Other non-listed company -None-**Mr. Witchasorn Suwannakindra**

Senior Executive Vice President - Business Control Management Department

Appointed effective on March 1, 2013

Age (year)	55
Education Background	Master's Degree (Public Administration) University of New Haven, USA
Shareholding (%) (28/02/19)	0.00008
Family Relationship with Directors and Executives	None

Working Experience for the last 5 yearsAEON Group

2009-2011	Assistant Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance
2011-2013	Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance
2013- Present	Senior Executive Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance

Other listed company -None-Other non-listed company -None-

Mr. Junichi Iwakami**Senior Executive Vice President - I.T and System Department**

Appointed effective on July 5, 2016

Age (year)	59
Education Background	Bachelor of Economics Waseda University, Japan
Shareholding (%) (28/02/19)	None
Family Relationship with Directors and Executives	None

Working Experience for the last 5 yearsAEON Group

2016 - Present	Non Executive Director	AEON Credit Service Systems (Philippines) Inc.
2016 - Present	Senior Executive Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance

Other listed company -None-Other non-listed company

1998 - 2016	Executive sales department manager	IBM Japan Co., Ltd.
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Mr. Tawatchai Peechapat**Senior Executive Vice President - I.T. Department**

Appointed effective on April 1, 2018

Age (year)	48
Education Background	Bachelor of Science (Applied Statistics), King Mongkut's Institute of Technology, Chaokhunthaham Ladkrabang Campus
Shareholding (%) (28/02/19)	None
Family Relationship with Directors and Executives	None

Working Experience for the last 5 yearsAEON Group

2004 - 2006	Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance
2006 - 2015	Senior Executive Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance
2018 - Present	Senior Executive Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance

Other listed company

2015 - 2017	Senior Vice President	Bank of Ayudhya / Bank
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Other non-listed company

2017 - 2018	Partner	J Ventures Co., Ltd. / Software development and investment
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Mr. Sitthipong Kanaraksunti		Head of Accounting (Chief Accountant)
		Appointed effective on October 1, 2018
Age (year)	46	
Education Background	Master Degree in Accounting, Thammasat University	
Training	Digitalization and challenge to accountant 4.0	
	Understanding TFRS for security analytic	
	Get ready for Robotic Process Automation(RPA) for digital accountant	
Shareholding (%) (28/02/19)	None	
Family Relationship with Directors and Executives	None	

Working Experience for the last 5 years

AEON Group

Jun 2016 - Oct 2018	Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance
Oct 2018 - Present	Head of Accounting (Chief Accountant)	AEON Thana Sinsap (Thailand) PLC / Retail Finance

Other listed company -None-

Other non-listed company

2013 - Jun2016	Manager	Isuzu Motors International Operation (Thailand) Co.,Ltd.
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Company Profile

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

Business	Life and Non-life Insurance Brokerage Services
Head Office	159/22 Sermmitr Tower Building, 14 th Floor, Sukhumvit 21 (Asok) Road, Khlong Toey Nua, Watthana, Bangkok 10110
Tel.	0-2689-7111
Fax.	0-2689-7141-2
Website	https://www.aeoninsurance.co.th
Authorized share capital	Ordinary shares 100,000,000 baht
Issued and paid up share capital	Ordinary shares 100,000,000 baht
Par Value of share	10 baht

ACS Servicing (Thailand) Co.,Ltd. (100% of ownership)*

Business	Debt Collection Service and Legal Service
Head Office	699 Modernform Tower Building, 11 th Floor, Si Nakharin Road, Khwaeng Pattanakarn, Khet Suan Luang, Bangkok 10250
Tel.	0-2769-1700
Fax.	0-2722-8262
Authorized share capital	Ordinary shares 148,000,000 baht
Issued and paid up share capital	Ordinary shares 148,000,000 baht
Par Value of share	10 baht

AEON Leasing Service (Lao) Company Limited (100% of ownership)**

Business	Leasing Business
Head Office	ASEAN Road, 1 st & 3 rd Floors, Building S 16, Sky City Project, Unit 10, Sibounheuang Village, Chanthabouly District, Vientiane Capital, Lao PDR
Tel.	856 (0) 21-225333
Fax.	-
Authorized share capital	LAK 28,000,000,000
Issued and paid up share capital	LAK 28,000,000,000
Par Value of share	LAK 10,000

AEON Microfinance (Myanmar) Company Limited (100% of ownership)

Business	Microfinance Business
Head Office	Room No. (210-212), Building (D), 2 nd Floor, Pearl Condo, Kabaraye Pagoda Road, Bahan Township, Yangon, Myanmar
Tel.	95-9-969712111
Fax.	95-1-430653
Authorized share capital	MMK 8,259,601,000
Issued and paid up share capital	MMK 8,259,601,000
Par Value of share	MMK 1,000

AEON Specialized Bank (Cambodia) PLC (50% of ownership)***

Business	Specialized Bank Business
Head Office	7 th Floor, Building No.721 Preah Monivong Blvd, Sangkat Boeng Keng Kang 3, Khan Chamkar Mon, Phnom Penh, Cambodia.
Tel.	855-23-988-555
Fax.	855-23-988-711
Authorized share capital	USD 20,000,000
Issued and paid up share capital	USD 20,000,000
Par Value of share	USD 1

ATS Rabbit Special Purpose Vehicle Company Limited (48.75% of ownership)****

Business	Special Purpose Vehicles (SPV) under the Royal Enactment on Special Purpose Juristic Persons for Securitization
Head Office	388 Exchange Tower, 27 th Floor, Sukhumvit Road Khwaeng Klongtoey, Khet Klongtoey, Bangkok 10110
Tel.	0-2689-7050
Authorized share capital	Ordinary shares 39,800 baht, Preferred shares 200 baht
Issued and paid up share capital	Ordinary shares 39,800 baht, Preferred shares 200 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	246 Cong Quynh, Pham Ngu Lao Ward, District 1, Ho Chi Minh City, Vietnam
Tel.	84-8-54453800
Fax.	84-8-54453801
Authorized share capital	VND 50 Billion
Issued and paid up share capital	VND 50 Billion

* ACS Servicing changed the Company's address since March 1, 2018.

** The Company holds shares indirectly through ACS Servicing (Thailand) Company Limited and AEON Insurance Service (Thailand) Company Limited with 3.71% and 3.71% shareholding, respectively.

*** The Board of Director approved to waive the pre-emptive rights to subscribe the additional issuance of AEON Specialized Bank (Cambodia) PLC. The proportion of shareholding of the Company decreased from 80% to 50%. This transaction was approved by the National Bank of Cambodia and registered the increase of authorized shares capital since April 24, 2018, accordingly.

****The Company has the power to control over ATS Rabbit Special Purpose Vehicle Company Limited because the Company has power to appoint the board of directors and rights to provide certain service which is significantly impacted by the performance of underlying assets and has rights to get variable return from such company under securitization project.

Reference

Securities Registrar	Thailand Securities Depository Company Limited The Stock Exchange of Thailand Building 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand Tel. 0-2009-9000 Fax. 0-2009-9991
Auditor	Deloitte Touche Tohmatsu Jaiyos Audit Company Limited AIA Sathorn Tower, 23 rd – 27 th Floor, 11/1 South Sathon Road, Yannawa, Sathon, Bangkok 10120 Tel. 0-2034-0000 Fax. 0-2034-0100

ภาค / สาขา Region / Branch		ที่อยู่ Address	โทรศัพท์ Telephone No.	โทรสาร Fax No.
กรุงเทพและปริมณฑล / Bangkok and Vicinity				
1	เซ็นทรัลพลาซ่า แกรนด์ พระราม 9 CentralPlaza Grand Rama 9	เลขที่ 9/9 ชั้น 5 ห้อง 510 ถนนพระราม 9 แขวงห้วยขวาง เขตห้วยขวาง กรุงเทพฯ 10310	0-2160-2453-4	0-2160-2455
2	หัวหมาก ทาวน์ เซ็นเตอร์ Huamark Town Center	177 ชั้น G ห้อง G-02-1 ถนนรามคำแหง แขวงหัวหมาก เขตบางกะปิ กรุงเทพฯ 10240	0-2314-7341-2	0-2314-7343
3	เดอะมอลล์ ท่าพระ The Mall Thapra	99 ชั้น 3 ห้อง 3S-C2-A1, 3S-C2-B1 ถนนรัชดาภิเษก แขวงบุคคโล เขตธนบุรี กรุงเทพฯ 10600	0-2477-7220 0-2477-7221	0-2477-9950
4	เทสโก้ โลตัส บางกะปิ Tesco Lotus Bangkokpi	3109 ชั้น 2 ถนนลาดพร้าว แขวงคลองจั่น เขตบางกะปิ กรุงเทพฯ 10240	0-2377-4830-2	0-2374-2823
5	เดอะมอลล์ บางกะปิ The Mall Bangkokpi	3522 ชั้น 3 ห้อง 3S-C9B, 3A-C10-11, 3S-C12-13, ถนนลาดพร้าว แขวงคลองจั่น เขตบางกะปิ กรุงเทพฯ 10240	0-2374-5165 0-2704-7640	0-2374-5175
6	ยูเนี่ยนมอลล์ ลาดพร้าว Union Mall Ladprao	54 ชั้น F2 ห้อง 2L-20-21 ซอยลาดพร้าว 1 ถนนลาดพร้าว แขวงจอมพล เขตจตุจักร กรุงเทพฯ 10900	0-2513-9327-8	0-2513-9325
7	เซ็นทรัลพลาซ่า รัตนาธิเบศร์ CentralPlaza Rattana Thibet	566-8 ชั้น 2 ห้อง 265 หมู่ 8 ถนนรัตนาธิเบศร์ ตำบลบางกระสอ อำเภอเมืองนนทบุรี จังหวัดนนทบุรี 11000	0-2526-8031-2	0-2526-8030
8	ฟิวเจอร์ พาร์ค รังสิต Future Park Rangsit	94 ชั้น 2 ห้อง PLZ.2.SHP 020 ถนนพหลโยธิน ตำบลประชาธิปัตย์ อำเภอธัญบุรี จังหวัดปทุมธานี 12130	0-2567-6183-4 0-2567-6181	0-2567-6186
9	แฟชั่นไอส์แลนด์ Fashion Island	587,589,589/7-9 ชั้นใต้ดิน (BF) ห้อง EDU01 ถนนรามอินทรา แขวงคันนายาว เขตคันนายาว กรุงเทพฯ 10230	0-2508-7200-5	0-2947-5089
10	เทสโก้ โลตัส รังสิต Tesco Lotus Rangsit	801 ชั้น 1 หมู่ 2 ถนนพหลโยธิน ตำบลประชาธิปัตย์ อำเภอธัญบุรี จังหวัดปทุมธานี 12130	0-2567-6794 0-2567-0359	0-2567-4962
11	เทสโก้ โลตัส หลักสี่ Tesco Lotus Laksi	559 ชั้น 2 หมู่ 3 ถนนพหลโยธิน แขวงอนุสาวรีย์ เขตบางเขน กรุงเทพฯ 10220	0-2521-4974-5	0-2521-4976
12	เทสโก้ โลตัส จรัญสนิทวงศ์ Tesco Lotus Charansanit Wong	244 ชั้น 1 ถนนจรัญสนิทวงศ์ แขวงบางพลัด เขตบางพลัด กรุงเทพฯ 10700	0-2424-9275-6	0-2424-9408
13	บิ๊กซี สะพานควาย Big C Saphankwai	618/1 ชั้น B ห้อง BCR002-5 ถนนพหลโยธิน แขวงสามเสนใน เขตพญาไท กรุงเทพฯ 10400	0-2013-7074-5	0-2013-7076
14	เดอะมอลล์ งามวงศ์วาน The Mall Ngamwongwan	408,410,412 ชั้น 4 ห้อง 4F-4/1 หมู่ 2 ถนนงามวงศ์วาน ตำบลบางเขน อำเภอเมืองนนทบุรี จังหวัดนนทบุรี 11000	0-2550-0285 0-2550-0531	0-2550-0703
15	เทสโก้ โลตัส ปทุมธานี Tesco Lotus Pathumthani	21/49 ชั้น 1 ถนนปทุมสามโคก ตำบลบางปรอก อำเภอเมือง จังหวัดปทุมธานี 12000	0-2581-8453	0-2581-8454
16	เทสโก้ โลตัส นวนคร Tesco Lotus Navanakorn	98/103 ชั้น 2 หมู่ 13 ตำบลคลองหนึ่ง อำเภอคลองหลวง จังหวัดปทุมธานี 12120	0-2520-4970-1	0-2520-4972
17	เทสโก้ โลตัส บางนา Tesco Lotus Bangna	14/9 ชั้น 1 หมู่ 13 ถนนบางนา-ตราด กม. 7 ตำบลบางแก้ว อำเภอบางพลี จังหวัดสมุทรปราการ 10540	0-2313-3196	0-2739-9167
18	เซ็นทรัลพลาซ่า พระราม 2 CentralPlaza Rama 2	160 ชั้นที่ 3 ห้อง 329 ถนนพระรามที่ 2 แขวงแสมดำ เขตบางขุนเทียน กรุงเทพฯ 10150	0-2872-4486	0-2872-4487
19	โรบินสัน สมุทรปราการ Robinson Samutprakan	789 ชั้นที่ 3 ห้อง 3F-B-312 หมู่ 2 ตำบลท้ายบ้านใหม่ อำเภอเมืองสมุทรปราการ จังหวัดสมุทรปราการ 10280	0-2174-2817-18	0-2174-2823
20	ซีคอนสแควร์ Seacon Square	55 ชั้นที่ 3 ห้อง 30571 ถนนศรีนครินทร์ แขวงหนองบอน เขตประเวศ กรุงเทพฯ 10250	0-2320-2950-2	0-2721-8379
21	อิมพีเรียล สำโรง Imperial Samrong	999 ชั้น 2F ห้อง S2FIS-049 หมู่ 1 ถนนสุขุมวิท ตำบลสำโรงเหนือ อำเภอเมือง จังหวัดสมุทรปราการ 10270	0-2183-0761-2 0-2183-0719	0-2183-0720

Branch Network

	ภาค / สาขา Region / Branch	ที่อยู่ Address	โทรศัพท์ Telephone No.	โทรสาร Fax No.
22	เทสโก้ โลตัส พระราม 1 Tesco Lotus Rama I	831 ชั้น 3 ถนนพระราม 1 แขวงวังใหม่ เขตปทุมวัน กรุงเทพฯ 10330	0-2612-3405-6	0-2219-1934
23	บิ๊กซี ราชดำริ Big C Ratchadamri	97/11 ชั้น 3 ห้อง 3CR312-313 ถนนราชดำริห์ แขวงลุมพินี เขตปทุมวัน กรุงเทพฯ 10330	0-2250-4801-2	0-2250-4803
24	เซ็นทรัลพลาซ่า ปิ่นเกล้า Central Plaza Pinklao	เลขที่ 77/222 ชั้น 4 ห้องเลขที่ 424 ถนนบรมราชชนนี แขวงอรุณอมรินทร์ เขตบางกอกน้อย กรุงเทพฯ 10700	0-2884-7584-6	0-2884-7592
25	มาร์เก็ต วิลเลจ สุวรรณภูมิ Market Village Suvarnabhumi	99/29 ชั้น 3 ห้องเลขที่ R309 หมู่ 1 ตำบลราชาเทวะ อำเภอบางพลี จังหวัดสมุทรปราการ 10540	0-2003-2451-3	0-2003-2457
26	เดอะมอลล์ บางแค The Mall Bangkae	518 ชั้น 3 ห้อง 3S-L6 หมู่ 1 ถนนเพชรเกษม แขวงบางแคเหนือ เขตบางแค กรุงเทพฯ 10160	0-2454-8177	0-2454-7150
27	เมกา บางนา Mega Bangna	39 ชั้น 1 ห้อง 1632/6 หมู่ 6 ถนนบางนา-ตราด กม.8 ตำบลบางแก้ว อำเภอบางพลี จังหวัดสมุทรปราการ 10540	0-2186-8740-41	0-2186-8742
28	ซิลม คอมเพล็กซ์ Silom Complex	191 ชั้น 4 ห้อง 429 ถนนสีลม แขวงสีลม เขตบางรัก กรุงเทพฯ 10500	0-2266-2681- 3	0-2266-2684
29	เซ็นทรัล เวิลด์ Central World	4,4/1-2, 4/4 ชั้น 4 ห้อง B402 ถนนราชดำริห์ แขวงปทุมวัน เขตปทุมวัน กรุงเทพฯ 10330	0-2255-6590-1,3 0-2255-6593	0-2255-6592
30	แม็กซ์แวลู หลักสี่ MaxValu Laksi	78 ชั้น 1 ถนนแจ้งวัฒนะ แขวงอนุสาวรีย์ เขตบางเขน กรุงเทพฯ 10220	0-2521-1601-2	0-2521-1605
31	เซ็นทรัลพลาซ่า เวสต์เกต Central Plaza Westgate	199,199/1,199/2 ชั้น 3 ห้อง 339 หมู่ 6 ตำบลเสาธงหิน อำเภอบางใหญ่ จังหวัดนนทบุรี 11140	0-2194-2803-5	0-2194-2810
32	บิ๊กซี สุขสวัสดิ์ Big C Suksawat	94 ชั้น 2 ห้อง 2CR207 หมู่ที่ 18 ตำบลบางพึ่ง อำเภอพระประแดง จังหวัดสมุทรปราการ 10130	0-2464-2805-7	0-2464-2866
ภาคเหนือ / Northern				
33	แอร์พอร์ต บิซิเนส พาร์ค (โอเปอเรชั่น เซ็นเตอร์) Airport Business Park (Operation Center)	90 ชั้น 3-4 ถนนมหิดล ตำบลหายยา อำเภอเมือง จังหวัดเชียงใหม่ 50100	(053) 113-561 (053) 113-564	(053) 113-224
34	เซ็นทรัลพลาซ่า เชียงใหม่ แอร์พอร์ต Central Plaza Chiangmai Airport	เลขที่ 2 ถนนมหิดล, 252-252/1 ชั้น 3 ห้อง 382 ถนนวิไลย, ตำบลหายยา อำเภอเมือง จังหวัดเชียงใหม่ 50100	(053) 271-265-6	(053) 271-267
35	บิ๊กซี ลำพูน Big C Lamphun	200 ชั้น 1 ห้อง GCR1138 หมู่ที่ 4 ตำบลบ้านกลาง อำเภอเมืองลำพูน จังหวัดลำพูน 51000	(053) 582-018, 23 (053) 582-030	(053) 582-060
36	เทสโก้ โลตัส คำเที่ยง Tesco Lotus Kamthiang	19 ชั้น 1 ถนนตลาดคำเที่ยง ตำบลป่าตัน อำเภอเมือง จังหวัดเชียงใหม่ 50300	053) 216-532 (053) 222-488)	(053) 216-533
37	เซ็นทรัลพลาซ่า เชียงราย Central Plaza Chiangrai	99/9 ชั้น 2 ห้อง 231-232 หมู่ 13 ตำบลรอบเวียง อำเภอเมืองเชียงราย จังหวัดเชียงราย 57000	(053) 729-190	(053) 792-191
38	บิ๊กซี ลำปาง Big C Lampang	เลขที่ 65 ชั้น 2 ห้อง 2CR206/2 ถนนไฮเวย์ลำปาง-งาว ตำบลสบตุ๋ย อำเภอเมืองลำปาง จังหวัดลำปาง 52100	(054) 209-123	(054) 209-191
39	เซ็นทรัลพลาซ่า พิษณุโลก Central Plaza Phitsanulok	เลขที่ 9/99 ชั้น 3 ห้อง 334 หมู่ 5 ถนนสิงห์วัฒน์ ตำบลพลายชุมพล อำเภอเมืองพิษณุโลก จังหวัดพิษณุโลก 65000	(055) 338-426-7	(055) 338-428
40	วี-สแควร์ พลาซ่า นครสวรรค์ V-Square Plaza Nakhonsawan	320/11 ชั้น 1 ห้องเลขที่ R109-R110 ถนนสวรรควิถึ ตำบลปากน้ำโพ อำเภอเมือง จังหวัดนครสวรรค์ 60000	(056) 200-123	(056) 200-191
41	เทสโก้ โลตัส ตาก Tesco Lotus Tak	18 ชั้น G ห้อง 101 ถนนพหลโยธิน ตำบลระแหง อำเภอเมืองตาก จังหวัดตาก 63000	(055) 508-123	(055) 508-191

	ภาค / สาขา Region / Branch	ที่อยู่ Address	โทรศัพท์ Telephone No.	โทรสาร Fax No.
ภาคเหนือ / Northern				
42	บิ๊กซี เพชรบูรณ์ Big C Phetchabun	939 ชั้น 1 ห้อง GCR107 หมู่ 2 ตำบลสะเดียง อำเภอเมือง จังหวัดเพชรบูรณ์ 67000	(056) 705-123 (056) 705-193	(056) 705-191
43	บิ๊กซีแพร่ Big C Phrae	600 ชั้น G ห้อง GCR 117-120 หมู่ 9 ตำบลนาจักร อำเภอเมือง จังหวัดแพร่ 54000	(054) 539-123 (054) 539-190	(054) 539-191
44	เดอะฮาร์โมนี ฟิชญโลก (สำนักงานสาขาภูมิภาค) The Harmony Phitsanulok (Regional Office)	268/24-25 ถนนพิชัยสงคราม ตำบลในเมือง อำเภอเมือง จังหวัดพิษณุโลก 65000	(055) 236-123	(055) 236-191
45	เซ็นทรัลเฟสติวัล เชียงใหม่ CentralFestival Chiangmai	99,99/1 และ 99/2 ชั้น 3 ห้อง 335 หมู่ 4 ตำบลฟ้าฮ่าม อำเภอเมืองเชียงใหม่ จังหวัดเชียงใหม่ 50000	(053) 288-875-6	(053) 288-880
46	บิ๊กซี พิษณุโลก Big C Phitsanulok	939 ชั้น 2 ห้อง 2CR207 ถนนพิชัยสงคราม ตำบลในเมือง อำเภอเมืองพิษณุโลก จังหวัดพิษณุโลก 65000	(055) 302-284-6	(055) 302-767
47	บิ๊กซี กำแพงเพชร Big C Kamphaengphet	613/1 ชั้นที่ 2 ห้องเลขที่ 2CR212 ถนนเจริญสุข ตำบลในเมือง อำเภอเมืองกำแพงเพชร จังหวัดกำแพงเพชร 62000	(055) 853-750-1	(055) 853-753
48	บิ๊กซี สุโขทัย Big C Sukhothai	68 หมู่ที่ 2 ชั้นที่ 1 ห้องเลขที่ GCR148 ตำบลบ้านกล้วย อำเภอเมืองสุโขทัย จังหวัดสุโขทัย 64000	(055) 651-778-9	(055) 651-781
ภาคกลาง / Central				
49	สุขอนันต์ ปาร์ค สระบุรี Suk Anan Park Saraburi	179/5 ชั้น 1 ถนนสุขุมวิท ตำบลปากเพรียว อำเภอเมือง จังหวัดสระบุรี 18000	(036) 200-123	(036) 200-191
50	บิ๊กซี ลพบุรี Big C Lopburi	เลขที่ 2 ชั้น 2 ห้องเลขที่ 2 CR207 หมู่ 1 ตำบลท่าศาลา อำเภอเมืองลพบุรี จังหวัดลพบุรี 15000	(036) 418-123	(036) 418-191
51	เซ็นทรัลพลาซ่า ระยอง CentralPlaza Rayong	99, 99/1 ชั้น 2 ห้องเลขที่ 268 ถนนบางนา-ตราด ตำบลเชิงเนิน อำเภอเมืองระยอง จังหวัดระยอง 21000	(038) 997-123 (038) 997-190	(038) 997-191-2
52	แปซิฟิก พาร์ค ชลบุรี Pacific Park Chonburi	เลขที่ 90 ชั้น 4 F-402-3 ถนนสุขุมวิท กม.118 ตำบลศรีราชา อำเภอศรีราชา จังหวัดชลบุรี 20110	(038) 417-100-5 (038) 417-190	(038) 312-424
53	เทสโก้ โลตัส พัทยา เหนือ Tesco Lotus Pattaya Nua	221/19 ชั้น 1 หมู่ 5 ถนนพัทยาเหนือ ตำบลนาเกลือ อำเภอบางละมุง จังหวัดชลบุรี 20150	(038) 422-384 (038) 422-327	(038) 411-187
54	เทสโก้ โลตัส อมตะนคร Tesco Lotus Amata Nakorn	700/75 ชั้น 1 หมู่ 5 ตำบลคลองตำหรุ อำเภอเมืองชลบุรี จังหวัดชลบุรี 20000	(038) 457-492-3	(038) 457-494
55	บิ๊กซี ชลบุรี Big C Chonburi	49/1 ชั้น 1 ห้อง GCR115 หมู่ที่ 3 ตำบลห้วยกะปิ อำเภอเมืองชลบุรี จังหวัดชลบุรี 20000	(038) 192-193-5	(038) 192-094
56	เทสโก้ โลตัส จันทบุรี Tesco Lotus Chanthaburi	25/4 ชั้น 1 ถนนพระยาตรัง ตำบลวัดใหม่ อำเภอเมือง จังหวัดจันทบุรี 22000	(039) 303-389 (039) 325-106	(039) 301-276
57	โรบินสัน ฉะเชิงเทรา Robinson Chachoengsao	910 ชั้น 2 ห้อง 2F-RR-B202 ถนนฉะเชิงเทรา-บางปะกง ตำบลหน้าเมือง อำเภอเมือง จังหวัดฉะเชิงเทรา 24000	(038) 564-190-1	(038) 564-187
58	อยูทธยา แกรนด์ Ayutthaya Grand	51/287-290 หมู่ 1 ถนนโรจนะ ตำบลธนู อำเภออุทัย จังหวัดพระนครศรีอยุธยา 13210	(035) 753-123	(035) 753-191
59	อยูทธยา ปาร์ค Ayutthaya Park	126 ชั้น 2 ห้อง I-46 หมู่ 3 ถนนสายเอเชีย ตำบลคลองสวนพลู อำเภอพระนครศรีอยุธยา จังหวัดพระนครศรีอยุธยา 13000	(035) 801-209-10	(035) 801-214
60	โฮมโปร นครปฐม HomePro Nakhonpathom	เลขที่ 752/3 ชั้น 1 ห้อง RTC4-5 ถนนเพชรเกษม ตำบลห้วยจรเข้ม อำเภอเมืองนครปฐม จังหวัดนครปฐม 73000	(034) 245-123 (034) 245-190	(034) 245-191-2
61	เทสโก้ โลตัส ราชบุรี Tesco Lotus Ratchaburi	8/4 ชั้น 1 ถนนคชาธร ตำบลหน้าเมือง อำเภอเมือง จังหวัดราชบุรี 70000	(032) 327-194-5	(032) 338-919
62	บิ๊กซี มหาชัย Big C Mahachai	79 ชั้น 1 ห้อง GCR150 หมู่ที่ 8 ตำบลท่าทราย อำเภอเมืองสมุทรสาคร จังหวัดสมุทรสาคร 74000	(034) 417-123	(034) 417-191
63	บิ๊กซี เพชรบุรี Big C Phetchaburi	130 ชั้นที่ 1 ห้องเลขที่ GCR0114 หมู่ที่ 1 ตำบลต้นมะม่วง อำเภอเมืองเพชรบุรี จังหวัดเพชรบุรี 76000	(032) 421-123	(032) 421-191-2

ภาค / สาขา Region / Branch		ที่อยู่ Address	โทรศัพท์ Telephone No.	โทรสาร Fax No.
ภาคกลาง / Central				
64	เทสโก้ โลตัส สุพรรณบุรี Tesco Lotus Suphanburi	293 ชั้น 1 หมู่ 5 ถนนสุพรรณบุรี-ชัยนาท ตำบลท่าระหัด อำเภอเมืองสุพรรณบุรี จังหวัดสุพรรณบุรี 72000	(035) 514-123	(035) 514-191
65	หัวหิน มาร์เก็ต วิลเลจ Huahin Market Village	234/1 ชั้นที่ 3 ห้อง S320 ถนนเพชรเกษม ตำบลหัวหิน อำเภอหัวหิน จังหวัดประจวบคีรีขันธ์ 77110	(032) 526-213-4	(032) 526-215
66	โรบินสัน กาญจนบุรี Robinson Kanchanaburi	110 ชั้น 2F ห้อง 2F-B-221 หมู่ 9 ตำบลปากแพรก อำเภอเมือง จังหวัดกาญจนบุรี 71000	(034) 549-123 (034) 549-190	(034) 549-191
67	บิ๊กซี สมุทรสงคราม Big C Samutsongkhram	2/19 ชั้น 1 ห้อง GCR103 หมู่ 1 ตำบลบางแก้ว อำเภอเมืองสมุทรสงคราม จังหวัดสมุทรสงคราม 75000	(034) 770-901-2	(034) 724-200
68	เซ็นทรัลพลาซา ศาลายา CentralPlaza Salaya	99/19, 99/20 ชั้นที่ 3 ห้อง 333 หมู่ 2 ตำบลบางเดย อำเภอสามปราชญ์ จังหวัดนครปฐม 73210	(034) 245-112-4	(034) 245-194
69	โรบินสัน ปราจีนบุรี Robinson Prachinburi	72 ชั้น 2 ห้อง 2F-B-223 หมู่ 3 ตำบลบางบริบูรณ์ อำเภอเมืองปราจีนบุรี จังหวัดปราจีนบุรี 25000	(037) 573-123 (037) 573-190	(037) 573-191
70	อียอน ศรีราชา ช็อปปิ้ง เซ็นเตอร์ Aeon Sriracha Shopping Center	165/133 ชั้น 1 ห้อง B101/4-1 หมู่ 10 ตำบลสุรศักดิ์ อำเภอศรีราชา จังหวัดชลบุรี 20110	(038) 313-171	(038) 313-173
71	บลูพอร์ต หัวหิน รีสอร์ท มอลล์ Blu Port Hua Hin Resort Mall	8/89 ชั้น B ห้อง B07 ซอยหมู่บ้านหนองแก ตำบลหนองแก อำเภอหัวหิน จังหวัดประจวบคีรีขันธ์ 77110	(032) 523-224-5	(032) 523-226
72	เทสโก้ โลตัส อ่างทอง Tesco Lotus Ang Thong	73 ถนนเลี้ยวเมือง 1 ตำบลโพธิ์ อำเภอมืองอ่างทอง จังหวัดอ่างทอง 14000	(035) 610-286-7	(035) 610-291
ภาคตะวันออกเฉียงเหนือ / North-Eastern				
73	เซ็นทรัลพลาซา ขอนแก่น CentralPlaza Khonkaen	99 ชั้น 2 ห้อง 269-271 ถนนศรีจันทร์ ตำบลในเมือง อำเภอเมือง จังหวัดขอนแก่น 40000	(043) 699-566-69	(043) 699-571
74	บิ๊กซี ร้อยเอ็ด Big C Roi Et	320 ชั้น 2 ห้อง 2CR204 หมู่ 10 ตำบลเหนือเมือง อำเภอเมืองร้อยเอ็ด จังหวัดร้อยเอ็ด 45000	(043) 619-123	(043) 619-191-2
75	บิ๊กซี นครพนม Big C Nakhonphanom	9/2 ชั้น 1 ห้อง GCR108 ซอยร่วมมิตร ถนนนิตโย ตำบลหนองญาติ อำเภอเมืองนครพนม จังหวัดนครพนม 48000	(042) 539-123 (042) 539-190	(042) 539-191
76	สุนีย์ ทาวเวอร์ อุบลราชธานี Sunee Tower Ubonratchathani	เลขที่ 512/8 ชั้น 1 ห้องเลขที่ 104 ถนนชยางกูร ตำบลในเมือง อำเภอเมืองอุบลราชธานี จังหวัดอุบลราชธานี 34000	(045) 354-123 (045) 354-190	(045) 354-191
77	เดอะมอลล์ นครราชสีมา The Mall Nakhonratchasima	1242/2 ชั้น B ห้อง BB-10 ถนนมิตรภาพ ตำบลในเมือง อำเภอเมืองนครราชสีมา จังหวัดนครราชสีมา 30000	(044) 426-123	(044) 426-191
78	บิ๊กซี สุรินทร์ Big C Surin	เลขที่ 8 ชั้น G-IN ห้องเลขที่ GCR 115/1 ถนนหลักเมือง ตำบลในเมือง อำเภอเมือง จังหวัดสุรินทร์ 32000	(044) 598-123 (044) 598-190	(044) 598-191
79	บิ๊กซี ชัยภูมิ Big C Chaiyaphum	99 ชั้นที่ 1 ห้อง GCR126 หมู่ 1 ตำบลบึงคล้า อำเภอเมือง ชัยภูมิ จังหวัดชัยภูมิ 36000	(044) 814-123 (044) 814-190	(044) 814-191
80	บิ๊กซี บุรีรัมย์ Big C Buriram	เลขที่ 150 ชั้น G ห้อง GCR146 หมู่ 7 ตำบลอิสาน อำเภอเมืองบุรีรัมย์ จังหวัดบุรีรัมย์ 31000	(044) 604-123	(044) 604-191
81	บิ๊กซี ศรีสะเกษ Big C Sisaket	29/49 ห้องเลขที่ GCR0102-GCR0103ชั้นที่ 1 หมู่ที่ 11 ตำบลห้วยปล้อง อำเภอเมืองศรีสะเกษ จังหวัดศรีสะเกษ 33000	(045) 829-123	(045) 829-191
82	อัสววรรณ ช็อปปิ้ง คอมเพล็กซ์ 1 นongkhai Asawann Shopping Complex 1 Nongkhai	304 ชั้น 1 ห้อง A-03 หมู่ 10 ถนนมิตรภาพ ตำบลโพธิ์ชัย อำเภอเมืองหนองคาย จังหวัดหนองคาย 43000	(042) 415-123 (042) 415-141-2	(042) 415-191
83	เสริมไทย คอมเพล็กซ์ มหาสารคาม Sermthai Complex Mahasarakham	76/1-7 ชั้น 1 ห้อง R101 ถนนนครสวรรค์ ตำบลตลาด อำเภอเมืองมหาสารคาม จังหวัดมหาสารคาม 44000	(043) 710-123	(043) 710-191
84	เซ็นทรัลพลาซา อุดรธานี CentralPlaza Udonthani	277/1-3,271/5 ชั้น 3 ห้อง A307 ถนนประจักษ์ศิลปาคม ตำบลหมากแข้ง อำเภอเมืองอุดรธานี จังหวัดอุดรธานี 41000	(042) 215-190 (042) 215-117	(042) 215-191 (042) 215-119

ภาค / สาขา Region / Branch		ที่อยู่ Address	โทรศัพท์ Telephone No.	โทรสาร Fax No.
ภาคตะวันออกเฉียงเหนือ / North-Eastern				
85	บิ๊กซี มุกดาหาร Big C Mukdahan	77/11 ชั้น 2 ห้อง 2CR207 ถนนขยางกูร ตำบลมุกดาหาร อำเภอเมืองมุกดาหาร จังหวัดมุกดาหาร 49000	(042) 629-123	(042) 629-191
86	บิ๊กซี เลย Big C Loei	114 ชั้น G ห้อง GCR120/1 หมู่ 9 ถนนมลิวรรณ ตำบลนาขาน อำเภอเมืองเลย จังหวัดเลย 42000	(042) 810-123	(042) 810-191
87	เซ็นทรัลพลาซา อุบลราชธานี CentralPlaza Ubonratchathani	311 ชั้น 3 ห้อง 331 หมู่ 7 ตำบลแจระแม อำเภอเมืองอุบลราชธานี จังหวัดอุบลราชธานี 34000	(045) 422-881-2	(045) 422-880
88	โรบินสัน สกลนคร Robinson Sakonnakhon	88/8 ชั้น 2F ห้อง 2F-RR-201/3 ถนนนิติโย ตำบลธาตุเชิงชุม อำเภอเมืองสกลนคร จังหวัดสกลนคร 47000	(042) 700-123 (042) 700-190	(042) 700-191
89	บิ๊กซี กาฬสินธุ์ Big C Kalasin	101/2-3 ชั้น 1 ห้อง GCR 104 ถนนถีนานนท์ ตำบลกาฬสินธุ์ อำเภอเมืองกาฬสินธุ์ จังหวัดกาฬสินธุ์ 46000	(043) 810-217-8	(043) 810-213
90	เซ็นทรัลพลาซา นครราชสีมา CentralPlaza Nakhonratchasima	990,998 ห้องเลขที่ 358-359 ชั้นที่ 3 ถนนมิตรภาพ-หนองคาย ตำบลในเมือง อำเภอเมืองนครราชสีมา จังหวัดนครราชสีมา 30000	(044) 229-450-1	(044) 229-491
ภาคใต้ / Southern				
91	บิ๊กซี หาดใหญ่ 2 (เอกซ์ตรา) Big C Hatyai 2 (Extra)	เลขที่ 677 ชั้น 3 ถนนเพชรเกษม ตำบลหาดใหญ่ อำเภอหาดใหญ่ จังหวัดสงขลา 90110	(074) 555-319-21	(074) 555-323
92	เทสโก้ โลตัส สุราษฎร์ธานี Tesco Lotus Suratthani	9/1 ชั้น 1 หมู่ 3 ถนนเลี้ยวเมือง ตำบลมะขามเตี้ย อำเภอเมือง สุราษฎร์ธานี จังหวัดสุราษฎร์ธานี 84000	(077) 277-041-45	(077) 277-093
93	สหไทยพลาซ่า นครศรีธรรมราช Sahathai Plaza Nakhonsithammarat	1392 ชั้น 1 ห้อง S-06,S-07,S-08 ถนนศรีปราชญ์ ตำบลท่าวัง อำเภอเมืองนครศรีธรรมราช จังหวัดนครศรีธรรมราช 80000	(075) 304-000 (075) 304-028	(075) 304-091-2
94	เซ็นทรัลเฟสติวัล ภูเก็ต CentralFestival Phuket	เลขที่ 74-75 ชั้น 2 ห้อง TC-024 หมู่ 5 ถนนเฉลิมพระเกียรติ ตำบลวิชิต อำเภอเมืองภูเก็ต จังหวัดภูเก็ต 83000	(076) 362-000 (076) 362-001	(076) 362-091
95	โรบินสัน ตรัง Robinson Trang	138 ชั้น 2 ห้อง 2 เอฟ-บี-207 ถนนพัทลุง ตำบลทับเที่ยง อำเภอเมืองตรัง จังหวัดตรัง 92000	(075) 205-000 (075) 205-101-3	(075) 205-056
96	โอเชียน คอมเพล็กซ์ ชุมพร Ocean Complex Chumphon	58 ชั้นที่ 2 ห้องเลขที่ B-04 ถนนกรมหลวงชุมพร ตำบลท่าตะเภา อำเภอเมืองชุมพร จ.ชุมพร 86000	(077) 529-000 (077) 529-004-6	(077) 529-091
97	เซ็นทรัลเฟสติวัล สมุย CentralFestival Samui	209,209/1,209/2 ชั้น 2 ห้อง 215 หมู่ 2 ตำบลบ่อผุด อำเภอเกาะสมุย จังหวัดสุราษฎร์ธานี 84320	(077) 277-023-29	(077) 277- 092
98	เทสโก้ โลตัส กระบี่ Tesco Lotus Krabi	191 ชั้น 1 หมู่ 12 ตำบลกระบี่น้อย อำเภอเมืองกระบี่ จังหวัดกระบี่ 81000	(075) 626-000	(075) 626-091
99	เซ็นทรัลพลาซา สุราษฎร์ธานี CentralPlaza Suratthani	88 ชั้น 3 ห้อง 307 หมู่ 10 ตำบลวัดประดู่ อำเภอเมืองสุราษฎร์ธานี จังหวัดสุราษฎร์ธานี 84000	(077) 277-011-6	(077) 489-738 (077) 277-091
100	บิ๊กซี สตูล Big C Satun	959 ชั้น G ห้อง GCR105 หมู่ 7 ถ.406 ตำบลคลองขุด อำเภอเมืองสตูล จังหวัดสตูล 91000	(074) 782-123	(074) 782-191
101	บิ๊กซี หาดใหญ่ (คลองแห) Big C Hatyai (Klonghae)	111/19 ชั้น 2 ห้อง 2CR252 หมู่ 4 ตำบลคลองแห อำเภอหาดใหญ่ จังหวัดสงขลา 90110	(074) 580-595 (074) 580-598	(074) 580-609
102	พีซี ทาวเวอร์ สุราษฎร์ธานี (สำนักงานสาขามุมภาค) P.C.Tower Suratthani (Regional Office)	91/1 ชั้น 4 ห้อง 403 หมู่ 1 ถนนกาญจนวนิธิ ตำบลบางกุ้ง อำเภอเมืองสุราษฎร์ธานี จังหวัดสุราษฎร์ธานี 84000	(077) 277-001	(077) 264-389 (077) 205-833
103	เทสโก้ โลตัส เอกซ์ตรา สงขลา Tesco Lotus Extra Songkhla	64 ชั้น 1 หมู่ 2 ตำบลเขารูปช้าง อำเภอเมืองสงขลา จังหวัดสงขลา 90000	(074) 307-978-80	(074) 307-984
104	เซ็นทรัลเฟสติวัล หาดใหญ่ CentralFestival Hatyai	1518,1518/1-2 ชั้น 3 ห้อง 332 ถนนกาญจนวนิธิชัย ตำบลหาดใหญ่ อำเภอหาดใหญ่ จังหวัดสงขลา 90110	(074) 339-670-2	(074) 339-673

- * ปิดทำการ สาขาเทสโก้ โลตัส จรัญสนิทวงศ์ ตั้งแต่วันที่ 19 มีนาคม 2562 เป็นต้นไป
Closed down Tesco Lotus Charansanitwong branch since March 19, 2019 onwards
ปิดทำการ สาขายูเนียน มอลล์ ลาดพร้าว ตั้งแต่วันที่ 21 พฤษภาคม 2562 เป็นต้นไป
Closed down Union Mall Ladprao branch since May 21, 2019 onwards

MAJOR GROUP COMPANIES

Pure holding company

- » *AEON CO., LTD.

General Merchandise Store Business

- » AEON Retail Co., Ltd.
- » * AEON Hokkaido Corporation
- » * SUNDAY CO., LTD.
- » * AEON KYUSHU CO., LTD.
- » AEON SUPERCENTER Co., Ltd.
- » AEON.com CO., Ltd.
- » AEONBIKE CO., LTD.
- » AEON Bakery Co., Ltd.
- » AEON LIQUOR CO., LTD.
- » AEON RYUKYU CO., LTD.
- » ORIGIN TOSHU CO., LTD.
- » Shimizu Shoji CO., LTD.
- » TOPVALU COLLECTION CO., LTD.
- » Bon Belta Co., Ltd.

Supermarket Business

- » * MINISTOP CO., LTD.
- » * United Super Markets Holdings Inc.
- » * Maxvalu Nishinohon Co., Ltd.
- » * Maxvalu Tohoku Co., Ltd.
- » * Maxvalu Tokai Co., Ltd.
- » * Maxvalu Chubu Co., Ltd.
- » * Maxvalu Hokkaido Co., Ltd.
- » * Maxvalu Kyushu Co., Ltd.
- » * Inageya Co., Ltd.
- » * Belc CO., LTD.
- » A Colle Co., LTD.
- » AEON SAVEUR Co., Ltd.
- » AEON BIG CO., LTD.
- » AEON MARKET CO., LTD.
- » KASUMI CO., LTD.
- » KOHYO CO., LTD.
- » SANYO MARUNAKA CO., LTD.
- » The Daiei, Inc.
- » Bio C'Bon Japon CO., LTD.
- » BIG-A CO., LTD.
- » Bonte, Inc.
- » My Basket CO., LTD.
- » MAXVALU KANTO CO., LTD.
- » MAXVALU NAGANO CO., LTD.
- » MAXVALU HOKURIKU CO., LTD.
- » MAXVALU MINAMI TOHOKU CO., LTD.
- » The Maruetsu, Inc.
- » marunaka CO., LTD.
- » Red Cabbage Co., Ltd.
- » Seibu Co., Ltd.

Drugstore & Pharmacy Business

- » * WELCIA HOLDINGS CO.,LTD.
- » * Medical Ikou Co., Ltd.
- » * TSURUHA HOLDINGS Inc.
- » * KUSURI NO AOKI CO., LTD.
- » WELCIA KAIGO SERVICE Co., Ltd.

- » SHIMIZU YAKUHIN CO., LTD.
- » B.B. ON Co., Ltd.
- » Welpark Co., Ltd.
- » ZAG ZAG 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 REIT Investment Corporation
- » AEON BANK, LTD.
- » AEON CREDIT SERVICE CO., LTD.
- » AEON HOUSING LOAN SERVICE CO., LTD.
- » AEON Product Finance Co., Ltd.
- » AEON INSURANCE SERVICE CO., LTD.
- » AEON Reit Management Co., Ltd.
- » FeliCa Pocket Marketing Inc.
- » AEON Financial Service (Hong Kong) Co., Ltd.

Shopping Center Development Business

- » * AEON Mall Co., Ltd.
- » AEON TOWN Co., Ltd.
- » OPA CO., LTD

Service & Specialty Store Business

- (Service Business)
- » * AEON DELIGHT CO., LTD.
- » * AEON Fantasy Co., Ltd.
- » * ZWEI CO., LTD.
- » AEON Eaheart Co., LTD.
- » AEON ENTERTAINMENT CO.,LTD.
- » AEON CULTURE CO.,LTD.
- » AEON COMPASS CO., LTD.
- » AEON LIFE CO., LTD.
- » KAJITAKU Co., Ltd.
- » Reform Studio Co., Ltd.

(Specialty Store Business)

- » * GFOOT CO., LTD.
- » * COX CO., LTD.
- » * Taka: Q 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
- » PRESTIGE SHOES CO., LTD.
- » MIRAIYA SHOTEN CO., LTD.
- » Mega Sports Co., Ltd.
- » MEGA PETRO Co., Ltd.
- » LAURA ASHLEY JAPAN CO., LTD.
- » AT Japan Co., Ltd.
- » R.O.U CO., LTD.

International Business

(China)

- » AEON (CHINA) CO., LTD.
- » * AEON Stores (Hong Kong) Co., Limited
- » GUANGDONG AEON TEEM CO., LTD.
- » QINGDAO AEON DONGTAI CO., LTD.
- » AEON South China Co., Limited
- » AEON EAST CHINA (SUZHOU) CO., LTD.
- » AEON (HUBEI) CO., LTD.
- » BEIJING AEON CO., LTD.

(ASEAN)

- » AEON ASIA SDN.BHD.
- » * AEON CO. (M) BHD.
- » AEON BIG (M) SDN.BHD.
- » AEON ORANGE COMPANY LIMITED
- » AEON VIETNAM Co., LTD.
- » AEON (CAMBODIA) Co., Ltd.
- » AEON (Thailand) CO., LTD.
- » PT.AEON INDONESIA
- » DONG HUNG INVESTMENT DEVELOPMENT CONSULTANCY JOINT STOCK COMPANY LIMITED
- » FIRST VIETNAM INVESTMENT JOINT STOCK COMPANY
- » Index Living Mall Malaysia Sdn. Bhd.

Shared Function Companies

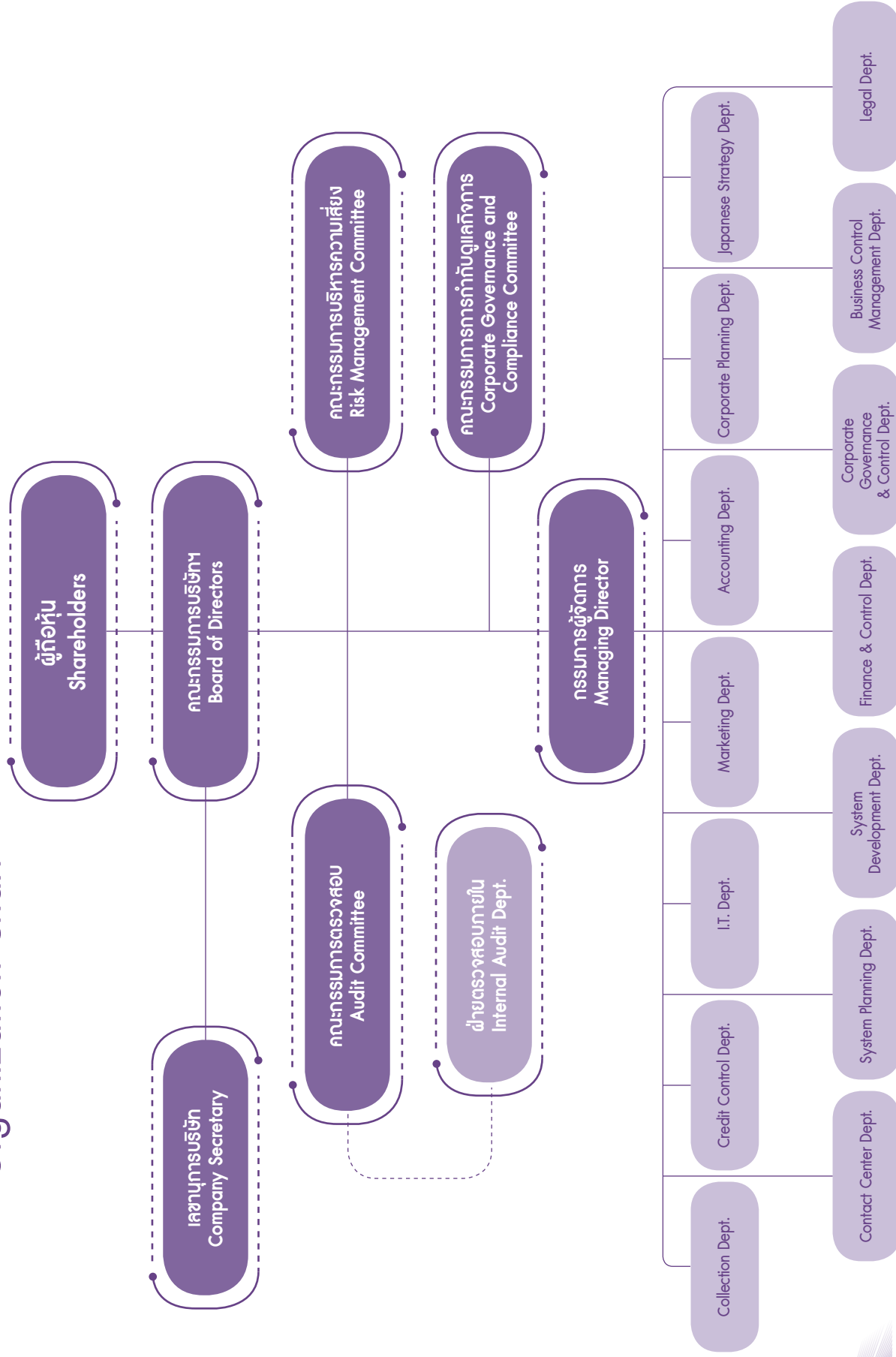
- » * YAMAYA CORPORATION
- » AEON Integrated Business Service Co., Ltd.
- » AEON AGRI CREATE Co., Ltd.
- » AEON GLOBAL SCM CO., LTD.
- » AEON TOPVALU CO., LTD.
- » AEON FOOD SUPPLY Co., Ltd.
- » AEON MARKETING CO., LTD.
- » Cordon Vert CO., LTD.
- » Research Institute For Quality Living Co., Ltd.
- » AEON TOPVALU MALAYSIA SDN. BHD.
- » AEON TOPVALU (HONG KONG) CO., LTD.
- » AEON TOPVALU (THAILAND) CO., LTD.
- » AEON TOPVALU VIETNAM COMPANY LIMITED
- » Tasmania Feedlot Pty. Ltd.
- » AEON Demonstration Service Inc.

* Listed Companies

Source: AEON Co., Ltd.

ผู้ลงทุนสามารถศึกษาข้อมูลของบริษัทที่ออกหลักทรัพย์เพิ่มเติมได้จากแบบแสดงรายการข้อมูลประจำปี (แบบ 56-1) ของบริษัทที่แสดงไว้ใน 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

โครงสร้างบริษัท Organization Chart





FINANCIAL STATEMENTS 2018/2019

(Fiscal year ended February 28, 2019)



บริษัท อีออน ธนสินทรัพย์ (ไทยแลนด์) จำกัด (มหาชน)
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

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

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

Other Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



Nisakorn Songmanee
Certified Public Accountant (Thailand)
Registration No. 5035

BANGKOK
April 23, 2019

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

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

STATEMENT OF FINANCIAL POSITION

AS AT FEBRUARY 28, 2019

UNIT : THOUSAND BAHT

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

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

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

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT FEBRUARY 28, 2019

UNIT : THOUSAND BAHT

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

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

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT FEBRUARY 28, 2019

UNIT : THOUSAND BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2019	2018	2019	2018
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)					
SHAREHOLDERS' EQUITY	22				
SHARE CAPITAL					
Authorized share capital					
250,000,000 ordinary shares of Baht 1 each		250,000	250,000	250,000	250,000
Issued and paid-up share capital					
250,000,000 ordinary shares of Baht 1 each, fully paid		250,000	250,000	250,000	250,000
SHARE PREMIUM ON ORDINARY SHARES		478,000	478,000	478,000	478,000
RETAINED EARNINGS					
Appropriated					
Legal reserve	23	25,000	25,000	25,000	25,000
Reserve for business expansion		4,850,000	4,850,000	4,850,000	4,850,000
Unappropriated		12,574,005	10,223,575	11,855,276	9,574,636
OTHER COMPONENTS OF SHAREHOLDERS' EQUITY	25				
Exchange differences on translating financial statements of foreign operations		(123,078)	(89,941)	-	-
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		18,053,927	15,736,634	17,458,276	15,177,636
NON-CONTROLLING INTERESTS		334,436	85,167	-	-
TOTAL SHAREHOLDERS' EQUITY		18,388,363	15,821,801	17,458,276	15,177,636
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		87,121,537	80,771,400	82,817,789	78,178,054

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

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

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED FEBRUARY 28, 2019

UNIT : THOUSAND BAHT

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED FEBRUARY 28, 2019

UNIT : THOUSAND BAHT

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

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

CONSOLIDATED FINANCIAL STATEMENTS										UNIT : THOUSAND BAHT
Notes	Owners of the parent						Share	Non-	Total	
	Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Appropriated Reserve for business expansion	Unappropriated	Other components of shareholders' equity Exchange differences on translating financial statements of foreign operations	Total owners of the parent	subscription received in advance of a subsidiary	controlling interests	shareholders' equity
Beginning balance as at March 1, 2017 Changes during the year Share subscription received in advance of a subsidiary Increase in share capital from non-controlling interests in a subsidiary Dividend paid Interim dividend paid Capital repayment from dissolution of a subsidiary Net profit for the year Other comprehensive income (loss) Ending balance as at February 28, 2018	250,000	478,000	25,000	4,850,000	8,107,999	(31,975)	13,679,024	17,655	76,199	13,772,878
	-	-	-	-	-	-	-	(17,655)	-	(17,655)
	-	-	-	-	-	-	-	-	17,655	17,655
	-	-	-	-	(462,498)	-	(462,498)	-	(28,079)	(490,577)
	-	-	-	-	(399,998)	-	(399,998)	-	-	(399,998)
	-	-	-	-	-	-	-	-	(30)	(30)
	-	-	-	-	2,966,331	-	2,966,331	-	28,072	2,994,403
	-	-	-	-	11,741	(57,966)	(46,225)	-	(8,650)	(54,875)
	250,000	478,000	25,000	4,850,000	10,223,575	(89,941)	15,736,634	-	85,167	15,821,801
	250,000	478,000	25,000	4,850,000	10,223,575	(89,941)	15,736,634	-	85,167	15,821,801
Beginning balance as at March 1, 2018 Changes during the year Increase in share capital from non-controlling interests in a subsidiary Dividend paid Interim dividend paid Net profit for the year Other comprehensive loss Ending balance as at February 28, 2019	-	-	-	-	-	-	-	-	235,547	235,547
	-	-	-	-	(562,498)	-	(562,498)	-	(45,297)	(607,795)
	-	-	-	-	(587,497)	-	(587,497)	-	-	(587,497)
	-	-	-	-	3,506,487	-	3,506,487	-	60,137	3,566,624
	-	-	-	-	(6,062)	(33,137)	(39,199)	-	(1,118)	(40,317)
	250,000	478,000	25,000	4,850,000	12,574,005	(123,078)	18,053,927	-	334,436	18,388,363

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

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

FOR THE YEAR ENDED FEBRUARY 28, 2019

UNIT : THOUSAND BAHT

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

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

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED FEBRUARY 28, 2019

UNIT : THOUSAND BAHT

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

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

UNIT : THOUSAND BAHT

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

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

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

1. OPERATIONS OF THE COMPANY

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

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

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

The Company has subsidiaries which are under its control in finance and operations and an associate which the Company has significant influence, but no control or joint control, over the financial and operating policies as mentioned in Note 2.4, Note 8.1 and Note 8.2.

2. BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

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

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

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

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

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

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

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

	Business type	Country of registration	Registration date	Percentage of direct and indirect holdings (%)	
				2019	2018
ACS Servicing (Thailand) Company Limited	Collection servicer	Thailand	March 13, 2007	100.00	100.00
AEON Insurance Service (Thailand) Company Limited	Non-life insurance broker and life insurance broker	Thailand	July 1, 2013	100.00	100.00
AEON Specialized Bank (Cambodia) Plc.	Retail finance business	Cambodia	October 5, 2011	50.00 ⁽³⁾	80.00
AEON Microfinance (Myanmar) Company Limited	Retail finance business	Myanmar	November 2, 2012	100.00	100.00
AEON Leasing Service (Lao) Company Limited ⁽¹⁾	Retail finance business	Laos	January 11, 2013	100.00	100.00
ATS Rabbit Special Purpose Vehicle Company Limited ⁽²⁾	Special purpose juristic person in securitization projects	Thailand	March 20, 2015	48.75	48.75

- (1) The Company indirectly holds shares of AEON Leasing Service (Lao) Company Limited through ACS Servicing (Thailand) Company Limited and AEON Insurance Service (Thailand) Company Limited with 3.71% and 3.71% shareholdings, respectively.
- (2) The Company has the power to control over ATS Rabbit Special Purpose Vehicle Company Limited because the Company has power to appoint the board of directors and rights to provide certain service which is significantly impacted by the performance of underlying assets and has rights to get variable return from such company under securitization project.
- (3) Since April 24, 2018, the proportion of the Company's shareholding in AEON Specialized Bank (Cambodia) Plc. (the "subsidiary") decreased from 80% to 50% because the Company waived the rights to purchase the increased shares of the subsidiary; however, the Company has retained the power to control over the subsidiary in accordance with the requirement of TFRS No.10 (Revised 2017) "Consolidated Financial Statements" (see Note 8.2).

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

	Business type	Country of registration	Registration date	Percentage of direct and indirect holdings (%)	
				2019	2018
ACS Trading Vietnam Company Limited	Retail finance business	Vietnam	May 26, 2008	20.00	20.00

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

- 2.5 The financial statements of subsidiaries and the associate used in the preparation of consolidated financial statements are as of a date or for a period that is different from that of the consolidated financial statements. However, the Company consolidated the financial information of the subsidiaries and the associate using the most recent financial statements of the subsidiaries and the associate adjusted for the effects of significant transactions or events that occur between the date of those financial statements and the date of the consolidated financial statements. The dates of the end of the reporting period of the financial statements of the aforementioned subsidiaries and the associate are as follows:

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

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

During the period, the Group and the Company have adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for the accounting periods beginning on or after January 1, 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group's and the Company's financial statements, except the following financial reporting standard:

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

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

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

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

New Thai Financial Reporting Standards and Thai Financial Reporting Standard Interpretation

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

Thai Financial Reporting Standards (“TFRS”)

TFRS 1 First-time Adoption of International Financial Reporting Standards

TFRS 15 Revenue from Contracts with Customers

Thai Financial Reporting Standard Interpretation (“TFRIC”)

TFRIC 22 Foreign Currency Transactions and Advance Consideration

There is a key change to the core principle of TFRS 15, which introduces a 5-step approach to revenue recognition, as follows:

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

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

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

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

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

Thai Financial Reporting Standards (TFRSs) Revised 2018

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards (TFRSs) Revised 2018 which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2019 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology and reference to other TFRSs except for the following TFRSs, which there are revision or additional paragraph and accounting guidance.

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

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

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

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

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

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

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

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

Group of Financial Instruments Standards

Thai Accounting Standards (“TAS”)

TAS 32 Financial Instruments: Presentation

Thai Financial Reporting Standards (“TFRS”)

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Thai Financial Reporting Standard Interpretations (“TFRIC”)

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

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

Thai Financial Reporting Standards No. 16 “Leases”

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared on the historical cost basis except as disclosed in the following:

3.1 Cash and cash equivalents

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

3.2 Trade receivables

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

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

3.3 Allowance for doubtful accounts and bad debts

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

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

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

3.4 Troubled debt restructuring

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

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

3.5 Securitization transactions

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

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

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

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

3.6 Investments

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

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

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

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

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

3.7 Leasehold improvement and equipment

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

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

3.8 Intangible assets

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

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

3.9 Assets and liabilities in foreign currencies

3.9.1 Functional currency and presentation currency

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

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

3.9.2 Translation of foreign currency transaction

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

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

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

3.9.3 Translation of financial statements of foreign operations

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

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

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

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

3.10 Financial instruments

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

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

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

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

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

3.11 Lease agreements

Finance lease agreements

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

Operating lease agreements

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

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

3.12 Recognition of revenues and expenses

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

The Company has stopped recognizing income from debtors who are over 3 consecutive installments contractually past due by stopping income recognition of such receivables since the 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 rights to receive payments is established.

Other income and expenses are recognized on an accrual basis.

3.13 Employee Benefits

3.13.1 Provident Fund

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

3.13.2 Post-employment benefits

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

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

3.14 Deferred revenue from customer loyalty programs

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

3.15 Income tax expense

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

3.15.1 Current tax

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

3.15.2 Deferred tax

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

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

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

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

3.16 Basic earnings per share

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

3.17 Fair value measurements

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

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

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

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

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

3.18.1 Use of management's judgments in applying accounting policies

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

(1) Allowance for doubtful accounts

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

(2) Deferred revenue from customer loyalty programs

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

(3) Provisions for employee benefits

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

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

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

3.18.2 Key sources of estimation uncertainty

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

Fair value measurements and valuation processes

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

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

4. SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

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

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

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

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS						
	As at March 1, 2018	Changes in cash flows		Non-cash items		As at February 28, 2019
	Baht '000	Cash received	Cash paid	Differences on translating foreign currencies	Others	Baht '000
Bank overdrafts and short-term borrowings from financial institutions	3,952,399	75,902,324	(72,651,633)	(102,887)	-	7,100,203
Liabilities under finance lease agreements	10,884	-	(9,973)	-	-	911
Long-term borrowings	40,788,123	12,889,520	(13,727,072)	654,269	14,024	40,618,864
Long-term debentures	14,593,173	3,032,512	(1,687,850)	(19,705)	20,490	15,938,620
Subordinated borrowings	71,157	12,917	-	-	-	84,074
CONSOLIDATED FINANCIAL STATEMENTS						
	As at March 1, 2017	Changes in cash flows		Non-cash items		As at February 28, 2018
	Baht '000	Cash received	Cash paid	Differences on translating foreign currencies	Others	Baht '000
Bank overdrafts and short-term borrowings from financial institutions	3,501,820	47,344,612	(46,894,034)	1	-	3,952,399
Liabilities under finance lease agreements	16,886	-	(6,002)	-	-	10,884
Long-term borrowings	37,424,010	14,993,398	(9,099,544)	(2,540,121)	10,380	40,788,123
Long-term debentures	14,722,070	4,066,097	(3,242,000)	(978,991)	25,997	14,593,173
Subordinated borrowings	45,263	25,894	-	-	-	71,157
SEPARATE FINANCIAL STATEMENTS						
	As at March 1, 2018	Changes in cash flows		Non-cash items		As at February 28, 2019
	Baht '000	Cash received	Cash paid	Differences on translating foreign currencies	Others	Baht '000
Bank overdrafts and short-term borrowings from financial institutions	2,820,000	73,690,121	(71,819,958)	-	-	4,690,163
Long-term borrowings	40,164,026	12,889,520	(13,727,072)	658,684	14,024	39,999,182
Long-term borrowings under securitization project	1,366,167	1,052,373	(806,947)	-	40,922	1,652,515
Long-term debentures	13,352,603	2,800,000	(1,687,850)	(19,705)	20,490	14,465,538

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

5. TRADE RECEIVABLES

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

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

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

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

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

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

5.2 Quality of assets

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2019 Baht '000	2018 Baht '000	2019 Baht '000	2018 Baht '000
Less than 3 months	80,229,545	74,044,653	76,487,508	71,761,305
3 months up	2,282,779	1,778,907	2,217,783	1,727,390
Total	82,512,324	75,823,560	78,705,291	73,488,695
<u>Less</u> Allowance for doubtful accounts	(2,879,968)	(2,415,692)	(2,806,641)	(2,356,958)
Total trade receivables	<u>79,632,356</u>	<u>73,407,868</u>	<u>75,898,650</u>	<u>71,131,737</u>

5.3 Troubled debt restructuring

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

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

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

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

As at February 28, 2019 and 2018, the Company had no commitment to provide additional loans to its restructured debtors after debt restructuring.

5.4 Allowance for doubtful accounts

Allowance for doubtful accounts as at February 28, 2019 and 2018, are as follows:

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

5.5 Transfers of financial assets

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

Details of aforementioned sales of receivables are summarized as follows:

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

* ATS Rabbit Special Purpose Vehicle Company Limited (Subsidiary)

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

On October 22, 2015, the Company entered into the Receivables Sale and Purchase Agreement with ATS Rabbit Special Purpose Vehicle Company Limited which was registered as a special purpose vehicle company under the Civil and Commercial Code of Thailand for the purpose of implementing or facilitating the securitization in accordance with the securitization projects approved by the Office of the SEC on October 2, 2015 for transferred rights, title, interest and benefits in respect of the Initial Receivables, the Future Receivables and the Additional Receivables on the term of the Agreement.

During the life of the securitization projects, the Company may repurchase the rights on the Purchased Receivables with ATS Rabbit in the following circumstances:

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

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

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

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

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

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

6. OTHER RECEIVABLES

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

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

7. FIXED DEPOSITS AT BANKS UNDER OBLIGATIONS

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

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

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

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

8.1 Investment in an associate in the consolidated financial statements

As at February 28, 2019 and 2018, the Company had investment in an entity, which is an associate, and is accounted for using the equity method in the consolidated financial statements as follows:

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

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

ACS Trading Vietnam Company Limited

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

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

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

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

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

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

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

	SEPARATE FINANCIAL STATEMENTS			
	2019		2018	
	% of Ownership	Cost Baht '000	% of Ownership	Cost Baht '000
Investment in an associate and subsidiaries				
Investment in an associate (see Note 31.1)				
ACS Trading Vietnam Company Limited	20.00	16,819.3	20.00	16,819.3
Total investment in an associate		<u>16,819.3</u>		<u>16,819.3</u>
Investments in subsidiaries (see Note 31.1)				
ACS Servicing (Thailand) Company Limited	100.00	175,349.1	100.00	175,349.1
AEON Insurance Service (Thailand) Company Limited	100.00	149,224.3	100.00	149,224.3
AEON Specialized Bank (Cambodia) Plc.	50.00	323,580.0	80.00	323,580.0
AEON Microfinance (Myanmar) Company Limited	100.00	276,769.1	100.00	276,769.1
AEON Leasing Service (Lao) Company Limited	92.58	103,069.1	92.58	103,069.1
ATS Rabbit Special Purpose Vehicle Company Limited	48.75	19.5	48.75	19.5
Total investments in subsidiaries		<u>1,028,011.1</u>		<u>1,028,011.1</u>
Total investments in an associate and subsidiaries		<u>1,044,830.4</u>		<u>1,044,830.4</u>

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

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

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

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	2019		2018	
	% of Ownership	Cost Baht '000	% of Ownership	Cost Baht '000
Long-term investments in related companies				
AEON (Thailand) Co., Ltd.				
(340,000 shares of Baht 100 each, Baht 25 called up)	5.23	8,500	5.23	8,500
PT. AEON Credit Service Indonesia				
(173 shares of IDR 30 million each, par value of IDR 30 million, fully paid)	2.59*	19,072	5.18	19,072
AEON Credit Service Systems (Philippines) Inc.				
(100,000 shares of PHP 100 each, par value of PHP 100, fully paid)	3.33	7,645	3.33	7,645
		35,217		35,217
<u>Less</u> Allowance for impairment of investment		(15,145)		(15,145)
Total long-term investments in related companies		20,072		20,072

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

9. SELLER LOAN IN SPECIAL PURPOSE VEHICLE FOR SECURITIZATION

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

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

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

10. SUBORDINATED LENDINGS AND SUBORDINATED BORROWINGS

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

	SEPARATE FINANCIAL STATEMENTS	
	2019 Baht '000	2018 Baht '000
Subordinated lendings (see Note 31.2.1)		
ATS Rabbit Special Purpose Vehicle Company Limited (ATS Rabbit)	84,074	71,157
Total subordinated lendings	84,074	71,157

On October 22, 2015, the Company entered into the subordinated term loan agreement with ATS Rabbit amounting to 5% of transferred rights in initial receivables (see Note 5.5) and originated transaction cost, and of Future Receivables and Additional Receivables, which are settled by Seller Loan Account and backed for each issuance of debentures of ATS Rabbit, for the purposes of partial payment for the sales of rights in loans receivable.

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

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

	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	2019	2018
	Baht '000	Baht '000
Subordinated borrowings		
ATS Rabbit Special Purpose Vehicle Company Limited		
(ATS Rabbit)	84,074	71,157
Total subordinated borrowings	84,074	71,157

On October 22, 2015, ATS Rabbit, a subsidiary, entered into the subordinated term borrowings agreement with BSS Holdings Co., Ltd. amounting to 5% of transferred rights in initial receivables (see Note 5.5) and originated transaction cost and of Future Receivables and Additional Receivables which are settled by Seller Loan Account and backed for each issuance of debentures of ATS Rabbit, for the purposes of partial payment for the purchase of rights in loans receivable.

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

11. LEASEHOLD IMPROVEMENT AND EQUIPMENT

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

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

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

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

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

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

	SEPARATE FINANCIAL STATEMENTS				
	Balance	Additions	Disposals/	Transfer	Balance
	as at		Write-off	in (out)	as at
	February 28, 2018				February 28, 2019
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Cost					
Leasehold improvement	898,020	61,958	(40,706)	27,422	946,694
Furniture and office equipment	1,824,988	267,015	(35,005)	53,756	2,110,754
Assets under installation	2,311	148,391	-	(81,178)	69,524
Total	2,725,319	477,364	(75,711)	-	3,126,972
Accumulated depreciation					
Leasehold improvement	(581,382)	(133,214)	38,358	-	(676,238)
Furniture and office equipment	(1,504,023)	(178,290)	34,798	-	(1,647,515)
Total	(2,085,405)	(311,504)	73,156	-	(2,323,753)
Total leasehold improvement and equipment	<u>639,914</u>				<u>803,219</u>

	SEPARATE FINANCIAL STATEMENTS				
	Balance	Additions	Disposals/	Transfer	Balance
	as at		Write-off	in (out)	as at
	February 28, 2017				February 28, 2018
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Cost					
Leasehold improvement	878,988	23,176	(40,498)	36,354	898,020
Furniture and office equipment	1,780,680	62,536	(78,973)	60,745	1,824,988
Assets under installation	28,082	71,328	-	(97,099)	2,311
Total	2,687,750	157,040	(119,471)	-	2,725,319
Accumulated depreciation					
Leasehold improvement	(481,517)	(135,406)	35,541	-	(581,382)
Furniture and office equipment	(1,436,105)	(146,090)	78,172	-	(1,504,023)
Total	(1,917,622)	(281,496)	113,713	-	(2,085,405)
Total leasehold improvement and equipment	<u>770,128</u>				<u>639,914</u>

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

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

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

12. INTANGIBLE ASSETS

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

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

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

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

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

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

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

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

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

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

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

13. DEFERRED TAX ASSETS

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

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

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

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

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

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

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

14. OTHER NON-CURRENT ASSETS

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

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

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

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

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

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

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

16. OTHER PAYABLES

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

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

17. LIABILITIES UNDER FINANCE LEASE AGREEMENTS

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

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

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

18. LONG-TERM BORROWINGS

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

CONSOLIDATED FINANCIAL STATEMENTS

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

CONSOLIDATED FINANCIAL STATEMENTS

	2018			
	Due within the year	Interest rate p.a. (%)	Foreign currency Million	Baht equivalent Baht '000
Borrowings in JPY currency	2018 - 2022	3.16 - 5.26	46,800.00	13,908,305
Borrowings in USD currency	2018 - 2022	2.22 - 3.35	550.49	17,439,658
Borrowings in THB currency	2018 - 2022	2.44 - 3.20	9,500.00	9,500,000
<u>Less</u> Borrowings issuance cost				(59,840)
				40,788,123
<u>Less</u> Current portion of long-term borrowings				(12,662,086)
Total long-term borrowings				28,126,037

SEPARATE FINANCIAL STATEMENTS

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

SEPARATE FINANCIAL STATEMENTS

	2018			
	Due within the year	Interest rate p.a. (%)	Foreign currency Million	Baht equivalent Baht '000
Borrowings in JPY currency	2018 - 2022	3.16 - 5.26	46,800.00	13,908,305
Borrowings in USD currency	2018 - 2022	2.22 - 3.35	531.49	16,815,561
Borrowings in THB currency	2018 - 2022	2.44 - 3.20	9,500.00	9,500,000
<u>Less</u> Borrowings issuance cost				(59,840)
				40,164,026
<u>Less</u> Current portion of long-term borrowings				(12,662,086)
Total long-term borrowings				27,501,940

In the consolidated and separate financial statements as at February 28, 2019 and 2018, the Company has long-term borrowings in JPY currency from a related company which is a bank in Japan amounting to JPY 5,000 million or equivalent to Baht 1,436.33 million and JPY 5,000 million or equivalent to Baht 1,482.73 million, respectively, with interest rate at 4.16% - 4.84% per annum which are unsecured and will be due in the year 2019 and 2021 (see Note 31.2.1).

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

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
As at February 28, 2019				
	Notional amount Baht '000	Within 1 year Baht '000	Carrying amount 1 - 5 years Baht '000	Total Baht '000
Receivables per currency swap contracts				
Cross Currency Swap Contracts				
JPY currency	5,197,000	-	107,338	107,338
USD currency	716,220	-	11,537	11,537
	<u>5,913,220</u>	<u>-</u>	<u>118,875</u>	<u>118,875</u>
Payables per currency swap contracts				
Cross Currency Swap Contracts				
JPY currency	5,111,250	(138,140)	(284,871)	(423,011)
USD currency	18,943,130	(277,386)	(741,080)	(1,018,466)
	<u>24,054,380</u>	<u>(415,526)</u>	<u>(1,025,951)</u>	<u>(1,441,477)</u>
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
As at February 28, 2018				
	Notional amount Baht '000	Within 1 year Baht '000	Carrying amount 1 - 5 years Baht '000	Total Baht '000
Receivables per currency swap contracts				
Cross Currency Swap Contracts				
JPY currency	2,883,750	56,215	180,488	236,703
	<u>2,883,750</u>	<u>56,215</u>	<u>180,488</u>	<u>236,703</u>
Payables per currency swap contracts				
Cross Currency Swap Contracts				
JPY currency	11,804,722	(752,003)	(264,867)	(1,016,870)
USD currency	18,016,680	(361,075)	(840,044)	(1,201,119)
	<u>29,821,402</u>	<u>(1,113,078)</u>	<u>(1,104,911)</u>	<u>(2,217,989)</u>

19. LONG-TERM BORROWINGS UNDER SECURITIZATION PROJECT

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

20. LONG-TERM DEBENTURES

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

Issue date	Maturity date	No. of units	Currency	Par value per unit	Amount	Interest rate p.a. (%)	Term of interest payment	As at February 28, 2019 Baht '000	As at February 28, 2018 Baht '000
Company									
24/07/2013	29/07/2018	17	USD	1,000,000	17,000,000	USD-LIBOR 6M + 0.01	Semi-annual	-	537,855
29/11/2013	29/11/2018	30	USD	1,000,000	30,000,000	USD-LIBOR 6M + 0.05	Semi-annual	-	949,155
28/03/2014	28/03/2019	30	USD	1,000,000	30,000,000	USD-LIBOR 6M	Semi-annual	949,248	949,155
27/03/2015	27/03/2019	22	JPY	100,000,000	2,200,000,000	JPY-TIBOR 6M + 0.36	Semi-annual	632,768	653,809
23/02/2016	21/02/2019	200,000	THB	1,000	200,000,000	2.87	Semi-annual	-	200,000
25/03/2016	25/03/2020	70	USD	1,000,000	70,000,000	USD-LIBOR 6M + 0.65	Semi-annual	2,214,912	2,214,695
28/03/2016	27/03/2020	15	USD	1,000,000	15,000,000	USD-LIBOR 6M + 0.50	Semi-annual	474,624	474,578
22/08/2016	20/08/2021	15	USD	1,000,000	15,000,000	USD-LIBOR 6M + 0.85	Semi-annual	474,624	474,578
24/08/2016	30/07/2019	400,000	THB	1,000	400,000,000	2.50	Quarterly	400,000	400,000
21/12/2016	21/12/2019	1,000,000	THB	1,000	1,000,000,000	2.73	Quarterly	1,000,000	1,000,000
21/12/2016	21/12/2021	1,000,000	THB	1,000	1,000,000,000	3.48	Quarterly	1,000,000	1,000,000
30/12/2016	30/12/2021	30	USD	1,000,000	30,000,000	USD-LIBOR 6M + 0.65	Semi-annual	949,248	949,154
18/08/2017	18/08/2020	200,000	THB	1,000	200,000,000	2.50	Quarterly	200,000	200,000
14/09/2017	14/09/2020	300,000	THB	1,000	300,000,000	2.50	Semi-annual	300,000	300,000
21/09/2017	21/09/2020	100,000	THB	1,000	100,000,000	2.50	Semi-annual	100,000	100,000
15/12/2017	15/12/2020	2,000,000	THB	1,000	2,000,000,000	2.37	Semi-annual	2,000,000	2,000,000
15/12/2017	15/12/2022	1,000,000	THB	1,000	1,000,000,000	2.93	Semi-annual	1,000,000	1,000,000
15/11/2018	15/11/2020	2,000,000	THB	1,000	2,000,000,000	2.96	Semi-annual	2,000,000	-
15/11/2018	15/11/2021	800,000	THB	1,000	800,000,000	3.26	Semi-annual	800,000	-
								14,495,424	13,402,979
<u>Less</u> Debentures issuance cost								(29,886)	(50,376)
								14,465,538	13,352,603
<u>Less</u> Current portion of long-term debentures								(2,980,813)	(1,685,317)
Total long-term debentures in separate financial statements								11,484,725	11,667,286
ATS Rabbit Special Purpose Vehicle Company Limited									
29/01/2018	28/10/2025	1,240,570	THB	1,000	1,240,570,000	4.00	Monthly	-	1,240,570
29/09/2018	28/10/2025	1,473,082	THB	1,000	1,473,082,000	2.84	Monthly	1,473,082	-
Total long-term debentures in consolidated financial statements								12,957,807	12,907,856

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
As at February 28, 2019

	Notional amount Baht '000	Carrying amount Within 1 year Baht '000	1 - 5 years Baht '000	Total Baht '000
Receivables per currency swap contracts				
Cross Currency Swap Contracts				
JPY currency	596,860	35,908	-	35,908
	<u>596,860</u>	<u>35,908</u>	<u>-</u>	<u>35,908</u>
Payables per currency swap contracts				
Cross Currency Swap Contracts				
USD currency	5,605,900	(25,752)	(517,492)	(543,244)
	<u>5,605,900</u>	<u>(25,752)</u>	<u>(517,492)</u>	<u>(543,244)</u>

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
As at February 28, 2018

	Notional amount Baht '000	Carrying amount Within 1 year Baht '000	1 - 5 years Baht '000	Total Baht '000
Receivables per currency swap contracts				
Cross Currency Swap Contracts				
JPY currency	596,860	-	56,949	56,949
USD currency	527,850	10,005	-	10,005
	<u>1,124,710</u>	<u>10,005</u>	<u>56,949</u>	<u>66,954</u>
Payables per currency swap contracts				
Cross Currency Swap Contracts				
USD currency	6,565,900	(10,845)	(543,740)	(554,585)
	<u>6,565,900</u>	<u>(10,845)</u>	<u>(543,740)</u>	<u>(554,585)</u>

21. PROVISIONS FOR EMPLOYEE BENEFITS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22. SHAREHOLDERS' EQUITY

- 22.1 On June 28, 2017, the Annual General Meeting of shareholders had the resolutions to approve the declaration of final dividends for the year ended February 28, 2017 at the rate of Baht 1.85 per share, totaling Baht 462.50 million. The aforementioned shareholders included 1,000 shares of foreign shareholders who had no rights to receive dividend in accordance with regulation of Thailand Securities Depositary, thus the Company paid dividend to shareholders amounting to Baht 462.50 million on July 20, 2017 in addition to the interim dividends which had been paid to all shareholders at Baht 1.60 per share, totaling Baht 399.93 million on November 7, 2016.
- 22.2 On October 6, 2017, the Company's Board of Directors' meeting passed the resolution to declare interim dividends for the year ended February 28, 2018 at the rate of Baht 1.60 per share to shareholders, totaling Baht 400 million. The aforementioned shareholders included 1,000 shares of foreign shareholders who had no rights to receive dividend in accordance with regulation of Thailand Securities Depositary, thus the Company paid dividend to shareholders amounting to Baht 399.99 million on November 6, 2017.
- 22.3 On June 22, 2018, the Annual General Meeting of shareholders had the resolutions to approve the declaration of final dividends for the year ended February 28, 2018 at the rate of Baht 2.25 per share, totaling Baht 562.50 million. The aforementioned shareholders included 1,000 shares of foreign shareholders who had no rights to receive dividend in accordance with regulation of Thailand Securities Depositary, thus the Company paid dividend to shareholders amounting to Baht 562.50 million on July 20, 2018 in addition to the interim dividends which had been paid to all shareholders at Baht 1.60 per share, totaling Baht 399.99 million on November 6, 2017.

22.4 On October 5, 2018, the Company's Board of Directors' meeting passed the resolution to declare interim dividends for the year ended February 28, 2019 at the rate of Baht 2.35 per share to shareholders, totaling Baht 587.50 million. The aforementioned shareholders included 1,100 shares of foreign shareholders who had no rights to receive dividend in accordance with regulation of Thailand Securities Depository, thus the Company paid dividend to shareholders amounting to Baht 587.50 million on November 1, 2018.

22.5 Under the Securitization project, the subsidiary has to pay dividend to its shareholders from all remaining amounts after deducting the required accumulated reserves and payment of all fees and expenses. The subsidiary appropriates interim dividends after the approval of Board of Directors' meeting on a monthly basis at each Monthly Purchase Date as an appropriation of net profit after income tax of each month.

ATS Rabbit Special Purpose Vehicle Company Limited's registered share capital comprises 2 groups of ordinary shares and 2 groups of preferred shares. Dividends from the profits of the subsidiary shall be allocated to the holders of preferred shares which are non-controlling interests at the rate of 1% of the par value of each preferred share. The remaining dividends shall be distributed to the holders of ordinary shares and another group of preferred shares.

23. LEGAL RESERVE

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

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

24. CAPITAL MANAGEMENT

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

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

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

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

25. OTHER COMPONENTS OF SHAREHOLDERS' EQUITY

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

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

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

26. REVENUES RELATING TO SECURITIZATION TRANSACTION

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

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

27. DIRECTORS AND MANagements' REMUNERATION

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

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

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

For the years ended February 28, 2019 and 2018, directors' remunerations which were included in short-term employee benefits were approved by the Annual General Meeting of shareholders of the Company held on June 22, 2018 and June 28, 2017, respectively.

28. PROVIDENT FUND

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

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

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

29. EXPENSES BY NATURE

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

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

30. CORPORATE INCOME TAX

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

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

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

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

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

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

31. TRANSACTIONS WITH RELATED PARTIES

The consolidated and separate financial statements include certain transactions with the subsidiaries, associate and related parties. The relationship may be by shareholding or the companies may have the same group of shareholders or directors. The consolidated and separate financial statements reflect the effects of these transactions on the basis determined by the Company, the subsidiaries, associate and the related parties which are as follows:

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

Related parties	Relationship	Ownership	SEPARATE FINANCIAL STATEMENTS					
			2019			2018		
			Paid-up capital	Cost	Ownership	Paid-up capital	Cost	
			%	Baht’ 000	Baht ’000	%	Baht’ 000	Baht ’000
Investments in an associate and subsidiaries								
Investment in an associate								
ACS Trading Vietnam Company Limited	Associate	20.00	84,096.3	16,819.3	20.00	84,096.3	16,819.3	
Total investment in an associate				16,819.3			16,819.3	
Investments in subsidiaries								
ACS Servicing (Thailand) Company Limited	Subsidiary	100.00	175,349.1	175,349.1	100.00	175,349.1	175,349.1	
AEON Insurance Service (Thailand) Company Limited	Subsidiary	100.00	149,224.3	149,224.3	100.00	149,224.3	149,224.3	
AEON Specialized Bank (Cambodia) Plc.	Subsidiary	50.00	643,720.4	323,580.0	80.00	408,619.4	323,580.0	
AEON Microfinance (Myanmar) Company Limited	Subsidiary	100.00	276,769.1	276,769.1	100.00	276,769.1	276,769.1	
AEON Leasing Service (Lao) Company Limited	Subsidiary	92.58	111,402.9	103,069.1	92.58	111,402.9	103,069.1	
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	48.75	40.0	19.5	48.75	40.0	19.5	
Total investments in subsidiaries				1,028,011.1			1,028,011.1	
Total investments in an associate and subsidiaries				1,044,830.4			1,044,830.4	

31.2 Business transactions with related parties

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

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

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

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

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

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

- Other income for the years ended February 28, 2019 and 2018 include the computer fee charged to ACS Capital Corporation Limited, at the rates of Baht 1,000,000 per month from March 2017 to March 2018 and Baht 200,000 per month from April 2018 onwards, and charged to AEON Insurance Service (Thailand) Co., Ltd., and ACS Servicing (Thailand) Co., Ltd., at the rate of Baht 200,000 per month and Baht 200,000 per month, respectively.
- Revenues relating to securitization transactions are determined by the Company and subsidiaries in accordance with securitization projects (see Note 5.5).

- Collection service fee paid to ACS Servicing (Thailand) Co., Ltd. is based on general market price and in the normal course of business.
- Management assistant fee is paid to AEON Financial Service Co., Ltd. as stated in the agreement.
- Pricing policy for other operating and administrative expenses are determined by the Company and related parties based on the cost plus basis.
- Computer programs purchasing price is paid to AEON Credit Service Systems (Philippines) Inc. as specified in the agreement.
- On March 1, 2018, the Company entered into the Sales and Purchase of Assets and Transfer of Employees Agreement with ACS Servicing (Thailand) Co., Ltd., which is a subsidiary of the Company. According to the agreement, the Company purchased and accepted the transfer of assets and existing employees as at February 28, 2018, as specified in the agreement, at market value of transferred assets net of liabilities relating to employees which were transferred from the subsidiary.

32. LONG-TERM OPERATING LEASE AND SERVICE AGREEMENTS

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

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

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

33. SEGMENT INFORMATION

The Group presents segment information in respect of the business segments based on the management and internal reporting structure. The business segments of the Group consist of:

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

The Group does not have revenues from transactions with a single external customer at 10% or more of total revenues.

Transactions between segments are recorded on the same basis as the transaction conducted with the third party transactions. Transactions between segments are eliminated on consolidation.

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

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

	CONSOLIDATED FINANCIAL STATEMENTS				
	2019		Elimination	Total	
	Retail finance services	Other business			
	Domestic Baht '000	Foreign Baht '000	Domestic Baht '000	Baht '000	Baht '000
Revenues					
Revenue from external customers	18,677,559	878,438	1,085,704	-	20,641,701
Inter - segment revenues	612,415	-	510,709	(1,123,124)	-
	19,289,974	878,438	1,596,413	(1,123,124)	20,641,701
Expenses					
Operating and administrative expenses	7,606,532	521,998	1,326,228	(933,879)	8,520,879
Directors and managements' remuneration	115,166	39,792	27,529	-	182,487
Bad debts and doubtful accounts (reversal)	5,220,656	64,488	(603)	-	5,284,541
Loss on impairment of asset	44,913	-	-	-	44,913
(Gain) loss on sale and write-off of leasehold improvement and equipment and intangible assets	3,946	168	(5,528)	6,942	5,528
Finance costs	2,027,042	147,320	362	-	2,174,724
Total expenses	15,018,255	773,766	1,347,988	(926,937)	16,213,072
Share of profit from investment in an associate	-	-	-	5,614	5,614
Profit before income tax	4,271,719	104,672	248,425	(190,573)	4,434,243
Income tax expense	796,188	23,617	47,814	-	867,619
Net profit for the year	3,475,531	81,055	200,611	(190,573)	3,566,624

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

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

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

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

34. DISCLOSURE OF INFORMATION RELATING TO FINANCIAL INSTRUMENTS

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

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

34.1 Accounting policies

Details of significant accounting policies are disclosed in Note 3.

34.2 Credit risk

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

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

34.3 Interest rate risk

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

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

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

34.4 Foreign exchange risk

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

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

34.5 Fair value measurements

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

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

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

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

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

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

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

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

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

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

35. CREDIT FACILITIES AND LETTERS OF GUARANTEE

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

36. SIGNIFICANT AGREEMENTS RELATING TO SECURITIZATION TRANSACTION

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

37. SALE OF WRITTEN-OFF RECEIVABLES

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

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

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

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

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

38. RECLASSIFICATION

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

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

39. EVENTS AFTER THE REPORTING PERIOD

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

40. APPROVAL OF FINANCIAL STATEMENTS

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



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ÆON Thana Sinsap (Thailand) Public Company Limited

