



**Aeon Thana Sinsap (Thailand) Public Company Limited**

**56-1 ONE REPORT 2022/2023**

**For the year ended February 28, 2023**

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## FY2022 Highlights

Customer Base		Member and Branch Network
Credit Card	2.96 million cards	104 branches nationwide
Member Card	6.51 million cards	146 ATMs
Total Card	9.47 million cards	More than 5,846 dealer shops

Fiscal Year	2022	2021	2020
	As of February 28, 2023	As of February 28, 2022	As of February 28, 2021
<b>Financial Status (Million Baht)</b>			
Total assets	95,207	90,469	87,389
Account receivables	93,937	91,028	87,433
Allowance for doubtful accounts	10,125	10,951	11,593
Total liabilities	71,859	70,205	70,009
Borrowings and debentures	66,055	65,418	62,710
Total shareholders' equity	23,348	20,264	17,380
<b>Financial Results (Million Baht)</b>			
Total revenues	22,332	20,791	21,302
Operating and administrative expense	7,962	7,671	8,144
Directors and managements' remuneration	155	161	159
Expected credit loss	7,263	6,629	6,210
Finance cost	1,904	1,745	2,096
Other expenses	98	11	46
Operating income	4,950	4,574	4,647
Net income	3,815	3,553	3,690
Non-controlling interest	139	21	(10)
<b>Financial Ratios</b>			
Book value per share (Baht)	91.3	79.6	68.2
Earnings per share (Baht)	15.26	14.21	14.76
Return on assets	4.1%	4.0%	4.0%
Return on equity	17.9%	19.2%	19.5%
Dividend Payout Ratio	36.0%	36.2%	30.5%

## **Milestone over the Year**

### **February 2022**

- The Company was granted permission from Bank of Thailand to expand scope of testing biometric technology under BOT's regulatory sandbox to mobile application platform (e-Service) to enable customer on apply credit cards and loans through customers' device. Customer can process e-KYC with NDID (National Digital ID) by using Public IDP service through the commercial bank which customer already had their e-KYC. Moreover, customers also can provide additional supporting document through e-Service application by More-Document feature to shorten process.

### **March-December 2022**

- The Company launched the biggest lucky draw promotional campaign during March 1, 2022 – December 31, 2022 in celebration of Aeon's 30th Anniversary with total 300 prizes, consisting of ORA Good Cat 400 PRO EV car valued 1,059,000 baht, 3 prizes per month, totaled 30 prizes, Yamaha Grand Filano Hybrid (ABS) energy-saving motorcycles valued 63,100 baht, 5 prizes per month, totaled 50 prizes and 1-baht gold bar valued 29,500 baht, 22 prizes per month, totaled 220 prizes. Total 300 prizes valued 41 million baht. The prizes are drawn every month, throughout the campaign period by simply use AEON services such as applying for AEON Credit Card or digital loans, payment for goods or services, cash withdrawal, monthly installment payment, transfer credit line/Your Cash credit line to PromptPay account via AEON Credit Card or Your Cash digital loan, apply AEON Auto Loan, Motorcycle Hire Purchase, Personal Loan, insurance, according to specified conditions.

### **March-December 2022**

- The Company offered happiness to AEON credit card holders to shop with pleasures under the campaign "AEON 365 days, happiness in all dimensions for a digital life". It selects great promotions and great benefits for customers to enjoy and worth every expense including discount codes with leading partner stores such as Lazada, Shopee, FoodPanda, GrabFood, or special discounts at Max Value supermarket and Max Value Tanjai according to specified conditions. The benefits that are including eating, shopping, traveling with a discount code worth 100 baht when shopping for products / services at Lazada or shopee with 15,000 privileges per month per brand or a discount code worth 100 baht at Foodpanda or GrabFood, 10,000 privileges per month per brand by clicking to get privileges via AEON THAI MOBILE App.

### **May 2022**

- The Company collaborates with Big C Supercenter Public Company Limited, a retail store in the Berli Jucker Public Company Limited (BJC) Group to launch financial and insurance services with more than 150 new "Big Care" counters nationwide. The services include credit cards, Big C Exclusive Card application, along with a variety of insurance products for Big C customers such as car insurance, accident insurance and life insurance in order to meet customer's need for the financial flexibility and looking for life and asset protection plans.

### **May 2022**

- The Company has upgraded its personal loan service in response to advances in digital technology and to reduce environmental pollution by transforming Your Cash loan from using a plastic card to digital Your Cash account via AEON THAI MOBILE since May 1, 2022. The customers still can make cash withdrawals, installment payments for goods and services via PromptPay and the company's ATMs or partner commercial banks' ATMs.

### **August 2022**

- The Company established a subsidiary of AEON Thana Sinsap (Thailand) Public Company Limited namely AEON Asset Management (Thailand) Co., Ltd. The objective is to invest in managed non-performing asset and expand to new source of income.

### **August 2022**

- August 9, 2022, The Board of Directors' Meeting of AEON Thana Sinsap (Thailand) Public Company Limited has approved the Employee Joint Investment Program (EJIP). The objective of the project is to maintain employee retention with the company in long term with management of employee benefits through EJIP as well as to promote employee participating in terms of being a stakeholder. Program period: 5 years (September 1, 2022 to August 31, 2027) Program contribution period: 3 years (September 1, 2022 to August 31, 2025)

### **February 2023**

- The company was successful in offering unsubordinated debentures No. 1/2023, unsecured type and with debenture holder representative, offering to institutional investors and high net worth investors (II/HNW). There are 2 types of debentures offered at this time, consisting of 2-year debentures with an interest rate of 2.99% per annum in the amount of 1,000 million baht and 3-year debentures with an interest rate of 3.18% per annum in the amount of 1,700 million baht, total amount of 2,700 million baht. The bonds were offered for sale on February 20-23, 2023 and the bonds were issued on February 24, 2023, which was the first fund raising by issuing bond in the last three years and received a warm response from investors, with the excess demand of over 8,400 million baht, or 3 times of the bond issuing amount.

## **Message from the Management**

The year 2022 is still a challenging year for the domestic lending industry arising from several economic pressures such as accelerating inflation and interest rate, which inevitably lead to global economic recession. However, the economy continued to grow and recover after the Covid-19 pandemic. Thailand started to reopen in July 2022 and had removed all Covid-19 measures by October 2022 to fully welcome foreign tourists and resumed economic activities in all sectors, driving GDP to grow 2.6% from previous year. This was slightly lower than expected, due to the export industry's performance not meeting the expectations of the fourth quarter resulting from the lower purchasing power of trading partner countries and the appreciation of the Baht, compared with the same quarter of the previous year until the first quarter of 2023. Domestic private consumption, instead, has been stimulated by recovery of the service sector and the lower unemployment rate, although it has not yet returned to the normal level prior to COVID-19, has positively affected domestic credit growth. At the same time, we continue to lay great emphasis on risk management in order to balance credit growth at an appropriate risk level. Moreover, Thailand has adopted Monetary Policy Normalization to smoothen the increasing policy rate which was gradually raised from 0.50% to 1.50% in February 2023. Although, the ratio of household debt to gross domestic product is still at a high level, 86.8% in the 4Q/2022, it will gradually reduce as GDP expands in the coming year. Hence, we see opportunities to continue expanding our business to meet our goal of being a financial service provider that delivers daily life-convenience and happiness in consumption to our customers, in spite of the innovations in technology or changes in consumer behavior.

In this regard, therefore, we have started to actively develop a plan for Digitalization (Digitalization Roadmap) in all dimensions since 2021, including the development of digital products and services, online distribution and repayment channels and online stakeholders to replace the use of paper and branches, such as BTS Holdings Group, and the leaders of E-commerce platforms such as Shopee, Lazada, etc. In addition, we have also enhanced the efficiency of judgement process with the adoption of AI innovations and the use of other data in addition to customer income data to enhance convenience, speed and judgement accuracy, resulting in the better effectiveness of the company's operation and a better risk level for customers. Moreover, for the debt collection process, we have also developed a model to improve the effectiveness of debt collection, to reduce administrative and credit costs.

In 2022, despite its being another year in which the economy and various factors were not conducive to business operations, especially in the financial credit industry, with our commitment to implementation of the digitalization roadmap, we were still able to deliver results for the fiscal year showing performance growth. We succeeded in resuming marketing activities such as AEON 30th Years Anniversary Celebration campaign, the AEON ROP World Mastercard credit card campaign and credit extension for good customers in the latter half of the year, all of which enabled the company to achieve a turnover of 100,145 million baht, an increase of 23.4% on the previous year, especially in the credit card business. As a result, the account receivables reached 93,937 million baht, growing by 3.2% on the previous year, in this regard, the company having a revenue of 22,332 million baht for the year, increase of 7.4%.

Although, it is only the second year of the Digitalization Roadmap we have witnessed progress and some achievements as follows;

- In the effort towards digitalization, there has been a migration of plastic cards to digital and virtual cards (Your Cash=Card Loan) in the AEON THAI MOBILE Application to real-time transfer of money from customers' credit lines through PromptPay and the withdrawal of cash via mobile app by scanning a QR Code at the ATM.
- The proportion of Cardless Personal Loans via PromptPay channel increased to 77.4% in January 2023, rising by 12.3% on last year.
- The proportion of active customers using E-statement services on AEON THAI MOBILE increased to 69.1% in January 2023, rising by 21.1% on last year.
- The proportion of automatic credit judgement increased to 20% in December 2022 from last year. Moreover, the cost of acquiring customers (CAC) decreased due to the BOT enabling e-KYC use to verify customer identity since September 2022.

As customers and business partners, not only are our stakeholders being included in our Digitalization Roadmap, we are also valuing our employees by developing technology to allow some of them to work-at-home and work-from-home, while maintaining operational efficiency and successfully reducing the operational expenses with the measurement of a cost-to-income ratio that dropped from 37.7% in the previous year to 36.3% this year and it is likely to continue reducing. As a result, the net profit of the company this year is 3,815 million baht, a growth of 7.4% from last year, with the EPS being 15.26 Baht per share.

Also, for shareholders, we have developed communication channels, including organizing an online Annual General Meeting and issuing online Annual Report to improve the information accessibility of shareholders and to enhance our corporate governance. In addition, we have still maintained our commitment to investors by paying a total dividend of 5.50 Baht per share or a ratio of Dividend Payout 36%.

For the year 2023, we will continue to focus on the Digitalization roadmap in every dimension to further efficiency and performance sustainably.

On behalf of AEON Thana Sinsap (Thailand) Public Limited Company, we are grateful to all our valued stakeholders for their confidence and support for our sustainable growth. We have to play a crucial part in shaping up the credit card and lending industry to become Thailand's and the wider region's sustainable business.

# 1

## **Business operation and operating results**

# 1. Organizational structure and operation of the group of companies

## 1.1 Policy and business overview

### Company 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 and changing its name to Siam NCS Company Limited with its registered capital increased to 10 Million Baht and paid-up capital of 5 Million Baht. 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 by establishing AFS Corporation to separately manage the bank and non-bank businesses.

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

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

### Business Policy

The corporate mission of the company all along is to constantly benefit our cardholders through a variety of financial services. The company have operated business under a philosophy of management groups of Japan and across Asia by giving cardholders financial opportunities for spending in everyday life through financial services that provide the most benefits, focus on customer needs as well as raise the standard of financial service.

### Vision

The Company supports customer's daily living in Thailand and Mekong region by providing finance service which is necessary for their life

### Mission

We have defined our mission to earn customers trust in the financial services 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 in order to achieve the goal.

Regarding to the 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.



## Procedures for the Company's vision, mission and strategies specification.

The Company's board of directors reviews and approves the vision, mission and the strategies of the Company with the affiliated companies annually (Policy Meeting). The meeting's purpose is to drive the Company's business in the same direction based on the stakeholders' expectations. Afterward, the board will specify the procedure of the Company's management strategies accordant with the current situation of the business. In order to achieve the Company's mission, the Middle-level Managers will then plan for the work plan, budget plan, and KPIs plan to propose to the Company's board of directors. Ultimately, the employees will build the same comprehension and work in line with the Company's Vision, Mission, and strategic plans through the internal communication. The following results will be proposed to the board of directors to consider rectifying the strategic plans with the parent company in Japan quarterly.

## Major changes and developments

### Major changes and developments over the past 3 years

After the Company became a Public Company Limited it changed its par value from 10 Baht to 5 Baht and increased its registered capital from 200 Million Baht to 250 Million Baht by issuing 10,000,000 ordinary shares designated for the public and its employees in the amount of 9,800,000 shares and 200,000 shares respectively, and additionally, it became a listed company on the Stock Exchange of Thailand in December 2001. Also, in 2004, the company cut its par value from 5 Baht to 1 Baht per share.

2020	January	The Company opened a new branch platform as the first flagship store at Central World shopping center. This raised our services to a digital platform that has facilitated our customers by performing their own transactions through our virtual teller machine (VTM).
	February	The Company expanded more service channels for our dealers by developing the I-Dealer System to facilitate the credit approval process of installment loans.
	March	The Company has cooperated with new business partners, Shopee and Grab Food which are the leader in online platform with high potential, together with many other leading brands such as Café Amazon, McDonald's, Maxvalu Supermarket, Maxvalu Tanjai and AEON Pet Shop through the "AEON 365 Days of Happiness Every Time You Spend" campaign, the customers able to get privileges through AEON Thai Mobile Application during March 1, 2020 – February 28, 2021, in order to increase online business opportunities and also increase the convenience for customers.
	July	The Company cooperated with Big C Supercenter Public Company Limited and launched the Big C World Mastercard Credit Card, under the slogan "The best credit card @ Big C " which benefits include up to 10% discount for Big C shopping online and 7% discount including the electrical appliances department at Big C stores. From the issuance of this new card will expand the customer base for the company and provide the best privileges for shopping at Big C.
	August	The Bank of Thailand changed the ceiling interest and fee rates for credit card from 18% per annum to 16% per annum and personal loans under supervision from 28% per annum to 25% per annum for new loans and existing loans with outstanding balance as of August 1, 2020 onwards (except for existing installment loans, to hold the same interest rate until the end of the contract.)
	September	The company has added the acquiring service for accepting payments by Local Scheme (Contact & Contactless) credit cards through EDC machines to support JCB credit card payments issued by banks in various countries also in Japan.
	October	<ul style="list-style-type: none"> <li>The Company cooperated with Bangkok Smartcard System Company Limited (BSS) and launched the AEON Rabbit Platinum Credit Card, under the slogan "The Credit Card for Digital Life ", the card solution for new normal lifestyle to provide 2 privileges from AEON and Rabbit especially travel by BTS by provide 5% cash back when top up to rabbit wallet (Auto Top-Up) or payment via Rabbit Line Pay channel and give 3% cash back when shopping online from 1,000 Baht and up/receipt</li> <li>The company added Cardless Installment and Full payment for credit card as well as Cardless Installment for member cards. Customers can use AEON THAI MOBILE Application to scan QR code on EDCs at AEON member merchants and</li> </ul>

		enable installment payment upto 48 months with major department stores and 6,000 partners.
	November	<ul style="list-style-type: none"> <li>The company added Cardless Cash Advance to increase customer convenience whereby they can use AEON THAI MOBILE Application to scan QR code at AEON ATMs or KBank ATMs to withdraw cash.</li> <li>The company launched a premium virtual member card called “Digital Yourcash A” for customers who earn Baht 30,000 per month or higher. Customers can use AEON THAI MOBILE Application to cash out at AEON ATMs or KBank ATMs or purchase with an installment plan at AEON merchants by scanning QR code.</li> </ul>
	December	The company, in collaboration with UnionPay International Company Limited, launched a new credit card called “AEON-UnionPay Platinum”. Card benefits include 3% cashback when spending in China, Hong Kong, Macau and Taiwan as well as 1% cashback when spending in Thailand. Customers can also do Cardless cash advance at AEON ATMs in addition to making purchases at merchants that carry the UnionPay symbol.

2021	March	<ul style="list-style-type: none"> <li>The company operates non-life &amp; life insurance brokerage business of Face-to-Face Insurance at AEON Branches and Tele-Sales that was transferred from AEON Insurance Service (Thailand) since 1 March 2021 onwards.</li> </ul> <p>Co-partner with new partner (Lazada and foodpanda) for 365 days privileges, customer get 100 THB discount when purchasing through AEON Credit Card* by download discount code via AEON THAI MOBILE application during Mar 01, 2021 – Feb 28, 2022.</p>
	June	<ul style="list-style-type: none"> <li>The Company changed the form of AEON member whereby all new customers will receive Digital YourCash instead of plastic cards. The virtual account can be used to withdraw cash via AEON Thai Mobile Application by scanning QR Code at AEON ATM and KBank ATM.</li> <li>The company expanded e-Service for acquisition process to verify customers (eKYC) by using biometric technology under BOT’s regulatory sandbox for apply credit and loans via Tablet at 20 AEON Branches nationwide (Bangkok and vicinity 16 Branches and Upcountry 4 Branches). The approval process gathering information from National Credit Bureaus (NCB), Identity verification and authentication through Customers Biometrics to match with photos by using Facial recognition technology to offer convenience, shorten operation process and provide the secure for the customers.</li> </ul>
	August	<ul style="list-style-type: none"> <li>The company introduced a new cardless cash withdrawal channel called “Cardless Transfer via PromptPay” to increase convenience for credit cardholders as well as Digital YourCash and Digital YourCash-A members. Customers simply login to AEON THAI MOBILE Application, select their national ID number or phone number that linked to a PromptPay account, and instantly transfer from their credit line to the designated account.”</li> <li>The company got permission from Bank of Thailand to expand scope of test biometric technology under BOT’s regulatory sandbox from Bank of Thailand from 20 Branches to 50 Branches (Bangkok and Vicinity 29 Branches and Upcountry 21 Branches).</li> </ul>
	September	<ul style="list-style-type: none"> <li>The company operates non-life &amp; life insurance brokerage business of Motor Insurance and Corporate Insurance that was transferred from AEON Insurance Service (Thailand) since 1 September 2021 onwards.</li> </ul>
	November	The Company launched Happy Loan, a digital loan with fixed installments. Customers can provide alternative data such as utility bills (water/electricity), monthly phone bills, monthly internet bills, insurance bills, etc. as part of their loan application. Customers can withdraw cash via “AEON THAI MOBILE Application” by scanning QR Code at AEON ATM and KBank ATM.
	December	The company migrated plastic member cards to Digital YourCash for customers who have been using AEON Thai Mobile Application. Customers can withdraw cash via AEON Thai Mobile Application by scanning QR Code at AEON ATM and KBank ATM or transfer funds from their credit lines to a PromptPay account.

2022	January	The company got permission from Bank of Thailand to expand scope of test biometric technology under BOT's regulatory sandbox from Bank of Thailand from 50 Branches to 85 Branches (Bangkok and Vicinity 30 Branches and Upcountry 55 Branches).
	February	<ul style="list-style-type: none"> <li>The company got permission from Bank of Thailand to expand scope of testing biometric technology under BOT's regulatory sandbox to mobile application platform (e-Service) for customer apply credit cards and loans through customers' device and customer can process e-KYC with NDID (National Digital ID) by using Public IDP service through the commercial bank which customer already eKYC. And customer also provide additional supporting document through e-Service application by More-Document feature to shorten process for customer.</li> <li>The Company launched new segmentation Credit Card "AEON Wellness Platinum Credit Card", which aim for customer who are health conscious and looking for their wellbeing. This credit card offers various of privileges: 5% cashback when spending at hospital, 3% cashback at pharmacy, 1% cashback for insurance premiums, discount up to 15% or exclusively privileges at participated hospitals, pharmacy, wellness center and spa*, discount 10% for ambulance service* and every 0.1% of spending amount will be donated to "The Thai Red Cross Society".</li> </ul>
	March	<p>The Company launched the biggest lucky draw promotional campaign during Mar, 2022 – December, 2022 in celebration of Aeon's 30th Anniversary by giving prizes to the lucky winners who are Aeon's customers with total prize valued at 41 million baht which consisted of; Monthly Lucky Draw Prizes:</p> <p>In addition, in collaboration with new e-commerce business partners namely Shopee and Lazada, as well as food delivery service providers, namely Grabfood and Foodpanda, the Company launched promotional activities offering privileges to credit card customers in the "Aeon" promotion 365 Days of Happiness with Every Spending" where customers receive a 100 baht discount when spending via participating credit cards by receiving rights through AEON THAI MOBILE Application between 1 Mar 22 - 28 Feb 23.</p>
	May	The Company collaborates with Big C Supercenter Public Company Limited, a retail store in the BJC group. To launch financial and insurance services at more than 150 new "Big Care" counters nationwide. Including Big C credit card Big-C Exclusive Card application. Along with a variety of insurance products such as car insurance, accident insurance and life insurance. To meet customer need for the financial flexibility. and looking for life and property protection plans.
	June	The Company collaborate with Shopee, the leading e-commerce platform in Southeast Asia and Taiwan, providing installment payment via online shopping. With an online installment program at Shopee 0% for up to 10 months, which is another option that increases convenience and safety in spending using "AEON Happy Pay" and "AEON Happy Plan", AEON credit card holders and AEON member card will receive many benefits and receive instant discounts when spending according to participating conditions.
	July	The Company added new channels for purchasing online insurance through AEON MOBILE application and customer can pay by 0% installments for up to 10 months.
	August	<ul style="list-style-type: none"> <li>Company terminated 300 units of NCR ATMs for cost saving due to the Promptpay service taking the majority of cash out volume from our customers.</li> <li>Board of Directors resolved to approve the Employee Joint Investment Program (EJIP) in accordance with the announcement of the SEC, which is the Company's periodically share purchase investment program as a form of remuneration for employees, to retain talent employees to work with the Company in the long term by managing employee benefits through the joint stock accumulation program with the Company as well as promoting ideas and participation of employees in joint ownership of the business with other shareholders of the Company.</li> </ul>
	September	The Company have successfully passed the experiment in a BOT regulatory sandbox of using biometric technology for electronic Know your Customer (e-KYC) to apply Credit card, Personal loan under supervision and digital lending by expansion service to 102 Branches.
	October	The Company collaborates with Bangkok Bank launch the "Cardless Cash Withdrawal" service via the AEON MOBILE app at every Bangkok Bank ATM to increase convenience for credit card holders and AEON member cards.

	December	The Company have launched "Aeon Gift Y2023" which was the biggest spending campaign of company by offer Iphone 14 Pro Max, Iphone 14 Pro, Iphone 14 and Big C gift voucher up to 20,000 baht for credit card customers who spend reach up to certain amount.
2023	January	Company merged eService Mobile application for applying credit card, loan under supervision and digital of using biometric technology for e-KYC to AEON MOBILE APP to achieve a better customer experience. We adjust the interest ceiling of Hire-Purchase (UHP, MHP, BHP) according to the OCPB announcement.
	February	<ul style="list-style-type: none"> <li>• The Company expands collaboration with Siam Commercial Bank with service "Cardless Cash Withdrawal" via the AEON MOBILE app at over 10,000 Siam Commercial Bank ATMs nationwide in order to increase convenience for credit card holders and AEON member cards.</li> <li>• The company succeeded in offering unsubordinated debentures No. 1/2023, unsecured and with debenture holder representative, offering to institutional investors and high net worth investors (II/HNW). There are 2 tranches, consisting of 2-year debentures with an interest rate of 2.99% per annum in the amount of 1,000 million baht and 3-year debentures with an interest rate of 3.18% per annum in the amount of 1,700 million baht, total issuing amount of 2,700 million baht. The bond issuance date was on February 24, 2023.</li> </ul>

As of February 28, 2023, the Company has a total of 104 branches, of which 31 branches are in Bangkok and the vicinity while the remaining 73 branches are distributed nationwide (Please see details of the branches in Properties to be used for business operation). Moreover, the Company has 5,846 Electronic Data Capture machines at hypermarkets and dealers to facilitate the clients. There are also 146 ATMs which is located 51 ATMS in Bangkok and 95 ATMs in provincial areas.

#### **Regulatory changes that impact business operation.**

Bank of Thailand notification No. SorNorSor.13/2560 and No. SorNorSor. 15/2560 were issued to improve regulations, procedures, and conditions for conducting credit card and personal loan under supervision business on July 17, 2017, and became effective on September 1, 2017 and announcement of measures to help small debtors affected by covid-19 phase 2 on June 19, 2020, and became effective on August 1, 2020. The changes are as follows:

#### **1. Credit card loan**

- 1.1) Establish credit limits based on their monthly income as deemed appropriate for their debt repayment capability for credit card applicant.
  - Credit limit must not exceed 1.5 times of monthly income for applicants earning less than 30,000 Baht.
  - Credit limit must not exceed 3.0 times of monthly income for applicants earning more than 30,000 Baht but less than 50,000 Baht.
  - Credit limit must not exceed 5.0 times of monthly income for applicants earning 50,000 Baht or more.
- 1.2) Credit card interest rate reduced from 18% to 16% per annum.

#### **2. Personal loan under supervision**

- 2.1) Establish credit limits based on their monthly income as deemed appropriate for their debt repayment capability for personal loan applicants.
  - Credit limit must not exceed 1.5 times of monthly income and shall not obtain personal loan from more than three providers for applicants earning less than 30,000 baht per month.
  - Credit limit must not exceed 5.0 times of monthly income with no limitation on number of loan providers for applicants earning more than 30,000 baht per month.
- 2.2) Personal loan interest rate reduced from 28% to 25% per annum.

### **3. Car and Motorcycle Hire Purchase**

Car and motorcycle hire purchase business is a form of credit financial service. The Cabinet has approved a draft royal decree regulating car hire purchase and leasing businesses under the Financial Institutions Act by authorizing the Bank of Thailand to supervise and inspect to prevent the car and motorcycle hire-purchase business from charging interest rates that are too high for customers' ability to repay. This will result in the hire purchase business being a business under the supervision of the Bank of Thailand upon the announcement of the Royal Decree. In addition, the committee on contracts announced that the car and motorcycle hire-purchase business are contract-controlled businesses and the interest rate charging must be in effective rate in which;

- The effective interest rate for new car must not exceed 10% per annum
- The effective interest rate for used car must not exceed 15% per annum
- The effective interest rate for motorcycle must not exceed 23% per annum

However, the mentioned regulations have been announced in the Royal Gazette and effective from January 10, 2023.

#### **Credit Relief Measures to affected customer from the impact of COVID-19.**

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

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

#### **Credit relief measures to relieve impacts of the COVID-19 in Y2021**

At the end of February 2021, the Company had extended the financial relief measures to assist customers impacted by the COVID-19 as the following key principle:

- 1) Extending the period of moratorium program to credit card and personal loan customers affected by Covid-19 by adjusting the revolving credit to term loans, including maintaining a minimum installment payment measure and a temporary suspension of principal and interest payment. etc.
- 2) Reduction of installment payments for auto and motorcycle hire purchase loans.
- 3) Extending the period for credit card limit increase and personal loans under the type of revolving credit line or installment payments for customers having average monthly income less than 30,000 baht, the credit limit has been extended from 1.5 times to 2 times of the average monthly income. temporarily until December 31, 2022.

The measures that the Company provided to help the affected customers were suspension of principal and interest payments, changing the revolving debt to a term loan and reduction in installments for hire-purchase loans which representing approximately 1,200 million baht in outstanding debt, or 2% of total debt.

#### **Credit relief measures to relieve impacts of the COVID-19 in Y2022**

In 2022, the company has continuously extended Relief Measured to support customer impacted Covid-19 pandemic as following

- 1) Keep continue for lower minimum payment ratio of credit card and loans under supervision
- 2) Extended period of the relief program to support customer impacted on Covid19 pandemic for Credit Card and Loans under supervision products which is revolving loan by changing to be Term Loan.
- 3) Continue the Restructure Loan Program to support customer by considering the customer payment capability (Extended period, changing revolving loan to term loan, reduce interest etc)

In 2022, the company has continuously supported the customer impacted on Covid19 pandemic by relief measured program of changing revolving loan to be term loan, reduced interest and restructure program approx. 1,200 Million Baht or 2% of total outstanding balance

## 1.2 Nature of Business

### Income Structure

#### Overview of the company's business

The Company's business activity mainly is the provider of a variety of retail finance services, including credit card, personal loan, hire purchase, Life insurance broker business, Non-Life insurance business, debt collection and others.

The core business, which generated most revenues for the Company in the past year, is credit card and personal loan business, representing 34% and 46% of total revenues, respectively, while the hire purchase business represented 5% of total revenues.

For branch development network, the Company has 104 branches nationwide and AEON Lounge totally 10 locations to enhanced convenience for the customer who holds AEON Gold and/or platinum card. In addition, the Company has 5,846 active dealers. Also, the Company has 146 ATMs located in Bangkok and provincial areas. In addition, the company also has digital service channels such as website [www.aeon.co.th](http://www.aeon.co.th) and AEON Thai Mobile Application.

As of February 28, 2023, the Company provides credit services through a variety of financial services such as credit card loans, personal loan and hire purchase loan. The Company has 2.96 million ready-to-use credit cards and 6.51 million membership cards for personal loans.

#### Income Structure (Consolidated)

Fiscal Year	2020			2021			2022		
Business	Amount (MB)	%	Growth %	Amount (MB)	%	Growth %	Amount (MB)	%	Growth %
1.Credit Card	6,451	30	(14)	6,462	31	0.2	7,642	34	18
2.Loan	11,121	52	(8)	10,367	50	(7)	10,385	46	0.2
3.Hire Purchase	1,014	5	35	1,073	5	6	1,029	5	-4
4.Commission income	510	3	(4)	682	3	34	689	3	1
5.Collection service income	246	1	(8)	210	1	(15)	225	1	7
6.Others	1,960	9	(9)	1,997	10	2	2,362	11	18
<b>Total</b>	<b>21,302</b>	<b>100</b>	<b>(9)</b>	<b>20,791</b>	<b>100</b>	<b>(2)</b>	<b>22,332</b>	<b>100</b>	<b>7</b>

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

## Product information

### Product information of each business line

#### Retail Finance Business

##### Nature of Service

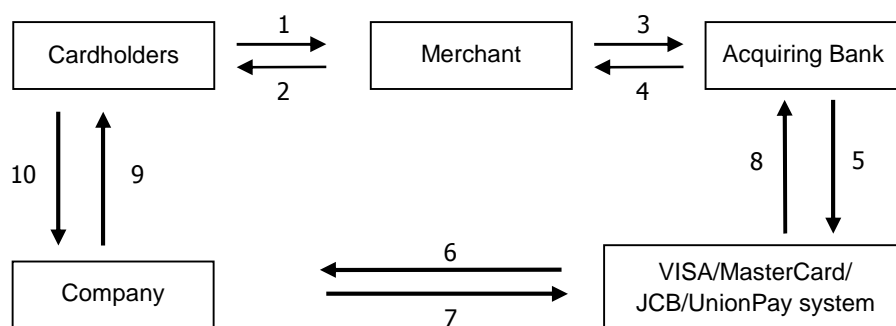
##### 1) Credit Card

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 and UnionPay card.

The picture show servicing of buying products via credit card.

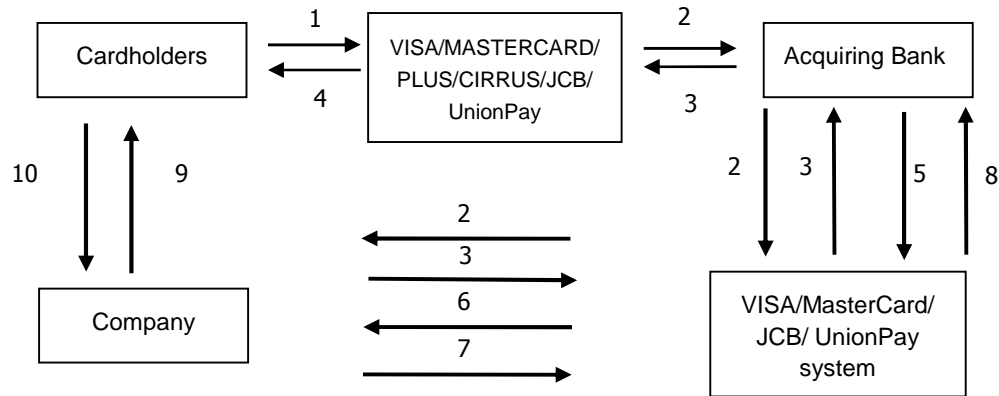


- ( 1 ) Cardholder request payment by credit card for goods and services
- ( 2 ) Goods or services received
- ( 3 ) Sending the sales slip or sales data to Acquiring Bank
- ( 4 ) Acquiring Bank pay amount of goods and services to merchant
- ( 5 ) Acquiring Bank settlement amount through VISA / MasterCard / JCB / UnionPay system
- ( 6 ) VISA / MasterCard / JCB / UnionPay system settlement amount through the Company
- ( 7 ) The Company pay settlement amount
- ( 8 ) VISA / MasterCard / JCB / UnionPay system pay amount to Acquiring Bank
- ( 9 ) The Company send payment advice to the cardholder
- ( 10 ) Payment made by the cardholder

## (b) Cash Advance

Besides credit purchase, the Company's credit card member can also make cash advance at branches or through the Company's cash dispensing machine. The Company has 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 VISA/MASTERCARD/PLUS/CIRRUS/JCB and UnionPay from both domestic and international ATMs.

The diagram below depicts Cash Advance



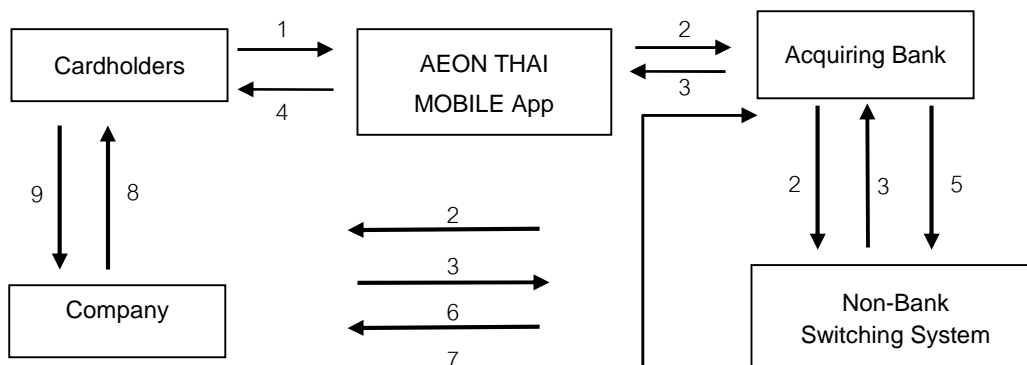
- ( 1 ) Cardholder insert card into cash dispensing machine with sign VISA/MASTERCARD/PLUS/CIRRUS/JCB/ UnionPay
- ( 2 ) Transaction has been sent through Acquiring, VISA/MASTERCARD/PLUS/CIRRUS/JCB/ UnionPay system to the Company, checking the cardholder's credit limit available
- ( 3 ) The Company sending the approval
- ( 4 ) Cash has been dispense to cardholder
- ( 5 ) Acquiring Bank settlement amount through VISA/MASTERCARD/PLUS/CIRRUS/JCB/ UnionPay
- ( 6 ) VISA/MASTERCARD/PLUS/CIRRUS/JCB/ UnionPay -system settlement amount through the Company
- ( 7 ) The Company pay settlement amount
- ( 8 ) VISA/MASTERCARD/PLUS/CIRRUS/JCB/ UnionPay system pay amount to Acquiring Bank
- ( 9 ) The Company sent payment advice to the cardholder
- ( 10 ) Payment made by the cardholder



(c) Cardless Cash Advance

In addition to normal cash advance transactions, customers can do Cardless withdrawal by using “AEON THAI MOBILE Application” to scan QR code at AEON ATMs or Partner Bank ATMs

The diagram below depicts Cardless Cash Advance

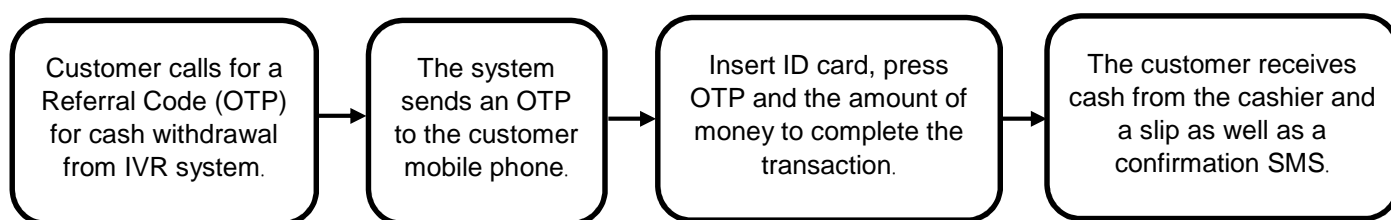


- (1) Cardholder logs in and selects “Cardless Cashing” via AEON THAI MOBILE App.
- (2) The company checks the remaining balance of the cardholder.
- (3) The non-bank switching system sends a transaction approval.
- (4) The cardholder receives cash through the ATMs.
- (5) The acquiring bank sends a payment transaction through the non-bank switching system
- (6) The non-bank switching system sends transactions through the payment system to the card issuer.
- (7) The company makes a payment based on the collection transaction to the card acquiring bank.
- (8) The company sends a bill to the cardholder.
- (9) The cardholder makes payment to the company.

(d) Cardless Cash Advance @Counter Service via the IVR system

The Company expanded the cash withdrawal service by adding “Cardless Cash Advance via Counter Service at 7-Eleven. To increase convenience for credit cardholders, they can make a transaction via the IVR system and receive an OTP via SMS to present at Counter Service at 7-Eleven.

The diagram depicts Cardless Cash Advance at Counter Service via the IVR system



**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, the AEON JCB Card, AEON-UnionPay Platinum Card co-branded with MasterCard Worldwide, VISA Worldwide JCB International Company Limited and UnionPay International respectively. MasterCard credit cards, VISA credit cards, JCB credit cards and UnionPay Credit Card 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, the AEON JCB Card and AEON UnionPay Card for cash advances via the VISA/MasterCard/PLUS/CIRRUS and JCB networks worldwide.

### **2. International Co-branded Cards**

The co-branded credit cards which the Company issues with other companies in several businesses, which are the AEON Royal Orchid Plus World Mastercard, the AEON Royal Orchid Plus Platinum Card, the AEON Club Thailand Card, the B-Quik Card, the AEON M Gen Visa Card, the AEON J-Premier Platinum Card, the Big C World Mastercard, the BigC platinum Visa, the AEON Rabbit Platinum, the Big C Exclusive Card Co-branded cards provide additional exclusive privileges for cardholders.

**As at February 28, 2023, AEON Co-branded Cards are as follows:**

<b>Card Name</b>	<b>Co-Branded Company</b>	<b>Sector</b>
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 VISA International (Thailand) Co., Ltd JCB International (Thailand) Co., Ltd	National Carrier Business Credit Card Business Credit Card
Big C World Mastercard Card Big C Platinum payWave Card	Big C Supercenter PCL Mastercard (Thailand) Co., Ltd VISA International (Thailand) Co., Ltd	Retail business Business Credit Card Business Credit Card
AEON J-Premier Platinum Card	JCB International (Thailand) Co., Ltd	Business Credit Card
AEON M Gen Visa Card	Major Cineplex Group PLC. VISA International (Thailand) Co., Ltd	Cinema and Entertainment Business Credit Card
B-Quik VISA Card	B-Quik Co, Ltd VISA International (Thailand) Co., Ltd	Auto parts Service provider Business Credit Card
Club Thailand VISA/MasterCard/JCB	Atlas Trading and Properties (Thailand) Co, Ltd Mastercard (Thailand) Co., Ltd VISA International (Thailand) Co., Ltd JCB International (Thailand) Co., Ltd	Card Servicing business  Business Credit Card Business Credit Card Business Credit Card
AEON Rabbit Platinum Card	Bangkok Smartcard System Company Limited (BSS) Mastercard (Thailand) Co., Ltd	E-Money Business Credit Card
AEON-UnionPay Platinum Card	UnionPay International Co., Ltd.	Business Credit Card

The Company offer special privilege to AEON cardholders under the campaign "365 Days Privilege of AEON Credit card" with potential online partners such as; Lazada and Shopee, get 100 baht discount when spending 500 baht (exclude delivery cost) while Foodpanda and GrabFood, get 100 baht discount when spending 300 baht (exclude delivery cost). Furthermore, the Company also co-operate with other potential partners e.g. McDonald's, Maxvalu Supermarket and Maxvalu Tanjai as well as organizing campaigns cash back and privilege when spending via Aeon credit card as specified by the Company.

In the fiscal year of 2022, the Company launched new segmentation Credit Card "AEON Wellness Platinum Credit Card", which aim for customer who are health conscious and looking for their wellbeing. This credit card offers various of privileges: 5% cashback when spending at hospital, 3% cashback at pharmacy, 1% cashback for insurance premiums, discount up to 15% or exclusively privileges at participated hospitals, pharmacy, wellness center and spa\*, discount 10% for ambulance service\* and every 0.1% of spending amount will be donated to "The Thai Red Cross Society".

Also, The Company has launched Corporate Card which issued to the organizations to manage employee expenses. The most of the expenses are travel expenses and entertainment expenses to reduce spending in the wrong way, preventing corruption and also helps organizations manage expenses more efficiently. The main corporate customers are the Company's Co-Branded partners and Japanese companies operating in Thailand.

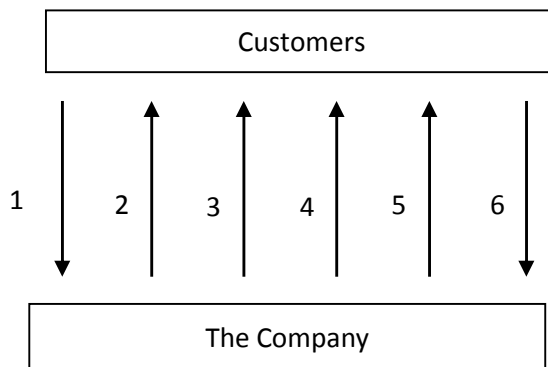
Income from credit cards consists of interest, revolving fees, collection fees and other fees e.g. the annual fee, cash advance fees, merchant discount fees from participating stores and etc.

## 2) Personal Loan

The Company has provided "Your Cash" or a revolving loan service to customers in which the customer can withdraw cash or installment payment/service following their credit line.

- (1) The Company offers cash withdrawal service at AEON and major bank ATM machines, Counter service at all branches of 7-Eleven stores nationwide.
- (2) The Company also offers installment service or AEON Happy Pay service at AEON dealer's shops.

The picture shows the procedures of Personal Loan business

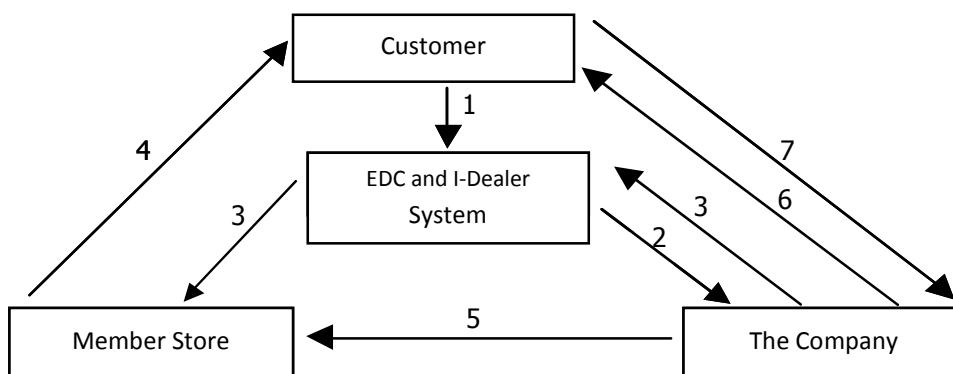


- (1) Application from the customer in demand for cash.
- (2) Data screening and judgment from the customer's credit status.
- (3) Approval notification.
- (4) The Company hands over loans to the customer who gets credit approval which the customers gain credit line through the credit cards. Also, the customer is also able to withdraw the money from the Company's Automated Teller Machines or another bank's Automated Teller Machines.
- (5) Payment advice sent to the customer.
- (6) Payment made by the customer.

Personal Loan is a form of finance for lending cash to customers. The amount will be approved and available to the customers in the form of revolving credit ("Your Cash") through AEON Member Cards. The customers can apply member card at the Company's office, Card Recruit Booth or AEON online. The Company's revenues generated from Personal Loan product comprise of 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 machines at over 6,325 AEON dealers' shops nationwide.

Happy Pay service is installment products and services with revolving loan ("Your Cash") through AEON Member Card in which the transactions are processed via EDC machines and I-Dealer System at AEON dealer's shops. 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 picture shows the procedures of Installment Loan business (AEON Happy Pay)

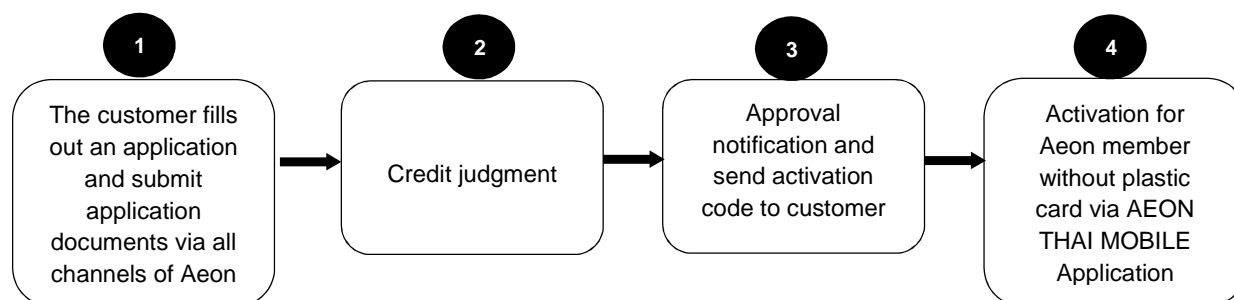


- (1) Credit/Member Card swiping card via EDC or inform customer's information to do transaction via i-Dealer System at member store to buy goods.
- (2) Customer's data sent to the Company for credit judgment.
- (3) Approval notified via EDC or i-Dealer.
- (4) Deliver the goods.
- (5) The Company pay settlement amount.
- (6) Payment advice sent to the customer.
- (7) Payment made by the customer.

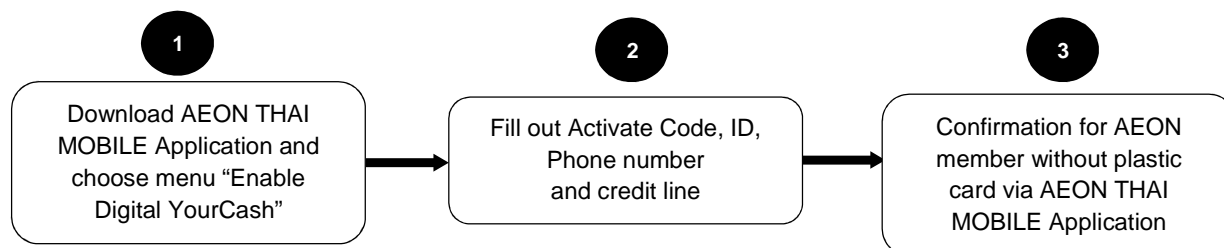
### Personal Loan without the Plastic card (Digital Yourcash) and (Digital Yourcash -A)

The Company provides “Digital YourCash” service, a new type of “Your Cash” revolving loan service that does not require a plastic card for cash withdrawal. The criteria and conditions for approval are the same as those applied to applications for AEON membership cards. Upon the loan approval, the loan will be available for customers to withdraw in cash amount equivalent to approved credit line. The customers can also activate their Digital YourCash via AEON Thai MOBILE Application in order to facilitate our customers; this service offers more convenience and faster service.

The picture shows the procedures of servicing for AEON member without plastic cards. “Digital YourCash”



The picture shows the procedures of application for AEON member without plastic card via AEON Thai MOBILE Application

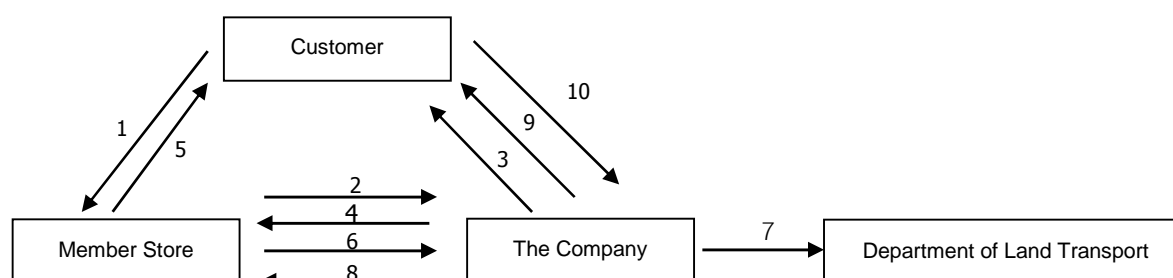


### 3) Motorcycle Hire Purchase

Hire purchase is a form of finance whereby ownership of the merchandise is vested in the Company and the Company hires the merchandise to the borrower for a fixed term which the Company offers from 36, 42, 48 months term-loan for motorcycle price less than 150,000 Baht and from 6 months to 72 months term-loan for motorcycle price more than 150,000 Baht. The ownership of merchandise belongs to the Company during the period of hire and when the payment conditions of the contract already are completely met, the ownership of the merchandise would be transferred to the customer.

The income generated from this service (hire purchase) includes interest received from installment and collection fees. Once the merchandise 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.

The picture shows the procedures of hire purchase business.

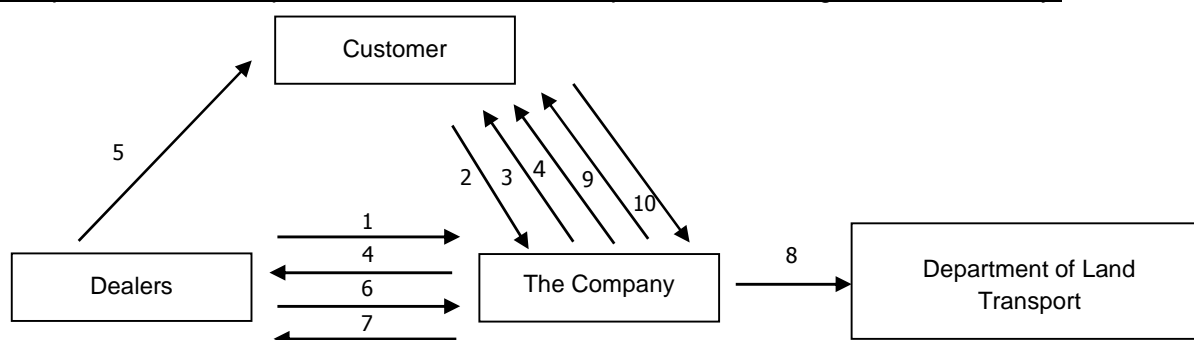


- (1) Application from the customer to buy goods from the member store.
- (2) Member store / AEON Staff sent request for credit judgment to the Company.
- (3) Data screening and judgment from customers' credit status.
- (4) Approval notification.
- (5) Deliver the goods
- (6) Sending the settlement form and invoice
- (7) The Company submit registration documents to register at Department of Land Transport
- (8) Product payment from the company to member store
- (9) Payment advice sent to the customer
- (10) Payment made by the customer

#### 4) Used Car Hire Purchase

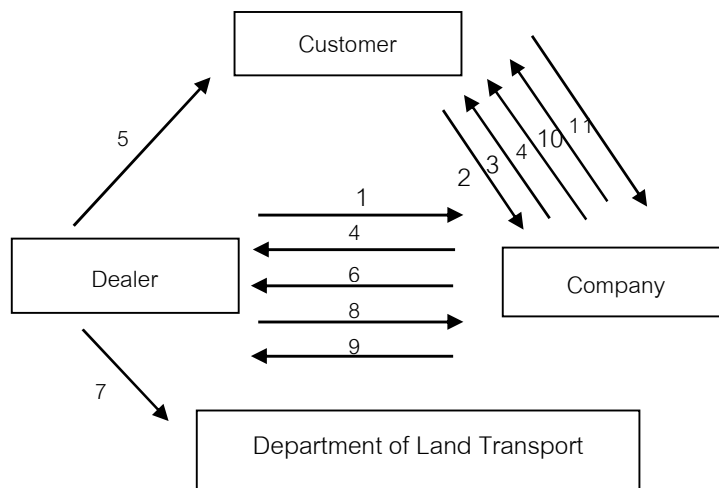
Hire purchase is a form of used car finance whereby ownership of the merchandise is vested in the Company and the Company hires the merchandise to the borrower for a fixed term at the fixed rate interest which the Company offers from 48 months to 84 months term-loan. The ownership of merchandise belongs to the Company during the period of hire and when the payment conditions of the contract are met, the ownership of the merchandise would be transferred to the customer.

The picture shows the procedures of used car hire purchase for Bangkok and its vicinity.



- (1) Used car dealer contacting the company to introduce customers who are interested in hire purchase a car with the company
- (2) The customers submit an application for hire purchase and a hire purchase contract for credit approval.
- (3) The Company examines the qualifications of the customers for credit consideration.
- (4) The Company notifies the results of the credit approval/rejection to the customers and dealers.
- (5) Car dealerships deliver cars to customers who have been approved for credit.
- (6) The dealer sends the car invoice to the company.
- (7) The company pays for the car to dealer.
- (8) The company takes the transfer the ownership at the Department of Land Transport / the local transport office.
- (9) The Company sends an invoice for installment payment to the customer.
- (10) Customers pay installments to the Company.

The picture shows the procedures of used car hire purchase in Up-country areas.



- (1) Used car dealer contacting the company to introduce customers who are interested in hire purchase a car with the company
- (2) The customers submit an application for hire purchase and a hire purchase contract for credit approval.
- (3) The Company examines the qualifications of the customers for credit consideration.
- (4) The Company notifies the results of the credit approval/rejection to the customers and dealers.
- (5) Car dealerships deliver cars to customers who have been approved for credit.
- (6) The company provides documents supporting the transfer of ownership to the dealer.
- (7) The dealer brings the ownership transfer document to transfer the ownership at the Department of Land Transport / Transport office in the area
- (8) The dealer sending invoices along with the registration book with the company
- (9) The company pays for the car to the dealer shop.
- (10) The Company sends an invoice for installment payment to the customer.
- (11) Customers pay installments to the Company.

### 5) Web Business Service

The company provides a variety of online services for AEON card customers to fulfill their online activities through the AEON website ([www.aeon.co.th](http://www.aeon.co.th)). Customers can browse the Company's information, products & services as well as transact the application for credit cards via online channels.

#### Type of Service

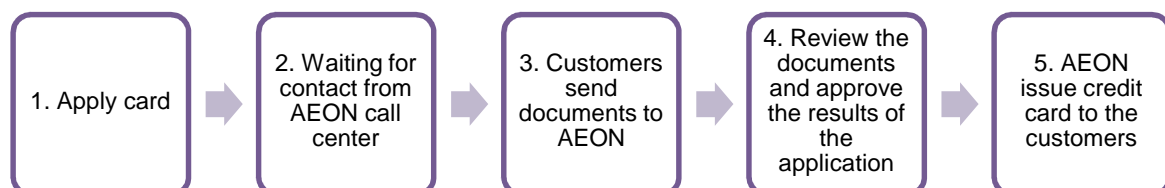
##### 1.) Online services through internet

The Company provides online services for customer through the Internet via our website, [www.aeon.co.th](http://www.aeon.co.th). The online services can be separated into 2 parts:

##### A. Online card application service

Customer can apply for AEON cards online through the Internet in easy 5 steps:

Diagrams of the system and details of servicing.



## **B. Online services for AEON members.**

### **- Balance Inquiry**

This service provides card spending information, including total credit limit, spending amount, and remaining credit, as well as loan contract details with full and minimum payment amount. To be easier for customers, all information will be displayed in table format in which customers can monitor their monthly spending.

### **- Unbilled Transaction**

This service is to enable customers to view latest transactions that are not yet included in monthly statement so they can plan their own spendings.

### **- Happy Plan**

“AEON Happy Plan” is an installment program, which enable customers to select installment program up to 10 months.

### **- E-Statement**

Customers can view or download their statements online through our AEON online services in the same format and information as the statement sent by post, in which containing the information of the past six months and can be downloaded for recording and the future use. E-Statement can be printed out with bar codes to pay at every payment channel. Customers can choose to receive E-statement via AEON Online Services instead of the payment advice from post mail. It has automatic notifications to the registered e-mail before payment due date cycle.

### **- AEON Happy Rewards**

AEON Happy Rewards allows customers to view their outstanding point balance and redeem for premium products and services online. Further, they are able to check Point expiration date or donate to AEON Thailand Foundation by transfer point via AEON Online Services and can check the redemption history for the reference.

### **- Card Cancellation Service**

Card cancellation service is available online for customer, who for any reason, lost their card or got stolen. They can access this service by logging on to AEON online services and provide cardholder identity information to seize and cancel the card.

### **- Changing Profile Service**

This service is available for customers who would like to change their personal information by themselves such as password, Email, Address for payment advice (2 options between sending to workplace address or home address). This feature allows them to adjust their profile by themselves by logging on to AEON online service.

### **- E-Coupon Service**

E-Coupon is electronic coupon providing through AEON THAI MOBILE Application to redeem product and service with participated merchants without printing physical coupon.



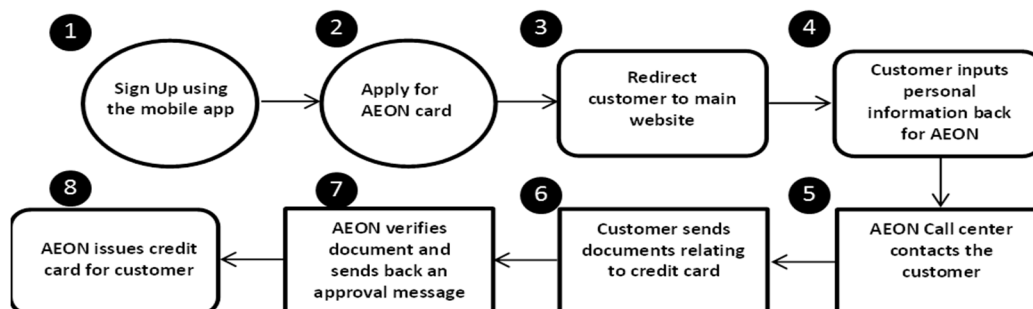
## 2.) AEON MOBILE Application Service

The Company provides online services for customers through mobile application on smart phone name "AEON THAI MOBILE" which can be break down into two types as follows:

### A. Credit card and member card application service

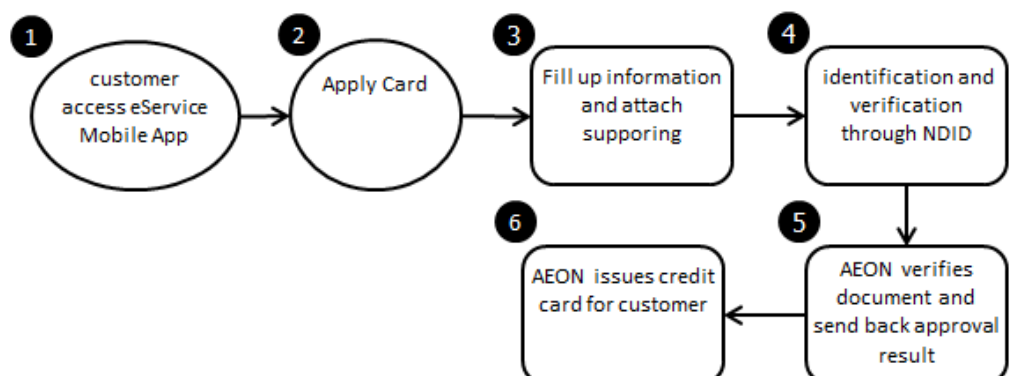
Customers can apply for AEON cards through the AEON THAI MOBILE Application in easy steps.

Diagrams of system and details of servicing



The Company expands the channels for Credit card, Personal loan under supervision and digital lending application through eService Mobile Application by using biometric technology for electronic Know your Customer (e-KYC) with following process:

Diagrams of system and details of servicing (e-KYC)



## B. AEON THAI MOBILE Service for AEON Members

### - Balance Inquiry

This service provides card spending information including credit line, spending amount, and remaining balance along with payment history and agreement numbers with minimum payment amount and full payment amount. To facilitate the customers, all information will be displayed by card type so that customers can easily read the information and manage their monthly expenses.

### - Pay Now

The customers can view payment statement in “Pay Now” feature by selecting the transaction and payment method either by deducting from Kasikorn Bank account, Bangkok Bank or PayAlert via PromptPay account linked to any bank. After successful payment, customers will receive payment notification message and referral code and will receive a revolved available credit limit which can be used instantly.

### - Unbilled Transaction

This service serves customers who would like to view latest transactions that are not yet included in monthly statement. Customers may check details of the expenses and plan their monthly spending through this “Unbilled Activity” service menu.

### - Happy Plan (Monthly installment)

“AEON Happy Plan” is an installment program, which can help customers control their spending easily. With this method, customers can select installment program up to 10 months.

### - E-Statement

Customers can view or download their statements on their smart phones through AEON mobile app service. They are able to check statement history for the past six months. E-Statement can be viewed with bar codes to pay at every payment channel. Customers can choose to receive E-statement via AEON THAI MOBILE Application instead of the payment advice from post mail. It has automatic notifications to the registered e-mail before payment due date cycle.

### - AEON Happy Rewards

AEON Credit Card customers can enjoy special privilege of earning points called Happy Point Rewards. They can view their outstanding point balance and redeem for premium products and services online. Not only instantly redeemed for discount or privileges at participating merchants with instant AEON Happy Reward, but customers can also enjoy the redemption for products and services 24 hours at AEON THAI MOBILE Application. Further, they are able to check Point expiration date or donate those reward points to AEON Thailand Foundation via AEON's mobile application and can verify the redemption history for the reference.

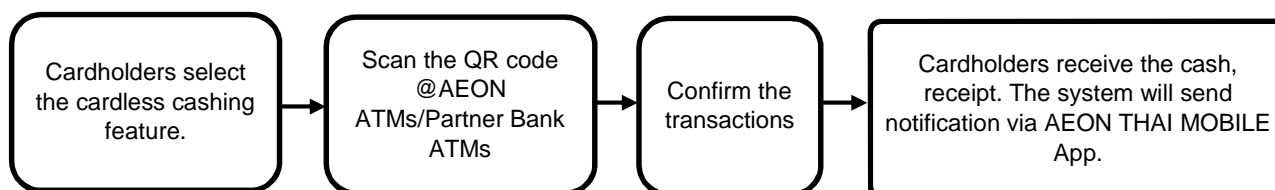
### - News Alert

“News Alert” is an additional channel that communicates promotions that AEON collaborates with merchants to the cardholders. It also provides news and notifications regarding Aeon.

### - Cardless Cashing

“Cardless Cashing” is a cardless withdrawal services that allow AEON member card and AEON credit card (except corporate card)holders to withdraw cash from their credit limit via AEON THAI MOBILE Application before scanning a QR code that appears on the Company's and bank partners' ATMs.

#### Diagrams of Cardless Cashing



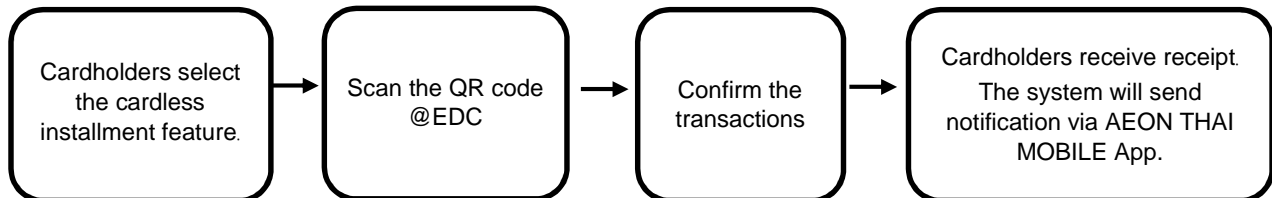
### - E-Coupon Service

E-Coupon is electronic coupon providing through AEON THAI MOBILE Application to redeem product and service with participated merchants without printing physical coupon.

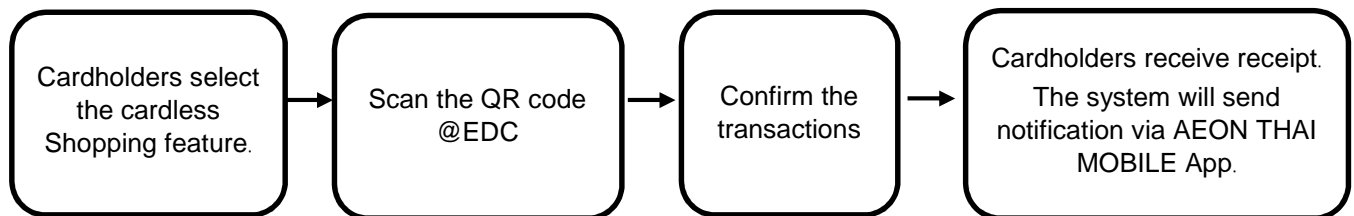
### - Cardless Installment/Shopping

"Cardless Installment/Shopping" is a cardless payment service for installment plan or full payment without physical cards. All types of AEON credits (except corporate credit cards) are eligible. The Your Cash card holder could make transactions through AEON THAI MOBILE Application to scan QR Code on EDCs at AEON merchants.

#### Diagrams of Cardless Installment



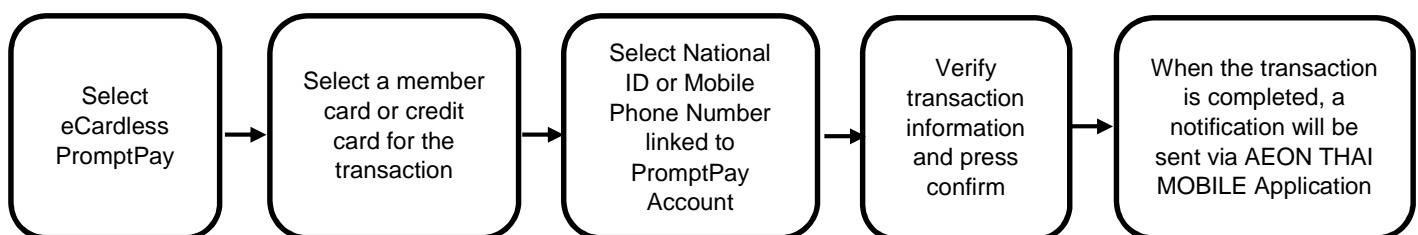
#### Diagrams of Cardless Shopping



### - Cardless Transfer via PromptPay

"Cardless Transfer via PromptPay" is a cardless cash withdrawal channel for credit cards and member cards whereby funds are transferred from credit lines to PromptPay accounts that are linked to customers' national ID numbers or phone numbers.

#### Diagrams of Cardless Transfer via PromptPay

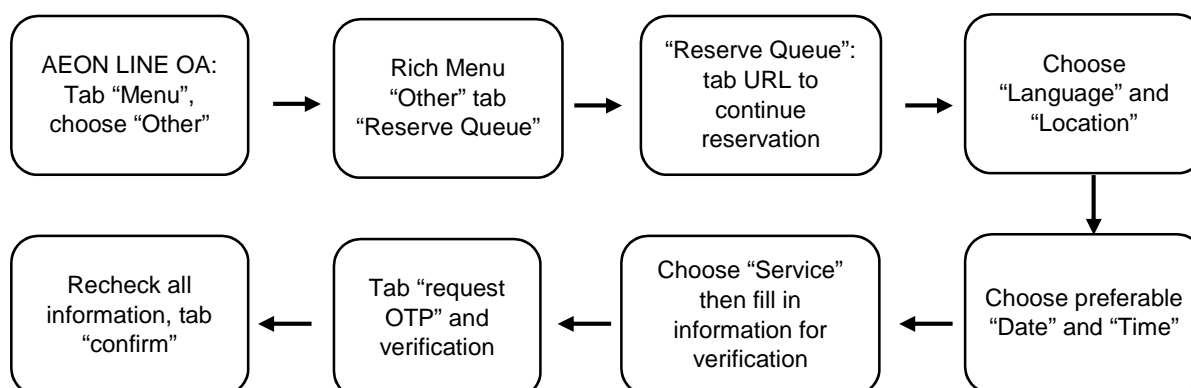


### 3.) Online service via AEON LINE OA for AEON Customers

#### - Online Queue Reservation (Digital Q-Matic) instead of Queue Stand

“Digital Q-Matic System” is provided for support online queue service by separated into two channels: QR-Code Scan for on-site service and LINE OA for support queue reservation in advance. Customers can choose preferable location, transaction, date and time in advance from 3 hours to 7 days.

#### Diagrams of Digital Q-Matic via LINE OA



### 6) Debt Collection Service Business

ACS Servicing (Thailand) Co., Ltd (ACSS) provides debt collection service under the Debt Collection Act B.E. 2015, Regulations of the Bank of Thailand, “Debt Collection Supervisory Committee” which were enforced since November 21, 2019 as well as Personal Data Protection Act B.E. 2562 as well as the collection policy required by clients. The collection service of ACSS includes phone collection, field service, and legal service.

Currently, ACSS has more than 900 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 comply 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 ISO/IEC27001 whereas our quality management system is certified by ISO 9001 as well as the environmental management policy which is certified by ISO14001 from Bureau Veritas Certification (Thailand). These policies are applied to all operation sites including head office and collection center nationwide.

### 7) Insurance Brokerage Services Business

The Company operates insurance brokerage service business by offering non-life insurance product and life insurance product and as well provides a consulting service, gives advice to all kinds of customer both individuals customer and corporate customer i.e. corporative, government bodies through various sales channels e.g. Telemarketing, Face to Face and Online which in line with customer's lifestyle and following digitalization planning.

Various insurance products are 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, furniture, 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 and other incomes such as income from issuing a policy, car tax and advertising and marketing support.

## 8) Overseas Business

The Company places great emphasis on overseas investments, especially in the CLM countries, Cambodia, Laos, Myanmar which a group of economic with growth potential, an average economic growth rate in 2023 is expected at 2.5-6% per year, the most are working population at the age of 20-30 years who have a relatively high demand for financial loans. Therefore, the Company sees it as great opportunities in expansion to the CLM countries, thus the affiliates' business is likely to continue growing in the future.

In the midst of economic volatility from several pressures in 2022, such as financial market volatility and the global economic slowdown from rising interest rates, inflation and energy price crises, challenges in the business operations due to the COVID-19 pandemic situation and political tensions within the country affecting the growth of the global economy and the economy of the CLM countries. Details of the performance of each country are as follows;

### (1) 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 car & motorcycle hire purchase. The Company holds 50% of its share and AEON Financial Service Co., Ltd. holds another 50%. At present, ASB Cambodia has 14 branches located in Phnom Penh, Stueng meanchey, Siem Reap, Battambang, AEON Mall Phnom Phen, Kampong Cham, Takeo, Banteay Meanchey, Pochentong, Sihanoukville, AEON Mall Sen Sok, Chbar Ampov, Kampong Speu and AEON Mall Mean Chey. Aeon Mall Mean Chey is a large shopping mall and being the third Aeon Mall in Cambodia in which ready to serve more than 250 tenants and ready to provide full entertainment services to customers under the concept of "Edutainment Mall". AEON Mall Mean Chey was officially opened since December 2022.

For fiscal year 2022, ASB Cambodia generated revenues of 1,175 million baht, increased by 4% y-y and net profit of 124 million baht, increased over 41 times of net profit last year.

### (2) Business in Myanmar

AEON Microfinance (Myanmar) Co., Ltd. ("AEON Myanmar") started to operate in 2013 with 100% of its shares held by the Company. Its head office located in Yangon City, which is a commercial hub and logistics in Myanmar.

For fiscal year 2022, AEON Myanmar was impacted by COVID-19 situation remaining from 2021 and the political tension in the country, resulting in cessation of lending for new loans, but the Company continues the debt collection of outstanding debts as usual.

In 2022, AEON Myanmar generated revenue of 17 million baht, decreased by 50% from the previous year. Net loss of 80 million baht.

### (3) Business in Laos

AEON Leasing Service (Lao) Co., Ltd. ("ALSL") has operated hire purchase business since 2013 with 100% of its shares held by the Company. ALSL provides diversified hire purchase products eg. car, motorcycle, gold, electric appliance, etc. At present, ALSL has 2 service branches in Vientiane and Pakse.

For fiscal year 2022, ALSL generated revenues of 112 million baht, decreased by 1% y-y and net profit of 13 million baht, increased 3 times of last year's net profit.

## Marketing and Competitive Condition

### 1) Customer characteristics

The Company has operated retail credit business as a non-bank institution, undersupervision of the Bank of Thailand, which providing customers a wide range of financial services. The basic qualifications required for our retail finance customers are to be aged 20 years old and over and to have regular income and possess of a secure job and etc. However, according to the Labor Force Survey in the fourth quarter of 2022 by the National Statistical Office of Thailand (NSO) at the Ministry of Information and Communication Technology of Thailand, it was found that population aged 15 and over were 58.73 million people, 40.14 million were in the total labor force (ready to work) or accounted for the 68.34% (39.59 million people who were employed; 0.09 million people were the seasonally inactive labor force; and 0.46 million people were unemployed or represented 1.2% of labor force). Mostly, the employed were in the service sector, agricultural sector and production sector at 47%, 31% and 22% of employed people respectively.

In 2022, the Coronavirus outbreak (COVID-19) situation began to subside and the country has been reopened to travelers since July 1, 2022 and fully resumed without any Covid-19 document measures from October 1, 2022, which stimulates the tourism sector. In 2022, there were 11.2 million foreign tourists, which is an important factor in increasing business and household income. Despite, the growth of economy or the country's gross domestic product index figure indicates growth of 2.6%, it was below expectation due to the decline in the export sector and industrial production which has been pressured by inflation and the economic recession in Thailand's important trading partner such as the United States and Europe, as well as the geopolitical conflict situation. The NESDB estimates that the overall Thai economy will continue to grow at a rate of 3.2-3.6% in 2023, which will stimulate private consumption. However, in the past year 2022, due to the Covid-19 pandemic has just begun to relax and economic growth has not been fully resumed. In addition, increasing in the inflation rate, and the ending of moratorium program for customers who were impacted by the pandemic. Moreover, the household debt to gross domestic product rose to 86.9% in the fourth quarter, which subsequently affected the overall asset quality of the financial sector, which causing the financial operators and the Bank of Thailand to be cautious. However, in 2023, inflation rate and household debt likely to decrease due to continuously expanding on GDP.

## 2) Competitive Conditions

### Credit Card Competitive Condition

The credit card business is having several service providers in the industry, in which can be categorized into bank players and non-bank players and being undersupervision of the BOT.

### Credit Card Industry Overview

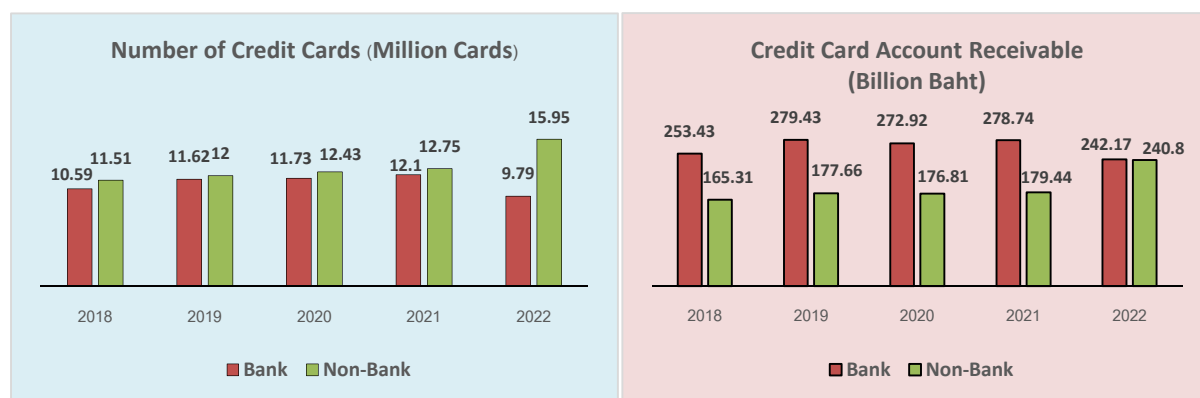
Since the outbreak of COVID-19, consumer behavior has changed abruptly towards purchasing of goods and services through online channels. There is an expansion and emergence of various online platforms including technology development for spending and making payments via cards being more convenient for consumers, causing the total amount of spending on cards via online channels continues to grow steadily.

At the end of 2022, the total number of credit card accounts of commercial banks and non-bank credit card companies grew by 3.6% from the end of the previous year, representing an increase of approximately 0.89 million accounts from the previous year. At the end of 2022, there were 25.74 million credit card accounts, divided into 15.95 million credit cards issued by non-bank credit card companies, a growth of 25.1% from the previous year, and 9.79 million credit cards of commercial banks or a decrease of 19.1% from the previous year. The outstanding balance of credit cards from non-bank companies amounted to 240.80 billion baht, an increase of 34.2% from the previous year. In the same period, the outstanding balance of commercial banks' credit card outstanding amounted to 242.17 billion baht, or decreased. 13.1% from the previous year. The non-bank credit card accounted for 62% by number of cards, the proportion significant increased from 51% of last year and accounted for 50% by outstanding loans, increased from 39% of last year. The incident is due to a large commercial bank's credit card business and unsecured personal loan business have been transferred to non-bank company which was established to support the restructuring of the bank.

**Table of the number of Credit Card and Credit Outstanding in Thailand**

<b>Number of Account (million accounts)</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Commercial Banks	10.59	11.62	11.73	12.10	9.79
Non-Bank	11.51	12.00	12.43	12.75	15.95
<b>Total</b>	<b>22.10</b>	<b>23.62</b>	<b>24.16</b>	<b>24.85</b>	<b>25.74</b>

<b>Credit Card Outstanding (billion baht)</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Commercial Banks	253.43	279.43	272.92	278.74	242.17
Non-Bank	165.31	177.66	176.81	179.44	240.80
<b>Total</b>	<b>418.74</b>	<b>457.09</b>	<b>449.73</b>	<b>458.18</b>	<b>482.97</b>



Source: Bank of Thailand

Note: - 'Total number of accounts means the number of credit card service accounts with outstanding credit balances at the end of the reporting month.'

- 'Credit Outstanding' refers to the outstanding balance as a result of purchases, accrued interest, fees, and cash advances as at end of the reference month.



### **Credit card industry competition**

According to BOT source, at the end of February 2023, the credit card industry has total cards of 25.82 million cards, increased 3.5% from February 2022, and outstanding account receivable of 462.43 billion baht, while the Company's credit card receivable outstanding was 43.47 billion baht, increasing from 39.32 billion baht or 11% from last year, representing by 9.4% of industry credit card outstanding, increasing from that of 9.1% in the previous year.

### **Personal Loan Competitive Condition**

The Personal Loan business is having several service providers in the industry, in which can be categorized into bank players and non-bank players and being undersupervision of the BOT.

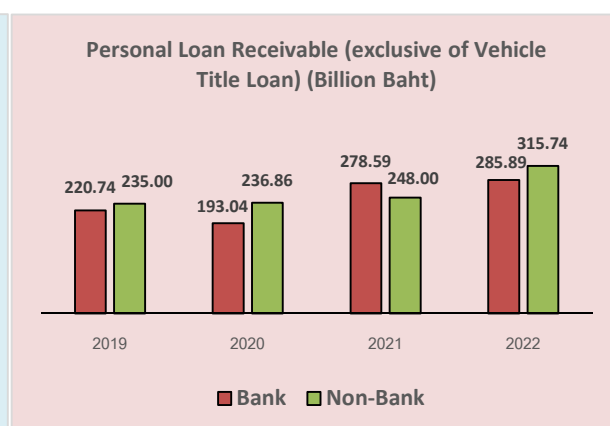
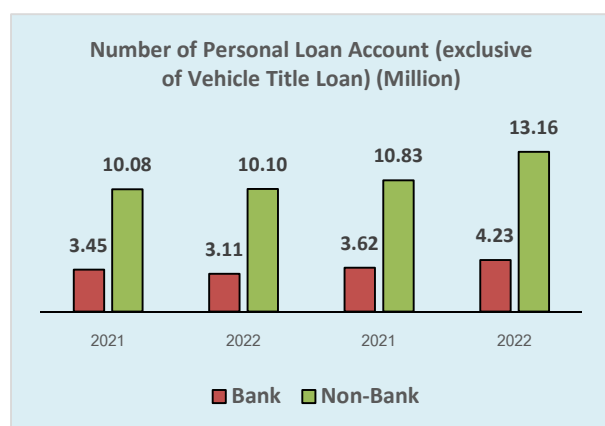
### **Personal Loan Business Overview**

In 2022, the personal loan accounts (not inclusive of vehicle title loan) increased by 20.3% from 14.45 million accounts in previous year to 17.39 million accounts; 4.23 million accounts were from commercial banks registered in Thailand, increased by 16.9% y-y and 13.16 million accounts were from non-banks sector, increased by 21.5% y-y. In addition, total personal loans outstanding of industry at the end of 2022 increased by 14.25% from the end of the previous year to 601.63 billion baht which can be attributed to commercial banks registered in Thailand constantly at the amount of 285.9 billion baht, increased by 2.6% y-y and non-banks in the amount of 315.74 billion baht, or increase of 27.3% y-y. The non-bank shares segmentation in number of loan account and outstanding of 76% and 52%, respectively.

**Table of the Number of Account and Outstanding of Personal Loan (not inclusive of Vehicle Title Loan) under supervision in Thailand**

<b><u>No. of Account (million accounts)</u></b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Commercial Banks	3.45	3.11	3.62	4.23
Non-Bank	10.08	10.10	10.83	13.16
<b>Total</b>	<b>13.53</b>	<b>13.21</b>	<b>14.45</b>	<b>17.39</b>

<b><u>Personal loan Outstanding (billion baht)</u></b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Commercial Banks	220.74	193.04	278.59	285.89
Non-Bank	235.00	236.86	248.00	315.74
<b>Total</b>	<b>455.74</b>	<b>429.90</b>	<b>526.59</b>	<b>601.63</b>



Source: Bank of Thailand

### **Personal loan industry competition**

According to BOT source, at the end of February 2023, the personal loan industry reported the total outstanding of personal loan (not inclusive of vehicle title loan) under supervision amounted to 602.22 billion baht, increased by 14% from the previous year, while the Company has total personal loan outstanding at February 28, 2023 amounted 44.88 billion baht, decreased from 45.70 billion baht or 1.8% from the previous fiscal year and shared 7.5% of the industry's personal loan (not inclusive of vehicle title loan).

### **Hire Purchase Competitive Condition**

Car and Motorcycle Hire Purchase business is a form of financial service. At present, the Cabinet has approved a draft Royal Decree governing car hire-purchase and leasing businesses to be under the Financial Institutions Act and authorizing the Bank of Thailand for their supervision and inspection power, which the main objective is to prevent the car hire-purchase business from overcharging interest rates than customers' ability to repay debt. This will result in the hire purchase business being a business under the supervision of the Bank of Thailand upon the announcement of the Royal Decree. In addition, the contract committee announced the car hire-purchase business and motorcycles are contract-controlled businesses by controlling the effective interest rate not over 10% for new car hire-purchase, not over 15% for second-hand car hire-purchase and not over 23% for motorcycles hire-purchase contracts. However, the new regulation has been announced in the Royal Gazette and effective from January 10, 2023.

In regards to regulatory developments, the Company was not affected as its effective interest rates was lower than the new interest ceiling. Such legislative changes, on the other hand, have a positive impact on the industry as a whole in terms of reducing legal risks as well as the development of market conduct and asset quality in the long run.

Currently, the Company has focused on providing motorcycle hire purchase loans. The target customers are general individuals with low to medium income levels using motorcycles as a vehicle by emphasizing on hire-purchase loans for motorcycles that are popular in the market such as Honda, Yamaha, Suzuki and Kawasaki. The company also extended the hire-purchase business by adding Big Bike motorcycles in the mentioned brands, Triumph and Royal Endfield brands.

According to the statistics from the Land Transportation Department, the number of newly registered motorcycles was 1.97 million in 2022 increased 12% from 1.76 million in the previous year. In 2022, the motorcycle market was stable with slow growth amid the higher inflation rate, the lower than expected performance of manufacturer industries and export sector which affected consumers' purchasing power especially the target of motorcycles market. Still, competitive pricing among business operators continued, as well as new models launching. The big-bike market continued a steady growth, in comparison to typical motorcycle market. The remaining issue needed to be monitored is the business supervision by regulators which controlling the effective rate and effective since January 10, 2023.

### **Used Car Hire Purchase Competitive Condition**

Used car hire purchase business it is classified as a form of financial service, in which the contract committee announced the car hire-purchase business and motorcycles are contract-controlled businesses by controlling the effective interest rate not over 15% for second-hand car hire-purchase and announced in the Royal Gazette, effective from January 10, 2023. The target customers are ordinary individuals with a middle-income level who use a car as a vehicle.

For the year 2023, Thailand economic situation is expected to continue recovering amid the economic risk factors that may cause a global recession in which must be closely monitored. The Company continues to develop digital transaction channels to enhance convenience for customers. In addition, AI system will be adopted in the process to investigate the car's condition for loan approval to ensure customer's confidence. It is expected that in 2023, however, the second-hand car hire-purchase business will gradually continue to improve.

### **Debt Collection Service Business Competitive Condition**

Debt collection business is highly competitive both from large collection company and local collection company. However, ACSS can its competency in terms of quality of service, data security, expertized collector, coverage of collection center in strategic location, and credential of clients which all of them are key factor for clients to select outsource collection partner. Moreover, ACSS also have economy of scale advantage from the number of clients in the collection service.

### **Insurance Brokerage Services Business Competitive Condition**

The insurance business has grown steadily over the years. The non-life insurance sales grew by 3.5 - 4.5 percent compared to the year 2021, due to the economic recovery, the outbreak of Covid-19 has begun to unfold, resulting in the increase of domestic and international tourism. On the other hand, the life insurance sale grew in decelerate rate by 0.45% in comparison to 2021. The most popular insurance product in the year 2022 is the rider insurance, especially for healthcare and critical illness coverage, as well as pension life insurance products because people have higher awareness health care and preparation for the health issues.

In addition, the market behavior has changed towards online channels. The turnover of online channels in insurance is growing rapidly. The Company has adjusted a strategy to align with the market change, which is to implement the online insurance sales strategy via AEON THAI MOBILE to serve AEON card customers. Moreover, it has focused on various technologies development, which may increase efficiency and effectiveness in sales to maintain its competitiveness. For corporate customers, the Company also has significant growth. The Company has been trusted by leading corporates, including government organizations which select the Company's services. The Company also provide consultations and advices on the warranty and claim services to customers.

### **Overseas Business Competitive Condition**

The Company has focused on expanding business overseas, especially to neighbor countries in ASEAN such as Cambodia, Laos and Myanmar Laos which has economic growth potential, average economic growth rate 2.5-6% per year in 2023. Besides, most of population has average age only 20-30 years old, which is working age and has high demand of financial credit service. In addition, the consumers' currently changing lifestyles as well as the integration of ASEAN causing important financial collaboration such as encouraging the use of local currency in payment of goods and services and investment, retail payment link and electronic money transfers across the country are good opportunities for expanding business to these countries and this company group is likely to constantly grow. However, it also attracts more international competitors.

### **Web Business Service Competitive Condition**

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.

### **3) Competitive 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](http://www.aeon.co.th) and AEON THAI MOBILE Application

#### **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 2 of credit types. The first one is credit card which the customers can receive a credit service at any stores with symbols of master card, VISA and JCB and UnionPay which located inside or outside the country including making an installments payment loan transaction via the company website channel, member stores, IVR system and AEON THAI MOBILE Application. Secondly, the customers can use member card make a installments payment loan transaction at any member stores including withdraw cash via Aeon ATMs, participating commercial banks. The company focus on adding benefits for card holder to be more usable especially convenience in use of card in customers daily life.

#### **4. Expansion 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 center 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.

#### **4) Pricing Policy**

Policy to set interest rates and other fees for all Company's services depends on the competitive condition in the market in which interest rates and other fees of major competitors are considered as well as in line with the regulations of the Bank of Thailand for credit cards and personal loans under its supervision. In addition, the Company also considers the funding cost and operating costs so that it will not set interest rate and other fees lower than its funding and operating costs, while in compliance with the supervised regulations. In addition, the Company does not have a pricing policy to dispute market price for maximum benefit of customers.

#### **5) 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 centers and department stores. Furthermore, Customers are able to apply for credit card and member card via AEON THAI MOBILE Application in order to facilitate customers.

##### **2. Member Stores and Merchants**

Besides the member stores and merchant partners of the Company, 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, 2023, the Company has provided refined services at 104 branches; 31 branches in Bangkok and 73 branches in the provinces, with more than 5,846 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 146 ATMs in Bangkok and provincial area.

### 4. Advertising

The company has the strategy to advertise our product and service such as credit card, personal loan in various media channels on online and to reduce the use of some traditional media. In current situation, the media that are highly active are, for instance, Social Media (Facebook, Google, Youtube), leaflet and other media such as BTS, MRT as well as AEON THAI MOBILE Application.

### 5. Promotional Activities

The Company regularly arranges promotion campaigns through its own activities and also joins with partnership such as Trade Show, Event & Exhibition to support the promotional activities and direct to the target customer.

## Supply of Products and Services

### 1. Source of Funds

The Company's source of funds as of February 28, 2023 can be summarized as follows:

Type of credit	Currency	Amount (Million)
<b>Overdraft and Short-term loans</b>	USD	18
	THB	3,440
	LAK	140,827
	MMK	8,248
<b>Current portion of long-term loan and debenture</b>	JPY	11,242
	USD	230
	THB	1,800
<b>Long-term loans and debenture (see risk factors section)</b>	JPY	28,903
	USD	493
	THB	23,873
<b>Shareholders' equity</b>	<b>THB</b>	<b>23,348</b>

*Note: The amounts shown for short-term and long-term loan represented loan outstanding amount, and not net settled by loan issuance cost of 53 million baht and debenture issuance cost of 39 million baht.*

## Securitization

In order to build a strengthen financial structure by reducing debt leverage, enhancing return on equity, reducing funding cost and diversify a new source of long term fund.

The company started the securitization contract under the Receivables Sale and Purchase Agreement since 2004 to 2015. On March 20, 2015, ATS Rabbit Special Purpose Vehicle Company Limited, has registered as a special purpose company for securitization project under the Civil and Commercial Code of Thailand with a registered capital of Baht 40,000, consisting of 2 preferred shares with a par value of Baht 100 per share and 398 ordinary shares with a par value of Baht 100 per share. The Company invested in ordinary shares and preferred share of ATS Rabbit Special Purpose Vehicle Company Limited in the amount of Baht 19,500. Such company got an approval for the securitization project from the SEC on October 2, 2015

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 Securities and Exchange Commission of Thailand ("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.

Under the agreement, the purchase price of the Initial Receivables equal to the net book value of receivables as of October 29, 2015 of Baht 456.08 million. As at October 29, 2015, the Company received cash proceeds of Baht 433.27 million and the remaining balance of Baht 22.81 million were paid by entering into a subordinated loan agreement of Baht 25.04 million. The revolving sale and purchase period of Future Receivables and Additional Receivables commenced from October 30, 2015 and will be terminated in October 2025, approximately.

In addition, ATS Rabbit also appointed the Company to act as the service provider, which is responsible for collection payments from the customers under the Receivable Sale Agreement and Servicing Agreement.

The key financial information of Special Purpose Vehicle Companies for the year ended February 28, 2023 and 2022 are summarized as follows:

ATS Rabbit	2023 000-Baht	2022 000-Baht
<b>Statements of Financial Position</b> As at February 28		
Total assets	2,020,410	2,011,344
Total liabilities	2,020,366	2,011,300
Total shareholders' equity	44	44
<b>Statement of Income</b> For the years ended February 28		
Total income	348,025	368,573
Bad debts and doubtful accounts	152,567	144,060
Other operating expenses	92,634	98,949
Interest expenses	95,959	82,040
Income tax expense	1,373	8,729
Net profit	5,492	34,795

## 2. 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.

### A. Policy of credit limit approval

For the initial qualification of the applicant, they must be at least 20 years old with monthly fixed income, working status and also have contact phone number etc. For credit approval process, the Company focuses on the point whether the customers have the capabilities to go on making repayment in the future.

In addition, to avoid the Company's risk caused by many credit approvals for one customer, the Company grants credit limit amount up to customer's categories based on the qualification of each customer. Those credit granting is controlled by Credit Scoring System. Then, customers' information will be recorded in customer base via on-line computer system linking data with all branches nationwide.

Credit Scoring System is used to evaluate the creditability of the applicants by analyzing their basic information. The information obtained from Credit Scoring will be used as a benchmark for credit control staff to be able to judge the applicants more quickly and appropriately in line with the Company's credit policy. Information such as customer information, payment history etc., will be proved by credit control staff before processing by the system. The system will score each applicant by his or her information. This score grading will be used to calculate the credit limit for each applicant. Subsequently, the credit control staff will compare the credit limit recommended by the system with the credit requested by the applicant in order to conclude whether to approve or refuse that credit applicant.

Currently, the Company has started to adopt AI technology to develop the Credit Scoring model to accurately assess the risks before credit approval and can adjust variables in accordance with economic conditions and current market situation quickly.

### B. The main process for approving credit limit

#### 1. Application process for credit services

Our staff or our dealers will initially verify the data in the application and documents to comply with the company policy and the related regulations, and also pre-check the fulfillment and credibility of documents.

#### 2. Data and supporting documents investigating process

The Credit Control staffs start their credit investigating process by firstly checking the correctness of the data on the application, and also check the sufficiency of supporting documents. The Credit Control staffs will check the customers' information from database in company's computer system and also verify the customer information via appropriate channel. If such information is not clear, staffs will

verify their address at home and workplace additionally. Then, the staffs will analyze for the credit limit according to the terms and conditions specifying in the policy of credit approval process including checking credit bureau.

### 3. Credit limit approval process

On this step, processing system plays a role in analyzing data based on the analysis of the staff and then the said system will summarize the maximum credit limit for each applicant in the form of scores or Credit Scoring System, which is an efficient system that can standardize facilitate the staff in approving the limit.

Normally, the Company's approval period depends on types of credit, channel for applying for credit and also types of customers. The Company's members approval period has shorten compared to ew customers as the Company has their information in the database and credit control staff will check only their credit request history, payment history and outstanding and credit available balance.

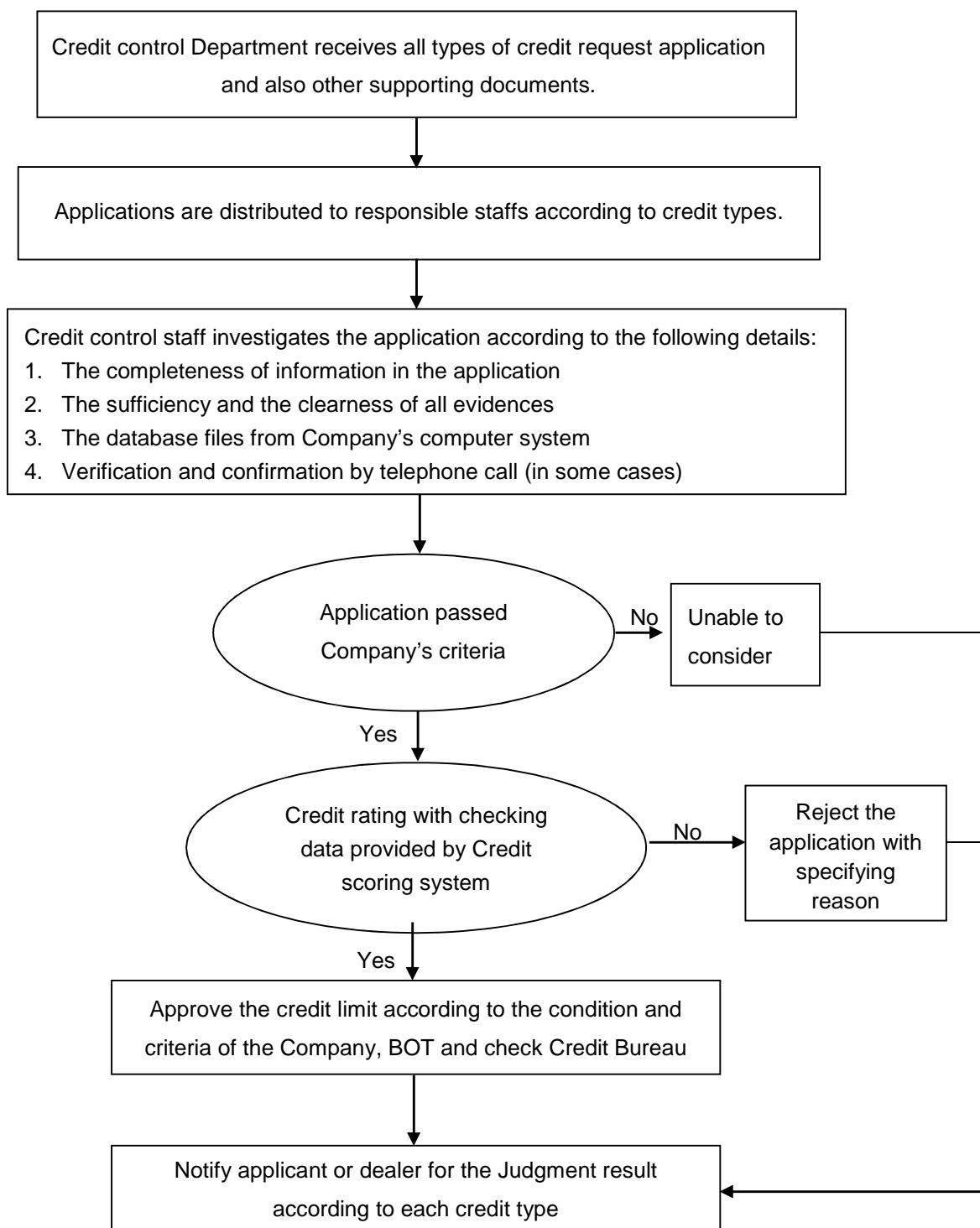
For credit card, the criterion of cardholder has to comply with Rules, Procedures and Conditions to Undertake Credit Card Business. And for Hire Purchase and Personal Loan approval, the company has to comply with Prescription of Rules, Procedures, and Conditions for Undertaking of Personal Loan Business under Supervision for non-bank following Bank of Thailand's notification. Process after credit approval.

### 4. Process after the credit approval

After the credit approval, the staff will notify the result to the applicant. Also, the method of notification depends on the type of credit services that the applicant applies for.



### The scope of credit approval process



### **C. Debt Collection Business**

Regarding to pre-write off account receivable managed under the team which consists of management and staff for totally 1,300 persons, the key component in Retail 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 both Hardware and Software with auto dial to manage its customer database as online with Data Centralized concept in relation to customer risk level. Then, the assignment case to staff as POOLING strategy.

#### **2. Monitoring and Managing**

The Company has the philosophy of close monitoring and managing the debt by daily and monthly strategy. It examines the collection performance as real time. Bangkok Center is centralized for all databases of collection performance from each branch and regional center. This information is examined and evaluated by the management who has authorized for making decisions to improve and solve problems immediately. In addition, four centralized centers could support the business continuity by each center and act as backup recovery sites among other things.

#### **3. Collection Procedure**

The Company has several collection activities. Once a debtor starts being default, the collection staffs separated by type of loan and delinquent status, will promptly perform their job. The principal way is to make phone calls to the debtor and the company also do automated collection activity of SMS or IVR. All activities will be recorded in customer database. If the staff is unable to contact the debtor, company will send a survey staff to investigate or check more information of the debtor. The collection activity will be performed until closing period.

In addition, the Company's collection procedure is carefully implemented under Debt Collection Act, B. E. 2558 (2015), which were enforced on 2<sup>nd</sup> September, 2015 and "Debt Collection Supervisory Committee", no. of time to contact customer for collection activities, which were enforced on 21<sup>st</sup>, November 2019 and the Company has changed the expenses of Collection fees that under the Debt Collection Supervisory committee regarding the determination of fees or any expenses in debt collection which were enforced on 12<sup>th</sup> September, 2021.

#### **4. Customers' payment**

The customer's statements, calculated by the Company and require to pay within Date 2<sup>nd</sup> by AEON THAI MOBILE application, Mobile Banking application, cash at Company ATMs, Counter Services, mPAY STATIONS, Lotus and Pay at Post. In addition, the payment can be made by bank account auto-payment.

For Happy Loan, 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 12 months. Monthly installments for Motorcycle hire purchase are 6 to 48 months and Auto Loan maximum installments are 84 months. For personal loans and credit card, the customer may either pay the full balance at one time 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.

### **3. Liquidity Management Policy**

As the Company's core business is to provide credits to customers, therefore, the Company needs to find sufficient source of funds to be in line with the growth of its loan portfolio. Annually, the Company has to accommodate source of fund in advance according to the Company's forecast prepared by its management. The Company's major source of fund is bank loan in both THB and other currencies, including bond issuing, in which the Company has policy to keep appropriate ratio between short-term and long-term loans and efficiency in management of funding cost. The Company will more diversify on its source of fund in order to manage its fund more efficiently and strengthen working capital.

Moreover, the Company has a policy to seek for variety sources of funding in consideration of minimum cost of fund.

## Properties to be used for business operation

### Office

The Company leases the working areas for all business operation including head office, located on 388 Exchange Tower, Sukhumvit Road, Khwaeng Klongtoey, Khet Klongtoey, Bangkok 10110, and 7 operation centers in Bangkok, Chiangmai, Khonkaen, Hat Yai and Sriracha. The details of the office rental location can be summarized as follows:

Office	Location
Head Office	388 Exchange Tower, 26th-27th floor, Sukhumvit Road, Khwaeng Klongtoey, Khet Klongtoey, Bangkok, 10110
Bangkok Center	699 Modernform Tower, 12th, 14th, 16th, 18th-21st Floor, Srinakarin Road, Khwaeng Pattanakarn, Khet Suanluang, Bangkok, 10250
Hatyai Center	599 Moo 1 CP Tower, 1nd-6rd, 5thFloor, Airport-Lopburiramet Road, Kuanglung, Hatyai, Songkhla, 90110
Chiangmai Center	90 Airport Business Park (Tower A) 3rd - 4th Floor, and 92/1 Airport Business Park (Tower B) 3rd Floor, Mahidol Road, Haiya, Muang, Chiangmai, 50100
Khonkaen Center	356/1 Moo 12 CP Tower Khon Kaen, 4th-6th and 8th-10th Floor, Mittraphap Road, Muang Kao, Muang, Khon Kaen, 40000
Sriracha Center	15/79 Moo 4 Natchaya Building, 1st-6th Floor, Sukhumvit Road, Surasak, Sriracha, Chonburi, 20110
Sermmit Center	159/8, 159/11, 159/16, 159/18 sermmitr Tower, 2 <sup>nd</sup> 11 <sup>th</sup> 14 <sup>th</sup> floor, Road (Asok) ,Khwaeng Khlong Toei Nuea, Khet Watthana,Bangkok 10110

In addition, as of February 28, 2023, the Company has a total of 104 branches: 31 branches are in Bangkok and the vicinity, and 73 branches are in provincial area. The details are as follows:

Bangkok and Vicinity Branches (31)	
1. Huamark Town Center	17. Central Pinklao
2. The Mall Lifestore Thapra	18. Market Village Suvarnabhumi
3. The Mall Bangkok	19. The Mall Bangkhae
4. Future Park Rangsit	20. Mega Bangna
5. Fashion Island	21. Centralworld
6. Lotus's Rangsit	22. Maxvalu Laksi
7. Lotus's Laksi	23. Central Westgate
8. Big C Saphankwai	24. Big C Suksawat
9. The Mall Ngamwongwan	25. Big C Bang Phli
10. Lotus's Pathumthani	26. Big C Rama 4
11. Lotus's Navanakorn	27. Robinson Lat Krabang
12. Central Rama 2	28. Big C Ratchadaphisek
13. Robinson Samutprakan	29. Lotus's Srinakarin
14. Seacon Square	30. Central Rattana Thibet
15. Imperial Samrong	31. Central Ladprao
16. Big C Ratchadamri	
Provincial Branches (73)	
32. Airport Business Park (Operation Center)	69. Central Si Racha
33. Central Chiangmai Airport	70. Lotus's Ang Thong
34. Big C Lamphun	71. Tops Plaza Sing Buri
35. Lotus's Khamthieng	72. Big C Kalasin

36. Central Chiangrai	73. Central Khonkaen
37. Big C Lampang	74. Big C Roi Et
38. V-Square Plaza Nakhonsawan	75. Big C Nakhonphanom
39. Lotus's Tak	76. Sunee Tower Ubonratchathani
40. Big C Phetchaboon	77. The Mall Nakhonratchasima
41. Big C Phrae	78. Big C Surin
42. Big C Chiangmai	79. Big C Chaiyaphum
43. Big C Phitsanulok	80. Big C Buriram
44. Big C Kamphaengphet	81. Big C Si Sa Ket
45. Big C Sukhothai	82. Asawann Shopping Complex 1 Nongkhai
46. Lotus's Uttaradit	83. Sermthai Complex Mahasarakham
47. Tops Plaza Phayao	84. Central Udon
48. Tops Plaza Phichit	85. Robinson Mukdahan
49. Big C Nan	86. Big C Loei
50. Big C Lopburi	87. Robinson Sakonnakhon
51. Central Rayong	88. Central Hatyai
52. Robinson Chachoengsao	89. Lotus's Samui
53. Lotus's North Pattaya	90. Big C Hatyai 2
54. Lotus's Amata Nakhon	91. Lotus's Suratthani
55. Big C Chonburi	92. Central Nakhon Si
56. Central Chanthaburi	93. Central Phuket Festival
57. Robinson Prachinburi	94. Robinson Trang
58. Ayutthaya City Park	95. Ocean Complex Chumphon
59. Homepro Nakhonpathom	96. Lotus's Krabi
60. Lotus's Ratchaburi	97. Central Suratthani
61. Big C Mahachai	98. Big C Satun
62. Big C Phetchaburi	99. Big C Hatyai (Klonghae)
63. Lotus's Suphanburi	100. P.C.Tower Suratthani (Regional Office)
64. Hua Hin Market Village	101. Lotus's Songkhla
65. Robinson Kanchanaburi	102. Lotus's Ranong
66. Big C Samutsongkhram	103. Big C Sa Kaeo
67. Central Salaya	104. Robinson Thalang
68. Robinson Saraburi	

### Other Assets

Apart from the Company's office which is used for business operation, the Company also has other operating assets including office renovation, computers, cash dispensing machines, and office equipment. The net book values of those assets as of February 28, 2023 were summarized as follows:

Items	Cost (Unit:MB)	Accumulated Depreciation (Unit:MB)	Net Book Value (Unit:MB)
Office Renovation			
- Head Office	399	347	52
- Branch Offices	671	582	89
Computers	1,917	1,636	281
Cash Dispensing Machines	66	57	9
Other Office Equipment	799	707	92
<b>Total</b>	<b>3,852</b>	<b>3,329</b>	<b>523</b>

### Account Receivables

Account receivables are considered as core assets of the Company since the Company's business is to provide various types of loans to the customers. As of February 28, 2023, the Company and subsidiaries had the proportion of net account receivables of 88% of the total assets. Net account receivables are stated at the outstanding contract price deducted by unearned financing income and allowance for doubtful accounts.

#### Details of the net account receivables

Unit: MB	FY2020		FY2021		FY2022	
	Amount	%	Amount	%	Amount	%
Loan receivable	38,661.51	50.98	39,416.62	49.22	38,877.93	46.39
Credit card receivable	32,037.87	42.24	35,443.55	44.26	39,849.60	47.55
Hire purchase receivable	4,975.30	6.56	5,099.28	6.37	5,011.21	5.98
Receivable from rendering the collection service	8.96	0.01	15.20	0.02	4.35	0.01
Receivable from insurance broker business	155.70	0.21	101.75	0.13	68.63	0.07
<b>Total</b>	<b>75,839.34</b>	<b>100.00</b>	<b>80,076.40</b>	<b>100</b>	<b>83,811.72</b>	<b>100</b>

### Revenue Recognition Policy

- Interest income and fee income from purposed loan, hire-purchase receivable, and credit card receivable and personal loan are recognized on an accrual basis using the effective interest method.
- Commission income is recognized on the issue date of the policy.
- Collection service income is recognized on an accrual basis when service has been provided or upon satisfaction of performance obligations.
- Dividend income is recognized on the date the Company's right to receive payments is established.
- Other income is recognized on an accrual basis.

### **Policy for measurement and recognition of expected credit loss**

The measurement of expected credit loss is a function of the probability of default, loss given default and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

For financial assets, exposure at default is represented by the asset's gross carrying amount at the reporting date.

For loan commitments, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's and the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

If the Group and the Company have measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group and the Company measure the loss allowance at an amount equal to 12-month ECL at the current reporting date.

### **Policy for Allowance of Doubtful Accounts**

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. (See Note 3.2.2 and 5.4 in the Company Financial Statements).

**Table for allowance for doubtful accounts/allowance for expected credit loss categorized by types of credits**

	<b>FY2022</b> (Unit: Million Baht)	<b>FY2021</b> (Unit: Million Baht)	<b>FY2020</b> (Unit: Million Baht)
<b>Credit Card</b>			
Balance brought forward	3,880.17	4,050.36	1,421.53
Impact of adoption of TFRS 9	-	-	2,324.08
Add Bad debts and doubtful accounts	-	-	-
Add Expected credit loss	701.07	680.82	911.86
Less Written-off bad debts	(956.49)	(851.02)	(607.11)
Balance carried forward	3,624.75	3,880.17	4,050.36
<b>Hire-Purchase</b>			
Balance brought forward	792.11	872.38	196.09
Impact of adoption of TFRS 9	-	-	314.09
Add Bad debts and doubtful accounts	-	-	-
Add Expected credit loss	1,829.56	1,914.44	1,793.63
Less Written-off bad debts	(2,121.78)	(1,994.71)	(1,431.43)
Balance carried forward	499.89	792.11	872.38
<b>Loans</b>			
Balance brought forward	6,278.79	6,670.38	2,343.75
Impact of adoption of TFRS 9	-	-	4,427.26
Add Bad debts and doubtful accounts	-	-	-
Add Expected credit loss	5,230.94	4,397.27	3,923.69
Less Written-off bad debts	(5,509.39)	(4,788.87)	(4,024.32)
Balance carried forward	6,000.34	6,278.79	6,670.38
<b>Collection Service</b>			
Balance brought forward	0.39	0.10	0.33
Impact of adoption of TFRS 9	-	-	-
Add Bad debts and doubtful accounts (reversal)	-	-	-
Add Expected credit loss	(0.11)	0.29	(0.23)
Less Written-off bad debts	-	-	-
Balance carried forward	0.28	0.39	0.10
<b>Total</b>	<b>10,125.26</b>	<b>10,951.46</b>	<b>11,593.22</b>

### Policy for investments in subsidiary and affiliated companies

As of February 28, 2023, the Company has investments in subsidiaries, associate and related companies, as follows:

Companies	Relationship	Types of Business	Proportion of Investment (%)	Amount of Investment (Baht)
1. ATS Rabbit Special Purpose Vehicle Company Limited.*	Subsidiary	Special Purpose Vehicles Co.	48.75	19,500
2. ACSI (Thailand) Co., Ltd. (formerly AEON Insurance Service (Thailand) Company Limited)	Subsidiary	Non-life and life insurance broker	100.00	149,224,316
3. ACS Servicing (Thailand) Co.,Ltd.	Subsidiary	Collection servicer	100.00	175,349,088
4. AEON Specialized Bank (Cambodia) Plc. **	Subsidiary	Retail finance business in Cambodia	50.00	323,580,000
5. AEON Microfinance (Myanmar) Co.,Ltd.	Subsidiary	Retail finance business in Myanmar	100.00	455,403,307
6. AEON Leasing Service (Lao) Co.,Ltd.***	Subsidiary	Retail finance business in Laos	96.29	107,333,108
7. AEON (Thailand) Co., Ltd.	Related Holding shares and 2 common directors	Department Store	3.82	8,500,000
8. PT. AEON Credit Service Indonesia	Related Holding shares and same group of major shareholders	Consumer finance in Indonesia	2.59	19,071,550
9. AEON Asset Management (Thailand) Co., Ltd. ****	Subsidiary	Non-performing assets management	98.00	24,499,700

\*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.

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

\*\*\*The Company holds shares indirectly through ACS Servicing (Thailand) Company Limited and AEON Insurance Service (Thailand) Company Limited with 3.71%. On September 28, 2021, the meeting of the Board of Directors of AEON Insurance Service (Thailand) Company Limited, a subsidiary of the Company, approved the transfer of 104,000 shares of AEON Leasing Service (Laos) at a par value of 41 baht per share, totaling 4.26 million baht, to the Company. On December 3, 2021, such shares have been transferred. As a result, the investment proportion of AEON Leasing Service (Laos) held by the company increased from 92.58% to 96.29% and cost increased from 103.07 million baht to 107.33 million baht.

\*\*\*\* On January 4, 2022, AEON Insurance Service (Thailand) Company Limited, a subsidiary had returned the insurance brokerage license to the Office of Insurance Commission and had registered the change of company name at the Department of Business Development, Ministry of Commerce as ACSI (Thailand) Company Limited, effective from January 4, 2022 onwards. On April 11, 2022, the meeting of the Board of Directors of ACSI (Thailand) Company Limited ("Subsidiary") passed a special resolution approving the dissolution of the subsidiary. On April 28, 2022, the annual general meeting of shareholders of the subsidiary resolved to approve the dissolution of the subsidiary company. The subsidiary has registered its dissolution with the Department of Business Development, Ministry of Commerce on June 30, 2022 and as of February 28, 2023, the subsidiary is in the process of liquidation.

\*\*\*\*\* On August 2, 2022, the Company established a new subsidiary under the name "AEON Asset Management (Thailand) Company Limited" ("Subsidiary") in which the Company holds 98% of shares with the initial registered capital of 25 million. baht, which has been fully paid. The objective of the subsidiary is to purchase and manage non-performing assets and the Company holds shares indirectly in AEON Asset Management (Thailand) Co., Ltd. through ACS Servicing (Thailand) Co., Ltd. in the proportion of 1.00%.



### 1.3 Shareholding Structure

#### Shareholders

A) List of the top 10 major shareholders from total shareholders (6,050 shareholders) as the share registered book closing date on February 28, 2023, are as follow:

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 Holdings (Thailand) Co., Ltd.	22,000,000	8.80
4	Thai NVDR Co., Ltd.	19,354,963	7.74
5	Mr. Chatchaval Jiaravanon <sup>1</sup>	7,700,000	3.08
6	MORGAN STANLEY & CO. INTERNATIONAL PLC <sup>1</sup>	5,500,000	2.20
7	STATE STREET EUROPE LIMITED	5,064,117	2.02
8	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	4,906,400	1.96
9	SE ASIA (TYPE B) NOMINEES LLC	2,585,020	1.03
10	THAI LIFE INSURANCE PUBLIC COMPANY LIMITED	2,441,600	0.97

Note: <sup>1</sup>Morgan Stanley custodians 5,500,000 shares and UBS AG Singapore branch custodians 1,500,000 shares on behalf of Mr. Chatchaval Jiaravanon.

Source: Thailand Securities Depository Co., Ltd.

B) The ultimate shareholders of AEONTS's major controlling shareholders 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 Holdings (Thailand) Co., Ltd / Thailand.	AEON Co., Ltd. (Japan) is the major shareholder.	22,000,000	8.80
<b>Total ultimate shareholders of the Company</b>		<b>157,800,000</b>	<b>63.12</b>

## Shareholding Structure in Subsidiaries and Affiliated Companies

The Company has investment in subsidiaries and other affiliated companies as of February 28, 2023 as follows:

Company	Business Type	Ownership (%)
<b><u>Subsidiaries - Domestic</u></b>		
1. ATS Rabbit Special Purpose Vehicle Company Limited <sup>1</sup>	Special purpose vehicles (SPV)	48.75
2. ACSI (Thailand) Co., Ltd. (formerly AEON Insurance Service (Thailand) Company Limited) <sup>2</sup>	Life / Non-life Insurance brokerage services	100.00
3. ACS Servicing (Thailand) Co., Ltd	Debt Collection services	100.00
4. AEON Asset Management (Thailand) Co.,Ltd <sup>6</sup>	Non-performing assets management	98.00
<b><u>Subsidiaries - Overseas</u></b>		
5. AEON Specialized Bank (Cambodia) PLC	Specialized Bank in Cambodia	50.00
6. AEON Microfinance (Myanmar) Co., Ltd	Microfinance business in Myanmar	100.00
7. AEON Leasing Service (Lao) Co., Ltd <sup>3</sup>	Leasing business in Laos	96.29
<b><u>Other Affiliated Companies</u></b>		
8. AEON (Thailand) Co., Ltd.	Retail Department Store	3.82
9. PT. AEON Credit Service Indonesia	Microfinance business in Indonesia	2.59
10. ACS Trading Vietnam Co., Ltd <sup>4</sup>	Installments service in Vietnam	1.59
11. Rabbit Cash Co., Ltd <sup>5</sup>	Provide lending services through digital platform	18.00

Note - <sup>1</sup>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.

<sup>2</sup>ACSI (Thailand) Co., Ltd. (formerly AEON Insurance Service (Thailand) Company Limited), the Company's subsidiary has returned its insurance broker license to the Office of Insurance Commission on January 4, 2022 and on April 11, 2022, the Board of Directors' Meeting of ACSI (Thailand) Co., Ltd. had a special resolution to approve the Subsidiary's dissolution. The Subsidiary will register the dissolution with the Department of Business Development, Ministry of Commerce on June 30, 2022. As at February 28, 2023, the Subsidiary is in process of liquidation.

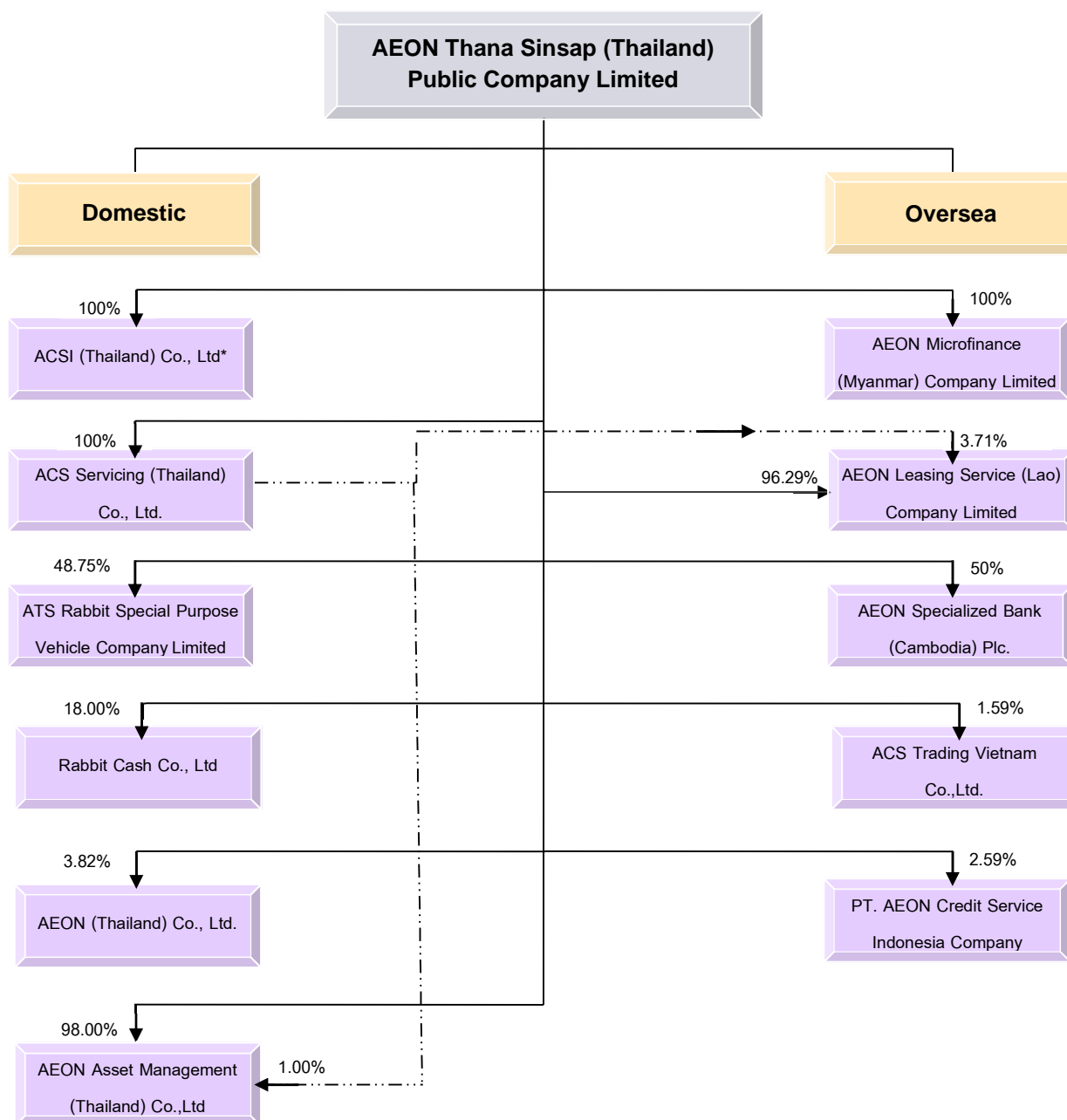
<sup>3</sup>The Company holds shares indirectly through ACS Servicing (Thailand) Company Limited and AEON Insurance Service (Thailand) Company Limited with 3.71% and On September 28, 2021, the Board of Directors' Meeting of ACSI (Thailand) Co., Ltd. (formerly Aeon Insurance Service (Thailand) Co., Ltd.), a subsidiary, had a resolution to approve the transfer of 104,000 shares of AEON Leasing Service (Lao) at par value of Baht 41 totaling Baht 4.26 million to the Company. Subsequently, on December 3, 2021, there was a transfer of shares, causing the percentage of ownership of AEON Leasing Service (Lao) held by the Company to increase from 92.58% to 96.29%, and cost from Baht 103.07 million to Baht 107.33 million.

<sup>4</sup>On March 30, 2021, the Board of Directors' Meeting of ACS Trading Vietnam Co., Ltd. ("ACS Trading Vietnam") had a resolution to approve the increase of authorized share capital from VND 50,000 million to VND 330,000 million. ACS Trading Vietnam registered its increased share capital on November 29, 2021. However, the Company waived the rights to purchase the increased share capital. As a result, the Company's proportion of shareholding in ACSTV decreased from 20% to 3.03%. The Company has accounted for the retained interest as an investment in equity securities measured at fair value through profit or loss whose fair value on the initial recognition was zero. On December 27, 2022, the Board of Directors' Meeting of ACS Trading Vietnam Co., Ltd. ("ACS Trading Vietnam") had a resolution to approve the increase of authorized share capital from VND 330,000 million to VND 630,000 million. ACS Trading Vietnam registered its increased share capital on March 3, 2023. However, the Company waived the rights to purchase the increased share capital. As a result, the Company's proportion of shareholding in ACS Trading Vietnam decreased from 3.03% to 1.59%.

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

<sup>6</sup>On August 2, 2022, the Company has established a new subsidiary under the name "AEON Asset Management (Thailand) Company Limited" (the "Subsidiary"), whereas the Company holds 98% of the shares. The initial registered capital is Baht 25 million, which were fully paid. The objective of the Subsidiary is to purchase and manage non-performing assets and the Company holds shares indirectly in AEON Asset Management (Thailand) Co., Ltd. through ACS Servicing (Thailand) Co., Ltd. in the proportion of 1.00%.

Shareholding Structure chart



Note: \*ACSI (Thailand) Co., Ltd. (formerly AEON Insurance Service (Thailand) Company Limited)

#### 1.4 Amounts of registered capital and paid-up capital

Registered Capital 250 million baht, Paid-up Capital 250 million baht  
common stock 250 million shares, Preferred stock - shares Par value 1 baht

#### 1.5 Issuance of the securities

The Company issued debentures on February 28, 2023, details are as follows:

Information of Debenture	Debenture THB	Debenture JPY	Debenture JPY	Debenture THB	Debenture THB
<b>Total Value</b>	1,000 Million THB	7,000 Million JPY	10,000 Million JPY	1,000 Million THB	1,700 Million THB
<b>Type</b>	Non-Guaranteed Debenture Nonconvertible	Guaranteed Debenture Nonconvertible	Guaranteed Debenture Nonconvertible	Non-Guaranteed Debenture Nonconvertible	Non-Guaranteed Debenture Nonconvertible
<b>Total unit</b>	1,000,000 units	70 units	100 units	1,000,000 units	1,700,000 units
<b>Par Value Per Unit</b>	1,000 THB	100,000,000 JPY	100,000,000 JPY	1,000 THB	1,000 THB
<b>Remaining value as at February 28, 2023</b>	1,000 Million THB	7,000 Million JPY	10,000 Million JPY	1,000 Million THB	1,700 Million THB
<b>Tenor</b>	5 years	5 years	3 years	2 years	3 years
<b>Issue date</b>	Nov 15, 2019	Dec 29, 2021	Nov 29, 2022	Feb 24, 2023	Feb 24, 2023
<b>Maturity date</b>	Nov 15, 2024	Dec 29, 2026	Nov 28, 2025	Feb 24, 2025	Feb 24, 2026
<b>Redeemable option (Put/Call)</b>	-None-	-None-	-None-	-None-	-None-
<b>Collateral</b>	-None-	-None-	-None-	-None-	-None-
<b>Guarantor</b>	-None-	Sumitomo Mitsui Banking Corporation, Tokyo	Sumitomo Mitsui Banking Corporation, Tokyo	-None-	-None-
<b>Credit rating</b>	A- (FitchRating)	-None-	-None-	A- (FitchRating)	A- (FitchRating)

Note: Details of Long Term Debentures are shown in Note to the Financial Statements No. 25

## 1.6 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 2022, the Board of Directors' meeting on October 4, 2022, resolved to pay interim dividend payment at 2.55 baht per share and paid the dividend to shareholders on November 2, 2022. In addition, the Board of Directors' meeting approved the final dividend payment for the Fiscal Year ended February 28, 2023, at the rate of 2.95 baht per share, which will be paid after being approved from AGM on June 20, 2023. The total dividend for FY2022 will be 5.50 baht per share or 36.0% payout ratio, totally 1,375.0 million baht. The Company has set the record date on April 26, 2023, to determine the shareholders entitled to receive dividends.

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

	<b>FY2022</b> (Baht per share)	<b>FY2021</b> (Baht per share)	<b>FY2020</b> (Baht per share)
Interim Dividend	2.55	2.50	1.85
Final Dividend	2.95	2.65	2.65
Special Dividend	-	-	-
<b>Total</b>	<b>5.50</b>	<b>5.15</b>	<b>4.50</b>
<b>Payout ratio</b>	<b>36.04%</b>	<b>36.24%</b>	<b>30.49%</b>

# 2

## **Risk management**

## 2. Risk Management

### 2.1 Risk management policy and plan

The Board of Director and all of the Management are well-aware about the importance of effective risk management. Therefore, the Company had established the “Policy of Risk Management” as a guideline for managing risk and improving methods and tools employed for quantifying risks to ensure efficiency and effectiveness, and availability to support relevant risks that may occur in the future, plus, to make sure that it aligns with the international standard of risk management, including identify risk, risk analysis, risk assessment, and risk management which conduct under the Compliance Committee. By this, the Government Committee has duties to control, monitor, evaluate and manage the company operation to be in accordance with policies and official risk management guidelines.

In the year 2022, there were several of risk management related activities. The key points are summarized as follows:

1. Review the result of the Company's annual Risk Control Self-Assessment (RCSA)
2. Monitor and control risks by using the Key Risk Indicator (KRI) on a monthly basis.
3. Follow up and control incidents (Incident Report).
4. Report risk assessment results and relevant information to the Compliance Committee and the Board of Directors regularly.
5. Promote the awareness and knowledge about risk management to employee in the company, and create a shared organizational culture over risk management.

### 2.2 Financial risk management objectives

The Group's and the Company's Treasury function provides services to the Group and the Company in coordinating access to domestic and international financial markets, monitoring and managing the financial risks relating to the operations of the Group and the Company through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Group and the Company seek to minimize the effects of these risks by using derivative financial instruments to hedge these risk exposures. The use of financial derivatives is governed by the Group's and the Company's policies approved by the Board of Directors of the Group and the Company, which provide written principles on foreign currency risk, interest rate risk, credit risk and the use of financial derivatives and non-derivative financial instruments. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group and the Company do not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Group's and the Company's Treasury function reports quarterly to the Group's and the Company's risk management committee, an independent agency that monitors risks and policies implemented to mitigate risk exposures.

### 2.3 Risk factors on business operation

#### Market risk

The Group's and the Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group and the Company enter into a variety of derivative financial instruments to manage its exposure to foreign currency and interest rate risk, including:

- Cross currency swap to hedge the fluctuation exchange rate arising on translation of the Group's and the Company's borrowings and debentures; and
- Interest rate swaps to mitigate the risk of rising interest rates.

#### Interest rate risk management

The Group and the Company are exposed to interest rate risk because borrowings and debentures carry floating interest rates. The Group and the Company, therefore, manage interest rate risk by the use of interest rate swap contracts to ensure that the Group and the Company do not expose risks from the fluctuation of interest rate.

The Group's and the Company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of Note 40.2.2.

#### **Interest rate sensitivity analysis**

The Group and the Company enter into interest rate swap contracts for all borrowings and debentures carrying floating interest rate, hence, the Group and the Company do not expose to risks from the sensitivity of interest rate.

#### **Interest rate swap contracts**

Under interest rate swap contracts, the Group and the Company agree to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group and the Company to mitigate the risk of changing interest rates. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows at the reporting date and the credit risk inherent in the contract.

See Note 40.2 for the information regarding cross currency and interest rate swap contracts and interest rate swap contracts as at February 28, 2023 and their related hedged items.

### **Foreign currency risk management**

The Group and the Company have liabilities in foreign currencies, which are different from their functional currencies. Foreign exchange rate exposures are managed within approved policy utilizing cross currency swap contracts.

#### **Foreign currency sensitivity analysis**

The Group and the Company enter into cross currency swap contracts for all borrowings and debentures denominated in different currencies from functional currencies. Consequently, the Group and the Company do not expose risks from the sensitivity of foreign currency.

#### **Cross currency swap contracts**

It is the policy of the Group and the Company to enter into cross currency swap contracts to manage the foreign exchange rate risk associated with borrowings and debentures.

In the current year, the Group and the Company have designated all cross currency swap contracts as a hedge of their foreign currency borrowings and debentures. Regarding the review on the Group's and the Company's policy and due to the increased volatility in foreign exchange rate, it was decided that 100% of foreign currency borrowings and debentures be hedged.

The information of cross currency swap contracts outstanding at the end of the reporting period, as well as information regarding their related hedged items, are presented together with the information of interest rate swap contracts (see Note 40.2.2). Cross currency swap contracts assets and liabilities are presented in "Derivative assets" and "Derivative liabilities" within the statement of financial position (see Note 26 for further details).

### **Liquidity risk**

Ultimate responsibility for liquidity risk management rests with the Board of Directors of the Group and the Company, which have established an appropriate liquidity risk management framework for management of the short, medium and long-term funding and liquidity management requirements. The Group and the Company manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Details of additional undrawn facilities that the Group and the Company have to further reduce liquidity risk are disclosed in Note 40.

See Note 40.4.1 for detail the Group's and the Company's remaining contractual maturity for their non-derivative financial assets and financial liabilities with agreed repayment periods.



## Credit risk

Note 5.4 and Note 3.2.2 detail the Group's and the Company's maximum exposure to credit risk and the measurement bases used to determine expected credit loss, respectively.

Before accepting any new customer, dedicated teams of the Group and the Company responsible for the determination of credit limits use an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed and approved twice a year by the risk management committee.

Credit approvals and other monitoring procedures are also in place to ensure that follow-up action is taken to recover overdue debts. Furthermore, the Group and the Company review the recoverable amount of each trade receivables on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts. In this regard, the directors of the Group and the Company consider that the Group's and the Company's credit risk are significantly reduced. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of trade receivables.

## Overview of the Group's and the Company's exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. As at February 28, 2023, the Group's and the Company's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group and the Company due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group and the Company arise from the carrying amount of the respective recognized financial assets as stated in the consolidated and separate statement of financial position.

**The Group's and the Company's current credit risk grading framework comprises the following categories:**

Category	Description	Basis for recognizing expected credit losses
Low credit risk receivables (Stage 1)	The counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
Significant increase in credit risk receivables (Stage 2)	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
Default receivables in credit risk (Stage 3)	Amount is > 90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written-off

See note 40.3 for detail the credit quality of the Group's and the Company's financial assets, as well as the Group's and the Company's maximum exposure to credit risk by credit risk rating grades.

## Capital risk

The Group and the Company manage their capital to ensure that the Group and the Company will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Group and the Company consists of short-term and long-term borrowings in Note 20, Note 23 and Note 24, long-term debentures in Note 25, lease liabilities in Note 22 and shareholders' equity of the Group and the Company consist of issued share capital, reserves, unappropriated retained earnings and non-controlling interests disclosed in Note 29.

The Group's and the Company's risk management committee review the capital structure on a quarterly basis. As part of this review, the committee of the Group and the Company consider the cost of capital and the risks associated with each class of capital. The Group and the Company are not subject to any externally imposed capital requirements.

See Note 40.5 for gearing ratio as at February 28, 2023

## Fraudulent Risk

The Company is well aware of the risk from false statement provided by loan requestors (customers or contracted merchants) that could eventually lead to the company's loss, since the Company is not able to collect the debt from mentioned subjects. As a result, the Company might have to written off the debt. In addition, the Company might be faced with the potential fraud risk from the misconduct activity of the credit officer who will intentionally misjudge or approve credit line and/or credit limit to underqualified loan requestors.

To avoid the risk, the company has set up a standard procedure of data verification using in the credit approval process; by doing a data screening in compare with in-house databases, checking customer's credit records from National Credit Bureau (NCB), and going through other given information appeared on customer's application. In case, if there found of any suspicious information, company will have that information circulate to National Anti-Corruption Commission (NACC) to inspect further relevant information and to gather additional evidence (as appropriate).

Moreover, the Company has also set up risk management plan, giving the role for Quality Control Division of the Credit Control Department, an independent unit, to conduct a random inspection of credit approval to ensure that it is in accordance with the Company's criteria. Furthermore, the Credit Control Department has to analyze the quality and the detail of the delinquent customer to review and seek for the root cause so as to further improve our credit criteria.

## Operational Risk

Operational risk refers to the risk of loss arising from inadequate or failed internal processes, people, systems, information technology, and external events/factors. The operational risk usually arises from business activities and operation.

In order to manage the risk, the company has standard of procedure for each work flow/process. Employees shall be able to understand the process and operate effectively to meet with the company's standard. Moreover, the company establishes a Policy of Operational Risk Management, and the Policy of Emergency or Immediately Incident Reports on particular accident/event to handle with the risk/incident occurring. This is in order to govern, monitor, and manage the risk and/or incident with its loss to be within acceptable level.

The Compliance Committee has been appointed to governance and supervise on risk management across the company and subsidiary company that in Thailand and oversea. The Compliance Committee will be received monthly risk management reports for acknowledgement, discussion, and review on the risk management report to ensure the effectiveness of company operation and manage the risk to be within low or acceptable level.

The Company developed many tools that support operational risk activities for identifying, assessing, monitoring, reporting and mitigating the operational risk issue of all internal process and activities. Therefore, all departments are required to conduct the Risk and Control Self-Assessment (RCSA) and reviewed annually. The risk assessment is to consider inherent risk, existing control, and residual risk of each risk. The results of risk assessment are prioritized to retrieved company top risk before providing the annual risk management action plans to mitigate the risk and to ensure residual

risk is within acceptable level. Moreover, all top risk of company is monitored by the set of Key Risk Indicators (KRI) on monthly basis.

#### Incident Management

The Company has set up Risk Management Department to monitor on incident happening. All incident must be recorded in detailed. From the overview of events, impacts, financial and non-financial losses incurred, including corrective actions and preventive actions to prevent recurring. The incident information will be used for enhancement and improvement the existing control and risk mitigation, to be more effective risk management and risk remedy in the future.

#### Business Continuity Plan

The Company also has Business Continuity Plan (BCP) to ensure continuity of key business activities during an event of crisis/disaster. In case of crisis and natural disasters that may occur, the company, then, can be able to provide continuously service to customer. The plan has been annually revised and tested with all departments involved. The core system and key company's operation activities/process are rehearsed annually to ensure the Company's efficiency to perform daily operation during crisis (if any).

#### Outsourcing management

The Company has established a policy for managing outsourcing services including third parties. This policy regulates external service providers, especially who operates on behalf of the Company, to guarantee that their processes are aligned with operating standards of the Company, the Group of Company and other relevant regulations. In this regard, the Risk Management department also has registration's list of the Company's external service providers including third parties, which are classified according to the scope of services/products provide by the external service providers, to be able to control as appropriate. The main categories are as follows: 1) Outsourcing service providers who work on behalf of the Company 2) Credit agents 3) Sellers of goods and services to the Company 4) Partner companies 5) Government agency or service provider that is the main accredited government agency etc. Company embeds control in all aspects related to external service providers, such as, process of choosing an external service provider, Master Contracts (include subcontractors of external service providers), Management of the Company's customer information. Protecting customer data must be aligned with operational standards to ensure the accuracy and security. The Company also considers the risk management of external service providers as well as annual audit of third-party services to reduce risks and ensure the quality of service from outsource as well.

#### **Risk of Data loss or information leakage**

The Company is well-aware that business operation relies on huge confidential information which also include with the customer information and customer transaction. Hence, the risk might arise from information loss, including data leakage. Should there be any incident, error of operation, report on action that is not align with the procedure manual or manual is not update, or there are intentionally destroy, copy, or leak of the information that may also cause significant adverse effects to the Company's reputation and operation.

Therefore, the Company is more concern on securing information, such that information must be store in secure place and disclose to only authorized person (as appropriate) to their responsibility. An 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 used to control access Information system of Company. 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 more efficiently.

The Company had upgraded 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. And the company has also reviewed various restoring methods so that the key processes or the Company's core processes can be operated continuously, even if there are any event that impacted to the Company.

In addition, the Company also implemented Information Security Management System (ISMS) to all operational centers, including Chiang Mai, Khon Kaen, Hat Yai, Sriracha, Bangkok and all branches. All centers and branches were certified ISO 27001:2022 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.

## **Cyber risk**

### 1.Objective

At present, Information Technology (IT) plays an important role in the business operation and services of AEON Thana Sinsap (Thailand) Public Company Limited, which operates business under the law on payment systems. The objectives of the requirements to consider the significance of information technology risk governance are as follows:

- 1.1 To ensure there is a security of information technology systems to handle with cyber threats and to monitor and manage information technology risks
- 1.2 To help optimize various information technology systems, reduce operating costs including more convenient and faster
- 1.3 To ensure that the company has good information technology governance and security.
- 1.4 Reduces IT Risk and Cyber threats that affect trust of service users including payment systems.

### 2.Scope

Executives, heads of departments and employees of various departments of AEON Thana Sinsap (Thailand) Public Company Limited, which is an important payment system provider and is a business operator of payment systems under the law governing payment systems that are not financial institutions or specialized financial institutions under the law governing financial institutions business.

### 3.Requirement

- 3.1 Requirements in consider significance to operation
  - 3.1.1 The requirements shall be passed through a joint consideration of the significance of the relevant agencies, in particular, the agency operating in the field of information technology (1st line of defense) and the agency responsible for managing information technology risks and Supervise compliance with laws and regulations related to information technology (2nd line of defense), including requiring approval from the assigned committee.
  - 3.1.2 Requirements for considering materiality It must be considered under a framework that considers the risks and impacts on the service or business of service providers and business operators on a large scale (enterprise wide impact) or impact on the payment system on a large scale (payment) system wide impact.
  - 3.1.3 Must communicate and disseminate the rules to relevant agencies for acknowledgment and implementation.
  - 3.1.4 The implementation of the requirements must be reviewed at least once a year.
  - 3.1.5 The requirements must be reviewed at least once a year and when there are significant changes to ensure they are consistent with the level of risk and impact on service providers and business operators or payment system
- 3.2 Risk identification

Potential IT risk events should be identified or actual including cyber threats and vulnerabilities that affect Company business by information technology risk events. The impact that covers risks at the "High" level should be identified in the document "Operational Risk Management Standard of Procedure" as follows

- 3.2.1 Financial Impact means the operation and/or events that affect the organization and cause financial damage.
- 3.2.2 Compliance and Regulatory Impact means the operation and/or incidents that violate regulations, requirements, or violate important regulations and which have received a

written warning or any other equivalent or greater sanction from an agency governing compliance with laws and regulations relating to information technology.

- 3.2.3 Customer Impact means the operation and/or events that affect, number of customers as a percentage (%) of all active customers, number of customers contacting for complaints per year and significant customer loss or card cancellation.

### **Risk of Non-Compliance from the Government's Control**

The Ministry of Finance has issued a notification on Permission to Operate Credit Cards under article 5 of Section of the Announcement of National Executive Council No. 58 that delegate's 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 Bank of Thailand Notification No. SorNorChor. 9/2018 " Regulations on Undertaking Service Business of Receiving Electronic Payment" of Section 24 of the Payment Systems Act B.E. 2560 (2017), the Bank of Thailand, as the supervisory authority, has issued a notification regarding the requirements and rules for undertaking such business.

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 B.E. 2542 (1999), The Counter Terrorism and Proliferation of Weapon of Mass Destruction Financing Act B.E. 2559 (2016), Ordinance of the Anti-Money Laundering for Financial Institution and non-financial institution following juristic persons article 16 Anti-Money Laundering Act, including Ministerial Regulation prescribing rules and procedures for customers' due diligence B.E. 2563 enforceable in financial institutions and professions who are non-financial institutions as prescribed in Section 16 of the Anti-Money Laundering Act. The Company, as one of the professions under Section 16 has established a policy and procedure of anti-money laundering and combating the financing of terrorism (AML/CFT) and announced it for internal enforcement. It regulates rules and procedures for customer identification (KYC), 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) (and 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, 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 urgency, 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.

In addition, the Personal Data Protection Act 2019 (Personal Data Protection Act: PDPA), which has extended its enforcement until June 1, 2022, the Company has prepared itself along with the employee to be able to comply with the law, such as having a Privacy Policy, Consent management (collection, use or disclosure of personal information), Appoint Data Protection Officer (DPO) to monitor and verify compliance with the PDPA for internal and external data (Customer information) and coordinate with the Office of the Personal Data Protection Commission.

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 the Compliance Committee with lesson learn and corrective action. In 2022, there is none significance violation of regulation occurring.

The Company has set up a Corporate Compliance Department to act in coordination with regulators, follow up on legal regulations to supervise internal operations under the relevant regulations.

### **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 Center to upcountry Centers. 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.

### **Risk from Geopolitical**

Due to the Company having a joint venture outside the country. Therefore, it is important to take this risk into account. Because it can occur in a variety of forms, such as political, economic, social problems, terrorism, threat of war, including the relationship between countries or regions, such as the war between the Ukraine and Russia, etc. These factors may affect the contraction of the global economy.

The company has held meetings with affiliated companies located in foreign countries regularly. To provide a platform for the risk management team to have a presentation, exchange information about situations related to the risks of each country.

### **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 the Eternal 6 Special Purpose Vehicle Company Limited (Eternal 6) and 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.42.2)

### **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.

## Risk of the Covid-19 epidemic

The Covid-19 pandemic has impacted on the world, including Thailand, particularly in terms of the health and safety of employees. Although the situation is showing signs of improvement in the year 2022, the company continues to closely monitor the spread of the pandemic. The company reviewed control measures and safety protocol related to Covid-19 to ensure that employees can work safely and efficiently.

In addition to health and safety of employees, the Company has also implemented Business Continuity Plan (BCP) that enable continuous operations and customer service under the Covid-19 pandemic situation.

Key solutions that the company has implemented during the COVID-19 epidemic are:

1. **Working at the office:** The Company provides staffs a strict control measures to comply such as limiting the number of employees in working area by assigning Team A and Team B for work shift to reduce risk of travelling during rush hour, checking body temperature before entering the office. Staff requires to wear a face mask all the time while working at the office. The company provides alcohol gel, hand sanitizers for employees, by placing them at various points. The company also require staff to keep social distancing during working/meetings. Company allows employee to have food at their own desks, to reduce the risk of infection etc.
2. **Work from Home:** The company also provides laptop for employees and allows them to work from home to reduce the risk of spreading of COVID-19, Company also takes user access right and IT security into account, including using the chat program "Jabber" and setting up the forwarding of office IP phone calls to employee's phone to be a channel of communication within the company during which employees work from different locations.
3. **Stay at Home:** In the event of a severe situation, or the top highly risky area declared by the government including an announcement of any lock down in some areas. The Company cooperates with the government by considering to close branches in such the announced area and to allow local employees to stay at home for staff safety. In the spread of this epidemic, the company starting this measure since March 2020.

In addition, the company regularly arranges the Crisis Management Meeting to monitor the COVID-19 situation, announcements from the government sector including human risk and impact to operation and service to customer. Moreover, this meeting is to solve problem in time (if any) and to ensure company business continuity and performance of operation management.

## Emerging Risks

### Risk of the Economic Situation

The Covid-19 pandemic has a direct impact on the economy, such as fluctuating product prices and increasing inflation rates. Consumer behavior has also changed, leading to some groups of debtors having reduce ability to repay their debts. As a result, there have been more delayed payments and increased default rate.

However, the company has found that some customers are not directly affected by the aforementioned changes. Furthermore, some customers have become more able to pay off their debts due to the relaxation of government Covid-19 prevention measures (such as measures related to international tourist arrivals) and their ability to adjust changing consumer behavior.

Therefore, the company has reviewed its criteria for granting credit to align with the ability of each customer group to repay their debts. In addition, the company has also improved its strategies and processes for debt collection to make them more effective, in order to reduce problem of late or missed payments. Furthermore, the company has also taken steps to monitor changes in the behavior of customers and adjust its approach accordingly.

# 3

## **Business sustainability development**



### 3. Business Sustainability Development

The Company operates business with regard to the environment, society and good governance (ESG; Environmental, Social and Governance) and adopts the Sustainable Development Goals (SDGs) of the United Nations as a part of driving and developing the organization continuously in order to meet the needs of customers and all groups of stakeholders and to be able to operate continuously under challenging circumstances.

#### 3.1 Sustainability Development Policy

With the concept of sustainability development, The Company operates businesses with awareness of social and environmental responsibility and seriously complies with the principles of good governance. The company is a member of sustainability committee with companies in the group of AEON Financial Service Co., Ltd., Japan. Which aim to achieve both the "realization of a sustainable society" and "growth of the Group" based on AEON's Basic Principles of "Pursuing peace, respecting humanity, and contributing to local communities, always with the customer's point of view as its core" Moreover, the company always review and develop products, services and operation process for continuity of business operations in challenging situation by taking into consideration of the expectations of all stakeholders. The Company places great importance on the Sustainable Development Goals (SDGs) of the United Nations by adopting it as part of the operational guidelines for 14 goals.

#### Sustainability Goal

The company emphasizes on the United Nations Sustainable Development Goals (SDGs) as the concept of our operations for 14 Sustainable Development Goals as follows;



Environment	Social	Governance
The Company realizes the importance of a sustainable relationship between society and being a good corporate citizen by supporting to set up AEON Thailand Foundation since 2007 as well as sharing profits to contribute to CSR activities with the Foundation every year. The Company gives an opportunity for all employees to engage and to promote social and environmental dimension with CSR activities.	The Company has been maintaining importance in good governance based on AEON Basic Principles including, respects human rights and AEON people, promises to our customers, co-working with the community for its growth and improvement of the quality of life, and deals fairly with our business partners as long as respects the shareholders resolutions.	To offer an innovation financial services, supports customer's daily living that everyone is accessible following the Company philosophy "Customer-first"

### 3.2 Management of impacts on stakeholders in the business value chain

#### 3.2.1 Company's Value Chain

The Company realizes the efficiency of business operation as well as focusing on products and services development to satisfy all stakeholders. The Company has analyzed the expectations of stakeholders, activities/work processes in the business value chain in order to manage and meet the expectations of stakeholders as follows:



The Company's core business is providing retail financial services to customers to meet their lifestyles and satisfaction by taking into account of the need of financial services and the ability to repay which resulting in providing the appropriate credit line to the customers. The financial products are consisting of (1) credit card including AEON Classic Credit Card, Aeon Gold Credit Card, AEON Royal Orchid Plus Credit Card, AEON Wellness Credit Card, AEON Big C Credit Card, AEON Rabbit Credit Card, AEON M Gen Credit Card, AEON B-Quik Credit Card, AEON Club Thailand Credit Card, AEON - UnionPay Credit Card, AEON J-Premier Credit Card and Corporate Credit Card (2) personal loan which is a ready-to-use cash loan that facilitates customers with cash withdrawals anytime, anywhere through ATM, cash withdrawal via AEON THAI Mobile Application with and without a card (3) hire-purchase loan which consisting of installment loans for the purchase of IT products, mobile phones, gold purchases, motorcycle and used cars, etc.

The Company highly focuses on continuous development to enhance inclusion of financial services to everyone. Therefore, products and services have been developed regularly with adoption of digital technology into products and work processes, from the collection of information for analysis and processing process to development of appropriate financial services and marketing to each group of customers in order to meet various needs and fulfil their confidence and happiness.

The company regularly reviews and improves its work processes to increase efficiency, safety and work environment. The company encourages all employees to participate in improvement processes by considering suggestions from other employees and feedbacks from all stakeholders.

The company gives the utmost importance to the information security of customers, employees and all groups of stakeholders. Therefore, the data security management system (ISO27001), the Personal Data Protection Act (PDPA), as well as other relevant rules and regulations have been applied as a framework for data security operations.

For employees, the Company always encourages employees to develop their knowledge and abilities and fully utilize their potential according to their roles and responsibilities and respect the diversity of colleagues without discrimination and finally, to build confidence among all groups of stakeholders. The Company has a policy to operate its business with honesty, integrity, transparency and ethics in accordance to the Company's code of conduct.

### 3.2.2 Stakeholder Analysis and Action in the Business Value Chain

Stakeholders	Forms and Communication Channels	Interest and Expectation	Company's Action
<b>Shareholders Analyst Investor</b>	<ul style="list-style-type: none"> <li>• Annual General Meeting of Shareholders.</li> <li>• Extraordinary General Meeting (upon the occurrence of an event).</li> <li>• Disclosure of Quarterly Performance</li> <li>• Providing Information to analysts and investors.</li> <li>• Providing channel inquiry to contact the Company</li> </ul>	<ul style="list-style-type: none"> <li>• Receiving positive returns and sustainable growth.</li> <li>• Receiving high and sustainable growth in return on investment.</li> <li>• Good corporate governance, transparent and sustainable management.</li> <li>• Effective risk-management system.</li> <li>• Receiving correct and information completed within the specified deadline.</li> <li>• Receiving clear answers to questions posed.</li> </ul>	<ul style="list-style-type: none"> <li>• Operating the business with positive and sustainable results under corporate governance, transparency and verifiability.</li> <li>• Providing prudent risk management.</li> <li>• Disclosing correct and Information completed and providing convenience channels to access information.</li> <li>• Providing direct responses to questions posed and holding the meeting of Shareholders. Also, giving responses to their views in meetings.</li> </ul>

Stakeholders	Forms and Communication Channels	Interest and Expectation	Company's Action
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Organizing orientation for new employees.</li> <li>• Communicating Information to employees.</li> <li>• Prepare appropriate learning courses for employees at all levels.</li> <li>• Providing channels for suggestions, reports or complaints.</li> <li>• Organizing employee engagement and satisfaction activities.</li> </ul>	<ul style="list-style-type: none"> <li>• Recognizing and understanding the Company's business operations.</li> <li>• Being acknowledged the correct, completed information and providing accessible information channels.</li> <li>• Regularly developing knowledge, Capabilities and essential skills.</li> <li>• Able to convey the opinions, needs and complaints.</li> <li>• Providing a safe and healthy workplace.</li> <li>• Facilitate the appropriate work devices.</li> <li>• Gives the importance of work life and personal life.</li> </ul>	<ul style="list-style-type: none"> <li>• Describe the history of the company, business operations including rules and regulations on orientation day.</li> <li>• Providing appropriate and various communication channels</li> <li>• Prepare the appropriate learning courses for all employees' level.</li> <li>• Listening to suggestions and reports from employees and protecting whistleblowers.</li> <li>• Providing and improving occupational health and safety workplace.</li> </ul>

Stakeholders	Forms and Communication Channels	Interest and Expectation	Company's Action
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Satisfaction's survey conducted at branches.</li> <li>• Satisfaction's survey after contact to the Customer Service.</li> <li>• Listening to customer's suggestion via company website.</li> <li>• Having online platforms to make it more convenience and fast for customers.</li> </ul>	<ul style="list-style-type: none"> <li>• Providing products and financial services that match customer's lifestyle.</li> <li>• Providing services to customer with responsibility and fair treatment.</li> <li>• Listen and take action toward customer's feedback.</li> <li>• Always developing quality of products and services.</li> </ul>	<ul style="list-style-type: none"> <li>• Develop products and services to meet each customer's lifestyle.</li> <li>• Providing service to customers following AEON Basic Principle and "Customer-First" philosophy.</li> <li>• Accepting customers complaints and processes within the time constraint of Service Level Agreement (SLA)</li> <li>• Applying ISO27001; Information Security Management System (ISMS) and other related laws and regulations to ensure information security for customers.</li> </ul>

Stakeholders	Forms and Communication Channels	Interest and Expectation	Company's Action
<b>Competitors</b>	Meeting for exchange point of view and cooperate on various agendas.	Operate the business and compete with transparency and fair treatment.	Creating fair competitive conditions.

Stakeholders	Forms and Communication Channels	Interest and Expectation	Company's Action
<b>Business Partners</b>	<ul style="list-style-type: none"> <li>• Selection and Assessment of business partners operation.</li> <li>• Meeting, training, visiting and exchange opinions. And also discussion for finding new ideas and opinions.</li> </ul>	<ul style="list-style-type: none"> <li>• Fair Procurement process and verifiable.</li> <li>• Fair trade</li> </ul>	<ul style="list-style-type: none"> <li>• Providing guidelines and procedures of procurement process.</li> <li>• Disclosure of Anti-corruption policy and corporate compliance regarding no gift and entertainment policy.</li> <li>• Building good relationship with business partners.</li> </ul>

Stakeholders	Forms and Communication Channels	Interest and Expectation	Company's Action
Creditors	<ul style="list-style-type: none"> <li>Disclosure of financial statement and related information. Also, preparing the report within the specified period.</li> <li>Organizing activities to strengthen relationships.</li> </ul>	<ul style="list-style-type: none"> <li>Receiving Interest and principal completion within due date.</li> <li>Receiving correct and completed information and operating results.</li> <li>Participating in activities and always communicating.</li> </ul>	<ul style="list-style-type: none"> <li>Pay interest and principal completed within the specified period.</li> <li>Disclosure correct and completed financial statement and related operating results.</li> <li>Arranging activities that strengthen and maintain good relations. And keep communication.</li> </ul>

Stakeholders	Forms and Communication Channels	Interest and Expectation	Company's Action
Society and Environment	Organizing community activity through the CSR project.	<ul style="list-style-type: none"> <li>Promoting and support CSR activities in variety kinds.</li> <li>Providing helps when the community is damaged from the disasters.</li> </ul>	<ul style="list-style-type: none"> <li>Establishing AEON Thailand Foundation and continuously support the budget for society and environment development.</li> </ul>

### 3.3 Management of Environmental Sustainability

#### 3.3.1 Environmental Policy and Guidelines

- ✓ The Company focuses not only stable business operation and sustainable growth but we also realizes the operating under good corporate governance which has responsibility to all stakeholders. The business would grow sustainably in the long term as long as aware of social and environment responsibility.
- ✓ The Company emphasizes conducting business with environmental responsibilities, although it slightly impacts on the environment from operation processes compared with other industries. The Company applied and certified the Environmental Management System (ISO14001) covering a whole company. Since 2010, Head office and all operation centers have a commitment to be a part of reducing environmental problems continuously. The Company states its Environmental Policy as follows:
  - The Company strives to continually improve our Environmental Management System applied to all business activities with respect to environmental impacts, environmental pollution prevention, and natural resources conservation.
  - The Company ensures that all business activities complied with applicable environmental laws and other requirements.
  - The Company establishes and determines our environmental goals and objectives to support the Environmental Management System reviewed periodically in order to improve energy efficiency and environmental protection.
  - The Company builds up environmental awareness among employees in order to ensure that the Environmental Management System is effectively implemented.

The Company promotes and supports various activities for environment and social responsibilities, creates a culture of environmental responsibility by encouraging employees to be a part of its, such as employees can propose ideas to improve operation processes and reduce wasteful

resources through Kaizen Project, waste separation campaign; a basic concept for all to become aware of environment responsibilities continuously and be able to apply in daily life.

The Company has attended the meeting to prepare the action plan for Task Force on Climate-Related Financial Disclosures (TCFD) with AEON Financial Service Co., Ltd., Japan. The Company has initiated to study and prepare information to proceed in accordance with the action plan of AEON Financial Service Co., Ltd. appropriately.

#### **Carbon Footprint Policy**

Although, the Company does not yet have data on greenhouse gas emissions. However, the Company is on progress to develop data collection.

The Company joins as a member in Aeon Financial Services Co., Ltd., Japan's mission to reduce greenhouse gas emissions. The Company has started to explore information to assess the cause greenhouse gas emissions and to determine goals and action plans in short-term and long-term to reduce greenhouse gas emissions, along with requiring periodic follow-ups to ensure achievements.

Aeon Co., Ltd., Japan, has set goals to become a Zero CO2 Society as follows;

- 35% reduction within the year 2030
- Zero CO2 by the year 2050

In this regard, at the board meeting of Aeon Financial Services Co., Ltd., Japan, on November 30, 2021, a policy and guidelines for sustainability have been established for all companies in the group to work together. The Company will proceed according to the guidelines of the group of companies.

### **3.3.2 Environment Operating Results**

The Company has realized our responsibility towards environmental problems from our activities and also the external service providers. Therefore, The Environmental Management System (ISO 14001:2015) has been applied throughout the organization that we have certified at the head office and all centers. Moreover, the Company has set up a waste sorting project within the organization to enhance awareness of environmental protection among employees and to bring up our commitment to reduce environmental problems continuously.

For sustainable environment, the Company also has the campaign to encourage about the paper usage reducing in company through Kaizen activities to be further continuously improve the operation work processes as well as to increases efficiency and effectiveness. It is also a cost-effective use of existing resources and obtaining of quality results that meet the customers need including. Moreover, to decrease consumption of natural resources, pollution and waste.

The company discloses information about the policy which covers issues related to the use and management of resources in the company's business operations. The policies are as follows:

1. Reducing the use of paper and plastic
2. Garbage and Waste Management
3. Energy management for electricity, water, and fuel

### **Reducing the Use of Paper and Plastic Cards**

The company encourages employees and customers to switch from paper to electronic payment invoices (e-Statement) in order to reduce the use of printing resources, delivery, and storage of documents; it also reduces the problem of lost documents during delivery, allowing customers to check their expenses more quickly. The company has continuously promoted this project since the beginning, the activities are as follows:

#### **Payment advice data**

Fiscal Year	Amount of Payment Advice (sheet)		
	Paper	Electronic Paper	Total Amount
2020	33,770,685	-	33,770,685
2021	44,913,945	-	44,913,945
2022	25,318,399	44,171,001	69,489,000

From above table, the company has reduced amount of paper invoice more than 44,171,001 sheets or 64% of total amount in 2022 by change to electronic invoice.

#### **The Use of Paper in the Office**

Fiscal Year	Amount of Paper (sheet)
2020	21,133,500
2021	21,077,070
2022	20,812,000

From year 2020 - 2022, the company has been reducing paper in operation for 321,500 sheets or 1.5%. The company advocates the use of technology to reduce the usage of paper. It is to conserve natural resources and reduce pollution and waste by, for example, switching from printing documents to operating through the E-Memo system, switching from printing forms to making requests through the System-I system, switching from registering for employee knowledge testing with documents that must be printed out to registering through the system, and so on.

#### **Reducing Plastic Card Production in Business Operations**

Fiscal Year	Member card	Credit card	Total
2563	280,000	646,500	926,500
2564	190,000	398,700	588,700
2565	141,000	570,000	711,000

The company develops technology and innovation to serve customers by developing functions in the AEON THAI MOBILE application to enable financial transactions on the application instead of using plastic. In addition, the company encourages customers to utilize digital payment cards which is another option that increases customer convenience while also protecting the environment.



### **Garbage and Waste Management**

The company segregates waste into 3 categories as office's general waste, electronic waste and recycled waste. We selected valuable waste and sell them to the company or factory which requesting used-appliances. Some usable electronic waste, such as computer equipment or mobile phones, will be donated to organizations in need, such as schools and government agencies.

Fiscal Year	Waste consumption (kg)			
	Office's general waste	Electronic waste	Recycled waste	Total Amount
<b>2020</b>	00.00	259.20	00.00	259.20
<b>2021</b>	4,610.95	00.00	00.00	4,610.95
<b>2022</b>	14,844.05	31,258.25	3,000.00	49,102.30
<b>Total</b>	<b>19,455.00</b>	<b>31,517.45</b>	<b>3,000.00</b>	<b>53,972.45</b>

### **Making the Most of the Materials in Event by Reusing**

"AEON MOTORCYCLE ROADSHOW" is organized by the Company more than 0 times every year. There will be motorcycle sale booths, public relations, sale promotions through LCD displays, and loans for hire-purchase of motorcycles during the event, which the company has been organizing since 2019.

Because the Company concerns about using resources sustainably, we reuse the materials to build the booth by using thick plywood and covering the front surface with laminate, which is a strong material that can be reused many times. This material can be used to prepare a booth for up to three years or more than 150 times.

### **Energy Management for Electricity and Water**

#### **Energy Management for Electricity**

The company encourages reducing electricity use by arranging an activity, creating public relations media, and educating employees about electrical energy and global warming. There are also projects to reduce electrical consumption, such as the following:

- Earth Hour project "turn off the lights for an hour to prevent global warming," this project collaborates with Bangkok City to save energy. In addition, the corporation encourages employees to switch off lights while not in use, such as during a break.
- The Happy Workplace project encourages employees to offer project ideas for lowering electricity consumption and awards them. It is an activity that encourages employees to participate in the company's energy management as well.
- Creating Hot Seat space for all employees to use, employees will not have their own regular desks. It is to assist employees in hybrid working, to reduce energy consumption in office buildings, to reduce travel that can cause pollution, and to lessen the density of employees who had to come to work during the previous COVID-19 situation.

Fiscal Year	Electricity Consumption	
	Amount of Usage (KW)	Expense including VAT7% (THB)
<b>2020</b>	9,802,856.00	43,345,288.38
<b>2021</b>	9,138,020.39	50,324,727.74
<b>2022</b>	7,813,311.33	46,682,194.94

From year 2020-2022, we have been decreasing amount of electricity units about 1,989,544.67 units or 20.30%. However, the expenses in year 2022 are higher than year 2020 from increasing price of the electricity unit even though the consumption were decreased.



## Energy Management for Water

Fiscal Year	Water Consumption	
	Unit Usage (cubic meter)	Expense including VAT7% (THB)
2020	2,899.01	600,352.10
2021	2,335.64	583,260.65
2022	1,133.13	543,136.68

The company encourages employees to become more conscious of the importance of utilizing water responsibly. It considerably reduces the amount of water utilized in the company in the past. Furthermore, the AEON THAILAND FOUNDATION is a support of the 4th Water Seminar at Thai Water Expo 2022, an international technology exhibition and conference on water and wastewater management technology from the public and private sectors. The goal is to integrate water management technologies into sustainable development objectives in the face of the global warming problem. It is an action that will assist Thailand in approaching sustainable water management, and companies will be able to apply the recommendations to their own usage.

## Energy Management for Fuel

With a policy to normalize working from home, the Company has been adaptive to this new normal method with online meetings being used to reduce travel and energy use.

	Fuel Energy Consumption (Litres)		
	2020	2021	2022
Diesel Petrol	77,181.63	71,343.59	61,171.43
Benzine Petrol	914,394.88	848,897.06	782,519.26

	Fuel Energy Expenditure (Baht)		
	2020	2021	2022
Fuel Energy Expense	21,526,181.26	27,218,004.33	32,309,987.41

In 2020-2022, the amount of gasoline consumed in the company's business operations has gradually decreased. Furthermore, the company has the following activities to promote fuel consumption reduction:

In addition, we have implemented several policies to reduce oil consumption as follows:

- Hybrid Working Policy helps employees travel less. This can reduce energy consumption.
- Online meetings with customers/partners instead of face-to-face meetings
- Via the AEON THAI MOBILE application has been replacing the use actual plastic credit card with digital digital credit card to completely eliminate the use of a plastic card. It can not only reduce the use of plastic cards, but it can also cut fuel use from delivering cards to customers.

## 3.4 Social Sustainability Management

### 3.4.1 Social Policy and Guidelines

The Company operates our business based on AEONTS's basic philosophy guiding to value on peace, humanity and society including the implementation of the word "Customer come First". The company realizes and values the security of customers' information as well as consistently develops products and services to increase the financial accessible opportunities. AEONTS respects human rights and each other.

### 3.4.2 Social Operating Results

#### Business and Human Rights

The Company has been maintaining importance in human rights as a basic principles covering stakeholders from the company's business value chain. The guidelines and important operations are as follows.

##### 1) Personal Right and Data Protection

Since the operation of the Company are related to personal data, it is therefore highly aware of the problem of personal data abuse and adhere to the protection of privacy rights security of personal information Including the use of personal data to meet the purpose of collection under the legal framework.

The Company has policies and practices to protect personal information of all stakeholders. The Company has improved processes and practices following the Personal Data Protection Act in order to develop potential and create awareness among personnel in the organization. Therefore, we have provided company's personnel the training about guidelines of the personal data protection to be informed and prevent damage that may occur in the collection, usage and disclosure of personal information as well as the information is kept safe, confidential and will not be disclosed except required by law or with the consent of the service recipient.

For personal data collection, the Company has provided a Privacy Policy Statement or a Privacy Notice for customers, shareholders, third parties and employees on the Company's website to notify the data owner of the purpose, duration, legal basis for data collection where information may be disclosed to third parties, including other details as required by law.

The Company also devotes attention to the legal rights of the data owner. Therefore, the appropriate channels for right exercising and receiving complaints are provided. The Company has a policy to investigate and deal with within a reasonable time.

In 2022, the company provided employees whose roles and responsibility are relating to personal data to participate in mandatory training on how to handle personal data in accordance with laws and international standards and they are required to pass the test;

Year	Number of Employees Participated in PDPA Training
2021	4,854
2022	4,821

##### 2) Fair treatment of workers/employees

The Company has complied with the AEON code of conduct "we respect human rights and do not discriminate for any reason, from nationality or race to gender, educational background, religion, or mental or physical disability, and all employees must listen to their colleagues and give the most value on human".

Regarding human resource management, the Company treats employees equally in matters including salary and benefits, training, performance evaluation, promotion, penalty as well as termination and retirement regardless of nationality, race, gender, religion or disabilities. In addition, we also treat our staffs with respect and honor under a workplace environment free from harassment and other improper behaviors. More details for fair treatment of employee are as follows.

- Support and encourage employees to learn and constantly improve themselves in order to increase career opportunities and drive the Company forward.
- Respecting to human rights and for the individual are important in create a livable workplace.

As Company understands and recognizes the impact of HR processes on hiring women, disabilities or those who have difficulties reentering the job market, during the past year, the Company provided employment opportunities in all regions in Thailand. The Company employed 23 disabilities staff in all regions which are 0.6 percent of all employees 4,030 persons and contributed to the Fund for the Promotion and Development of the Quality of Life of Persons with Disabilities In the amount of 2,035,240 baht, complete and on schedule.

### **3) Employees and Stakeholders with Corporate Transparency**

The Company provides hotline number, website and email for employees to report corporate non-transparency issue with undisclosed name, position, age, gender, etc. for their safety. However, there was no any complaints or reports regarding this issue in the past year.

### **4) Anti-Corruption Regulation and Policy**

The Company has established a policy on anti-corruption and determined measures to prevent potential corruptions as well as disciplinary action for wrongdoings. The company has clearly and regularly communicated policies and procedures to executives and employees at all levels with clear policy and scope approved by the Board of Directors.

The company has reiterated the policy that prohibits employees in all positions including family members to accept assets, money, gifts or any other benefits from suppliers, partners, joint ventures or those involved in the business of the Company. The policy has been reminded to employees through internal communication channels of the company regularly. In the past year, no reported case of bribery and corruption have been found.

### **5) Occupational Safety, Health and Work Place Environment**

Occupational safety, health and working environment policy was established in regards to the Company's adhering to the philosophy and business ethics and belief in the value of personnel which is to take care of employees to have a good quality of life, have safe and healthy working conditions. Moreover, the Company adheres to social responsibility and safety environment, occupational health and working environment which are important for business operation in order to achieve the Company's objectives, hence, following policies have been established;

1. The Company will encourage employees to have good hygiene and awareness of occupational safety, health and working environment for employees at all levels.
2. The Company will improve and prevent accidents, incidences, illnesses arising from the work of employees and those involved.
3. The Company will adhere to and comply with the law and other related regulations to occupational safety, health and working environment as the Company's standard.
4. The Company will arrange workplace to be clean and suitable for work.
5. The Company will allocate relevant resources sufficiently and appropriately to operate according to the policy on occupational safety, occupational and working environment.
6. The Company will review the policy as well as periodically monitor, inspect and manage the system to ensure that such policies are appropriate for the Company.

The Company has policies and practices that support safety, good health and hygiene at work in order to comply with the principles of the Occupational safety, Health and Working environment Act B.E. 2554 that have been established for the Company as a private organization.

Goal	Guidelines and outcome
To support a corporate safety culture and raise awareness of the importance of safety as well as good occupational health in the performance of duties.	<p>Provide training courses for occupational safety under the workplace safety related laws and the Company's emergency plan:</p> <ol style="list-style-type: none"> <li>1. Basic Fire Fighting &amp; Fire Drill</li> <li>2. Team Emergency respond</li> <li>3. First Aid and CPR</li> <li>4. Safety officer on management level</li> <li>5. Safety officer on leader level</li> <li>6. Chemical spill Control</li> <li>7. Behavior based safety</li> <li>8. Emergency Server room</li> </ol> <p>This project invited qualified speakers to give lectures creating collaborative learning. Besides, we set a goal that all employees must understand and be able to practically apply them regarding safety measures and good occupational health in their duties and roles.</p>
To reduce the risk of COVID-19 virus spread for safety and good occupational health in the organization.	<ul style="list-style-type: none"> <li>▪ Provide hand sanitizer/alcohol with at least 70% alcohol content.</li> <li>▪ Provide social distancing, such as installing acrylic barriers between employees' desks. Arrange seats at a distance in the meeting room and customer service areas, etc.</li> <li>▪ Measures for employees to wear masks and distribute masks to employees.</li> <li>▪ Arrange for cleaning work areas, meeting rooms, various touch surfaces, office equipment that are shared regularly.</li> <li>▪ Arrange work from home, shifts and online meetings to reduce the density of the number of employees.</li> <li>▪ Educate employees to take precautions against the COVID-19.</li> <li>▪ Strictly follow the preventive and vigilant measures prescribed by the Department of Disease Control, Ministry of Public Health.</li> <li>▪ Organize random ATK check for risky employees before starting work.</li> <li>▪ If employees are at risk of being in close contact with people infected with COVID-19, quarantine for symptom observation and ATK testing before returning to work.</li> <li>▪ For outsiders, it is required to check ATK and submit the results before entering the area.</li> <li>▪ Provide 4 strains of influenza vaccination for employees.</li> <li>▪ Provide necessary and sufficient medicines and medical supplies for employees to reduce the severity of COVID-19 infection and to treat symptoms of Long Covid.</li> <li>▪ Provide annual health check-up program for employees.</li> </ul>
To ensure safety, occupational health and a good working environment for employees to the utmost.	<ul style="list-style-type: none"> <li>▪ Provide a lactation room for female employees to have a comfortable and quiet space to pump in the office.</li> <li>▪ Provide a medical room with nurses stationed every day.</li> <li>▪ Provide measurement and assessment of working environment. These include air quality measurements (dust, chemicals), noise and light intensity in the work area. The results of the measurement in 2022 were in accordance with the related laws (the ministerial regulations setting standards for management and management of occupational safety, health and working environment related to heat, light and noise, B.E. 2559: Ministerial Regulation on Prescribing of Standard for Administration and Management of Occupational Safety, Health, and Environment in Relation to Heat, Light, and Noise B.E. 2016).</li> <li>▪ Explore the safety area to ensure that employees working under proper environment and not harmful to health, including third parties who come in contact.</li> <li>▪ The statistics of fatal accidents during work was 1 case in 2022 (Slip)</li> </ul>

### 3.5 Economic Sustainability Management

#### 3.5.1 Economic Policy and Guidelines

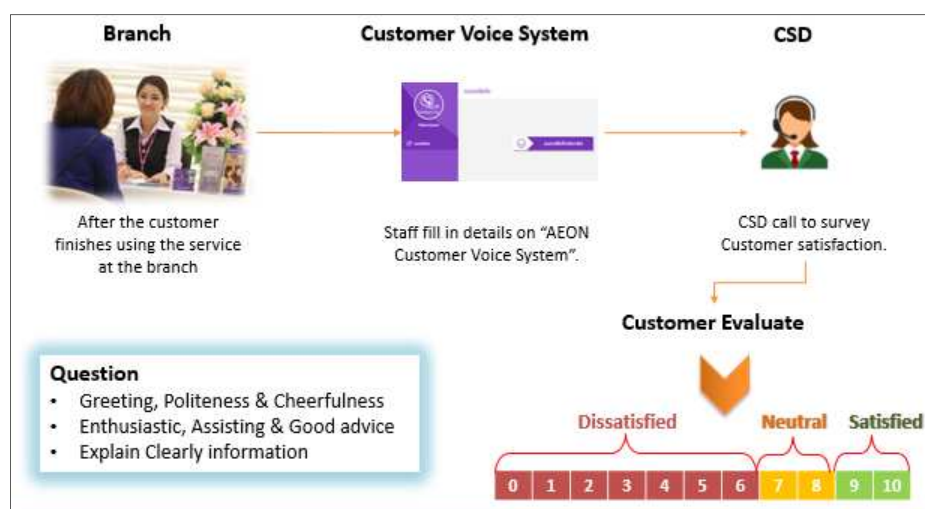
The Company's main goal in operating the business is to provide convenient services to customers through the use of Company's credit products and services that create maximum satisfaction for customers and partners. In order to achieve the goal, the company is therefore dedicated to investing in creating and developing technology to enhance the service level as well as developing new financial products to meet customer needs on the customer's fairness. Therefore, there are guidelines for obtaining important issues in business development. The sustainability assessment and performances in economic dimensions are as follows:

#### 3.5.2 Economic Operating Results

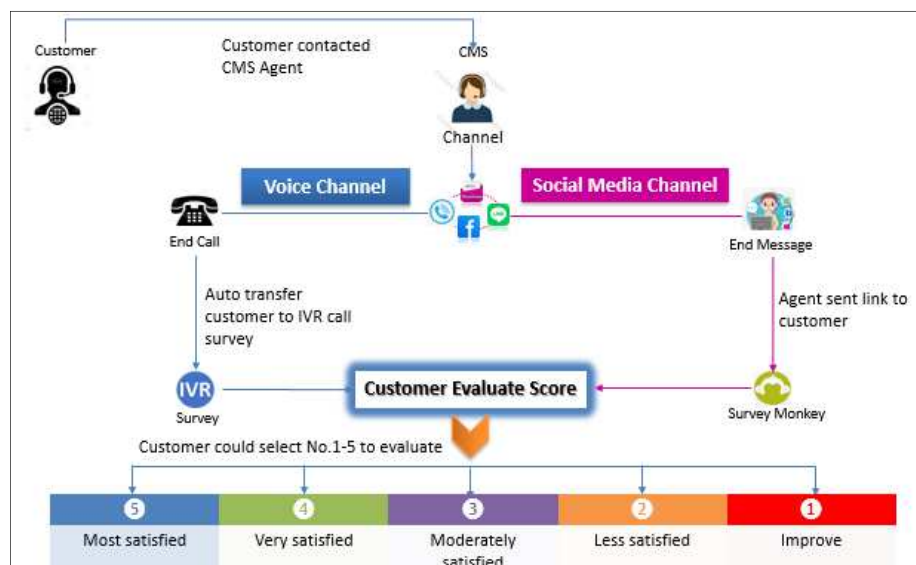
##### 1) Customer Satisfaction

The company values opinions, requests, criticisms and customer satisfaction and utilize them as a guideline for improving and upgrading financial services to maximize the quality and safety. The survey was conducted by collecting customer's feedbacks and needs through branch channels, the IVR system and the Company's website. The collected information will be analyzed and studied in order to improve the service in a timely manner and meet the needs of customers.

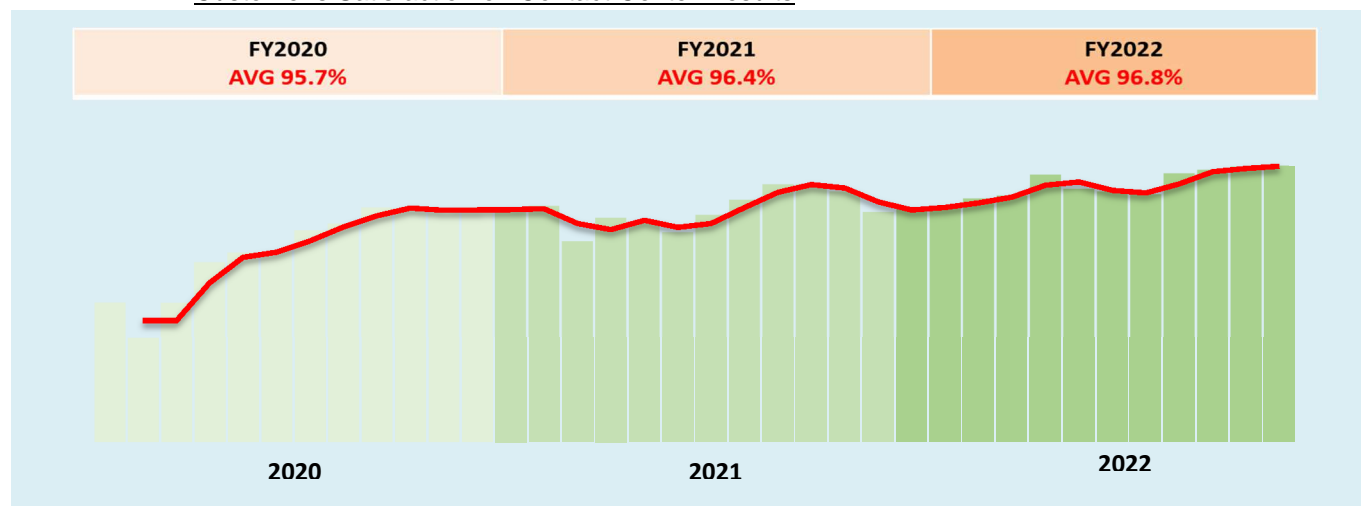
##### Branch Channel



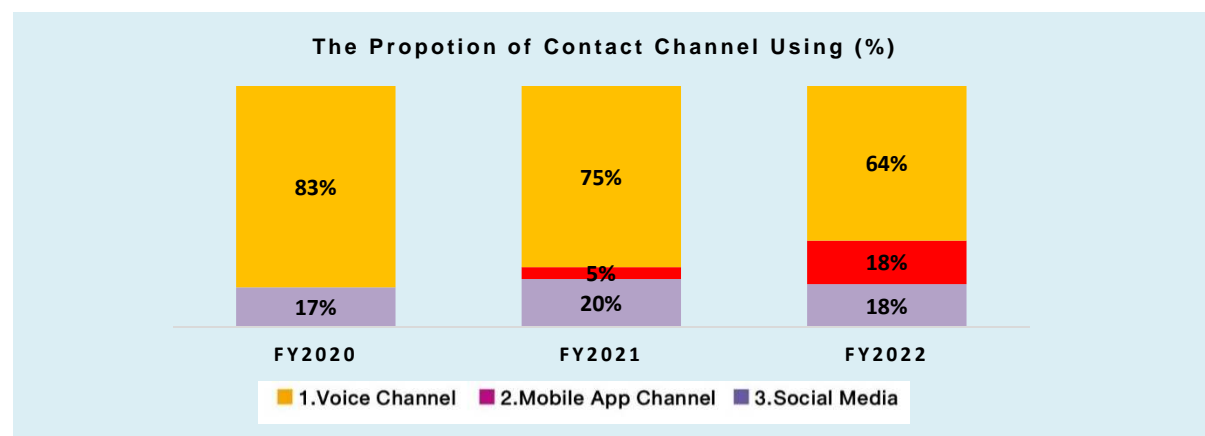
##### Contact Center Channel



### Customer's Satisfaction on Contact Center Results



During the COVID-19 crisis in the year 2020, the Company has been contacted about measures to help customers affected by the COVID-19 crisis. As a result, the number of calls to the Contact Center increased and did not correspond with the number of employees who were able to work during the crisis. Consequently, the initial satisfaction score was lower than the assessment criteria set by the Company at 96%. From 2022 onwards, employees returned to operate in full, resulting in the level of satisfaction from the service provided through the Contact Center was back to 96% consistently. This enables employees to serve more customers with specific inquiries.

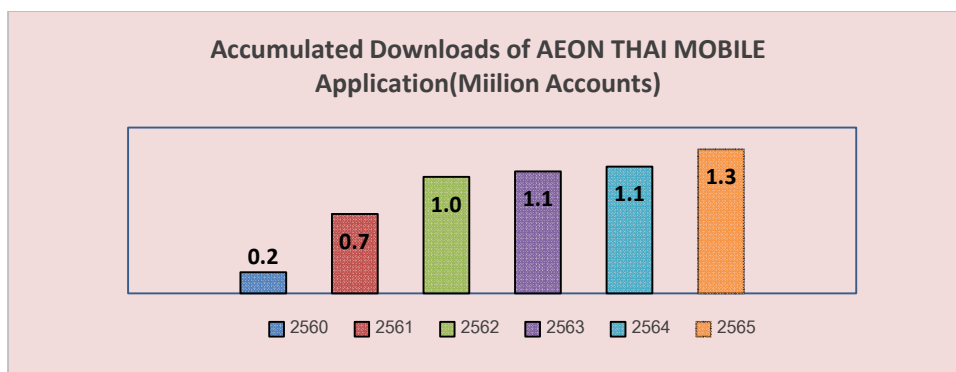


The Company has developed AEON Contact Center channels through social media tools comprising Line and Facebook to communicate with customers. It is considered an influential option to change the customer behavior to the use of digital channels. In addition, the Chatbot tool, which uses AI Technology are incorporated to quicken basic communication to customers. The popularity of using Chatbots is growing, especially through the AEON THAI MOBILE application channel which has been receiving better responses.

## 2) Innovations for Product and Service Development

### ▪ Digital Channels

The Company focuses on developing innovations to increase the ability to provide convenience for customers in accordance to the Company's sustainability goals. Since the year 2017, the Company has initiated digital service channels to enable customers accessing to the Company's services through the website and mobile application ("AEON THAI MOBILE"), which is a planned development in compliance with the Digitalization Roadmap in responding to changes in customer behavior abruptly driven by digitalization.



In 2022, the Company has accumulated 1.3 million accounts downloading AEON THAI MOBILE application. The active usage rate is as high as 70%, especially for PayNow and PayAlert features, which are currently accounting of 26% of all repayment transactions. Moreover, the number of customers applying for non-paper invoice is accounting 70% of the total amount of invoice issuing.

At present, the Company has developed more than 15 service functions on AEON THAI Mobile application, such as checking account balance, checking payment balances, electronic invoices, making repayment via credit cards and membership cards via PayNow and PayAlert (no fee), withdrawal via QR Code and/or CardLess PromptPay, amendment of address change, redemption of Happy Point points and checking benefits and e-Vouchers with the Company's partner stores.

In September 2022, the Bank of Thailand has approved the Company to enable e-KYC for Credit card and Your Cash digital card application through a secure EcoSystem network certified by National Digital ID Company Limited on the e-Service function on AEON's mobile application. Later, the Company's integration of the e-Service application on AEON THAI MOBILE was completed in December 2022.

Eventhough, this is the 2nd year of implementing the Digitalization Roadmap, but the Company has accomplishments as follows;

- As efforts towards to the digitalization, it had been migrated plastic cards to digital and virtual card (Your Cash=Card Loan) in AEON THAI MOBILE Application to real-time transfer money from customer's credit lines through Prompt Pay and withdraw cash via mobile app by scanning QR Code at ATM.
- Proportion of repayment transactions via Prompt Pay channel increased to 77.4% in January 2023, increased by 12.3% from the same period of last year.
- Proportion of active customers using AEON THAI MOBILE APP and E-statement service increased to 69.1% in January 2023, or increased by 21.1% from the same period of last year.

▪ **Development of Credit Approval Process with Technology, AI and Alternative Data**

To shorten credit approval process and enhance financial inclusion for wider range group of customers, the Company focuses on developing technology, AI, as well as using alternative information in addition to traditional information for the credit judgement and approval processes. In the past year, proportion of automatic credit judgement increased to 20% in December 2022. Moreover, the cost of acquiring customers (CAC) has decreased due to the BOT enabling E-KYC used to verify customer identity since September 2022.

**3) Policies to Develop Sustainable and Fair Financial Services**

▪ **Fair and Complied Interest Rates**

The Company operates under the supervision of the Bank of Thailand and has a policy to govern interest rates to be fair, transparent and comply to regulations and relevant laws in each country strictly. In the past year, the Company did not have any dispute or unlawful practices.

- **Pricing Policy**

The Company does not have a price policy that discourages or takes advantage of competition against competitors for the greatest benefit to customers. In the past year, the Company did not have any disputes in relation to trade competitors.

- **Selling and Marketing Policy**

In order to provide financial services to customers with responsibility and fairness, the Company has a policy to govern the sales process, marketing and advertising to not disturb customer privacy, to fully disclose all important information, to not exaggerated and distorted, and to be sufficient for decision-making with correct understanding regarding the Company's financial products and services, so that customers receive products and services that suit their needs and their financial ability in accordance with the announcement of the Bank of Thailand.

### **3.6 Corporate Social Responsibility Program (CSR Programs)**

The Company and affiliates in the AEON Group, together with AEON foundation, has organized a variety of activities that are beneficial to society (community) and the environment continuously. The Company has a policy to promote engagement with the community (Community Engagement) for social development and conserve the environment such as a program to support forest conservation, a program to promote education, a program to promoting financial literacy in the community and other program to promote social development in Thailand in collaboration with other charitable organizations. The detail of CSR activities and performances in the 2022 are fully disclosed in Sustainability Report 2022 on the Investor Relations website.

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# 4

## **Management Discussion and Analysis (MD&A)**

#### 4. Management Discussion and Analysis (MD&A)

##### Financial Position and Operating Result

##### **The Auditor and Auditor Report for the fiscal year 2020 - 2022**

The consolidated and the separate financial statements of the Company of the fiscal years 2020, 2021 and 2022 ended February 28, 2021, February 28, 2022, and February 28, 2023 have been audited by Deloitte Touche Tohmatsu Jaiyos Audit Company Limited. The auditors of the Company are as follows:

Year/Quarter	The Auditor	Registration No.
FY2020 - 2022	Mrs. Nisakorn Songmanee	5035

The auditors gave an unqualified opinion that the consolidated and the separate financial statements of the fiscal years 2020, 2021, and 2022, present fairly, in all material respects, the financial position as of February 28, 2021, February 28, 2022, and February 28, 2023, financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

## Financial Statements

The financial statements of the Company for the past three fiscal years and the latest period are summarized as follows:

STATEMENTS OF FINANCIAL POSITION	FY2020 (Million Baht)	FY2021 (Million Baht)	FY2022 (Million Baht)
Cash	5,105.17	4,235.60	3,816.36
Fixed deposits at banks under obligation	38.97	44.33	144.22
Account receivables	75,839.34	80,076.40	83,811.72
Other receivables	826.61	518.10	592.44
Derivative assets	-	376.18	1,732.09
Receivables per currency swap contracts	-	-	-
Loans from purchase of accounts receivable	-	-	12.62
Other current assets	103.07	101.35	102.64
Investment in associate	-	-	-
Investment in equity securities designated at fair value through profit or loss	5.06	5.06	5.06
Investment in equity securities designated at fair value through other comprehensive income	-	144	144
Other long-term investments - related companies	-	-	-
Leasehold improvement and equipment	793.45	622.93	523.15
Right-of-use assets	665.75	611.07	892.56
Intangible assets	696.56	920.39	923.41
Deferred tax assets	3,122.54	2,632.29	2,340.92
Other non-current assets	191.98	181.69	165.50
<b>TOTAL ASSETS</b>	<b>87,388.50</b>	<b>90,469.39</b>	<b>95,206.69</b>
Short-term loans (included current portion of loans and debentures)	17,374.53	30,061.00	17,321.98
Accounts payable	556.15	269.60	220.73
Other payables	1,384.26	1,628.02	1,629.46
Accrued income tax	629.18	379.52	643.42
Long-term loans and debentures	45,335.63	35,441.20	48,817.15
Derivative liabilities	3,145.51	867.73	1,438.90
Lease liabilities	689.63	624.98	917.67
Payables per currency swap contracts	-	-	-
Liabilities under financial lease agreements	-	-	-
Provisions for employee benefits	478.35	463.34	444.38
Other liabilities	415.60	470.04	424.92
<b>TOTAL LIABILITIES</b>	<b>70,008.84</b>	<b>70,205.43</b>	<b>71,858.61</b>
Issued and paid-up share capital	250.00	250.00	250.00
Premium on ordinary share capital	478.00	478.00	478.00
SURPLUS ON SHARE-BASED PAYMENT TRANSACTION			9.26
Retained earnings			
Appropriated retained earnings			
Legal reserve	25.00	25.00	25.00
Reserve for business expansion	4,850.00	4,850.00	4,850.00
Unappropriated retained earnings	12,471.58	14,808.86	17,382.22
Other components of shareholders' equity			
Exchange differences on translating financial statements of foreign operations	(121.23)	(95.81)	(83.45)
Cumulative loss on cash flow hedges	(895.57)	(427.34)	(89.55)
Non-controlling interest	321.88	375.25	526.60
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>17,379.66</b>	<b>20,263.96</b>	<b>23,348.08</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>87,388.50</b>	<b>90,469.39</b>	<b>95,206.69</b>

<b>STATEMENTS OF INCOME</b>	<b>FY2020</b> (Million Baht)	<b>FY2021</b> (Million Baht)	<b>FY2022</b> (Million Baht)
Credit card income	6,451.39	6,462.21	7,641.76
Loan income	11,121.33	10,367.57	10,384.55
Hire purchase income	1,014.31	1,073.18	1,028.53
Other income	2,714.88	2,888.47	3,276.83
Share of profit from investment in associate	-	-	-
Operating and administrative expenses	8,143.65	7,671.37	7,962.45
Directors and managements' remuneration	159.05	161.12	154.56
Loss on revaluation of investment	14.01	-	-
Loss on impairment of investment	-	-	-
Loss on sale of investment	-	-	-
Loss on impairment of assets	-	-	95.50
Loss on sale and write-off of leasehold improvement and equipment and intangible assets	6.80	11.10	2.63
Finance cost	2,096.25	1,744.67	1,903.84
Expected credit loss	6,209.61	6,629.40	7,262.73
Bad debts and doubtful accounts	-	-	-
Share of loss from investment in associate	25.43	-	-
Income before income tax expenses	4,647.11	4,573.77	4,949.96
Income tax expense	967.08	999.88	995.81
<b>NET PROFIT</b>	<b>3,680.03</b>	<b>3,573.89</b>	<b>3,954.15</b>
<b>NET PROFIT ATTRIBUTABLE TO</b>			
Owners of the parent	3,689.64	3,553.04	3,815.15
Non-controlling interests	(9.61)	20.85	139.00
<b>NET PROFIT</b>	<b>3,680.03</b>	<b>3,573.89</b>	<b>3,954.15</b>

<b>STATEMENT OF COMPREHENSIVE INCOME</b>	<b>FY2020</b> (Million Baht)	<b>FY2021</b> (Million Baht)	<b>FY2022</b> (Million Baht)
Net profit for the year	3,680.03	3,573.89	3,954.15
Other comprehensive income (loss)			
Exchange differences on translating financial statements of a foreign operations	57.96	75.33	27.20
Gain on cash flow hedges	451.28	468.24	337.79
Gain (loss) on remeasurements of defined benefit plans	(21.86)	71.72	58.20
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>4,167.41</b>	<b>4,189.18</b>	<b>4,377.34</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>			
Owners of the parent	4,175.63	4,118.41	4,223.50
Non-controlling interests	(8.22)	70.77	153.84
	<b>4,167.41</b>	<b>4,189.18</b>	<b>4,377.34</b>

STATEMENTS OF CASH FLOWS	FY2020 (Million Baht)	FY2021 (Million Baht)	FY2022 (Million Baht)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit for the year	3,680.03	3,573.89	3,954.15
Adjustments for:	(3,013.82)	(3,023.28)	(2,843.46)
	<b>666.21</b>	<b>550.61</b>	<b>1,110.69</b>
Operating assets (increase) decrease			
Accounts receivable and other receivables	(2,485.63)	(9,988.24)	(10,962.74)
Other current assets and other non-current assets	(8.12)	12.94	1.21
Operating liabilities increase (decrease)			
Accounts payables and other payables	38.29	(202.52)	(86.09)
Other current liabilities and other non-current liabilities	139.66	59.21	(39.24)
Proceeds from interest income	13,162.83	12,962.30	13,928.14
Finance cost paid	(2,240.67)	(1,719.68)	(1,906.75)
Income tax paid	(1,320.02)	(881.46)	(544.66)
Retirement benefits paid	(55.94)	(37.26)	(22.71)
Cash paid for employee joint investment program	-	-	(5.16)
<b>Net cash used in (provided by) operating activities</b>	<b>7,896.61</b>	<b>755.90</b>	<b>1,472.69</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceed from (paid for) temporary investments and fixed deposits at banks under obligations	(0.01)	(2.32)	(102.15)
Cash paid for purchases of leasehold improvement and equipment	(317.91)	(198.25)	(211.78)
Proceeds from sale of leasehold improvement and equipment	1.36	18.21	2.17
Cash paid for purchases of intangible assets	(220.33)	(291.55)	(442.33)
Proceeds from sale of intangible assets	1.17	1.64	-
Proceeds from sales of investment in subsidiary	-	-	-
Cash paid for investment in equity securities designated at fair value through other comprehensive income	-	144	-
<b>Net cash provided by (used in) investing activities</b>	<b>(535.72)</b>	<b>(616.27)</b>	<b>(754.09)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from (repayments for) bank overdrafts and short-term loans from financial institutions	3,011.07	(1,172.11)	(4,564.08)
Cash payments for finance lease agreements	-	-	-
Proceeds from (repayments for) long-term borrowings	(1,277.28)	3,003.43	3,619.47
Proceeds from (repayments for) long-term debentures	(7,627.70)	(1,339.60)	1,445.00
Cash paid for lease liabilities	(565.39)	(564.34)	(558.10)
Proceeds from (repayments for) subordinated lending	-	-	-
Proceeds from sale of written-off accounts receivable	317.14	416.87	231.81
Proceeds from ordinary shares issued of subsidiary	-	-	0.25
Cash paid for dividend and interim dividend	(1,121.62)	(1,306.84)	(1,304.09)
<b>Net cash provided by (used in) financing activities</b>	<b>(7,263.78)</b>	<b>(962.59)</b>	<b>(1,129.74)</b>
<b>Net increase in cash and cash equivalents</b>	<b>97.11</b>	<b>(822.95)</b>	<b>(411.14)</b>
Increase (decrease) in exchange differences on translating financial statements of foreign operations	14.50	(46.61)	(8.10)
Cash and cash equivalents at beginning of the years	4,993.56	5,105.17	4,235.60
<b>Cash and cash equivalents at the end of the years</b>	<b>5,105.17</b>	<b>4,235.60</b>	<b>3,816.36</b>

Ratio	FY2020 (%)	FY2021 (%)	FY2022 (%)
<b>Profitability Ratio</b>			
Gross Profit Margin*	39.84	38.99	37.00
Net Profit Margin	17.32	17.09	17.08
Return on Equity	19.53	19.23	17.87
Average Yield	27.05	27.54	28.76
Average Cost of Funds	3.18	2.73	2.90
Net Interest Spread	23.88	24.81	25.87
<b>Efficiency Ratio</b>			
Net Interest Income to Total Assets	21.01	21.42	22.37
Return on Assets	4.04	4.00	4.18
Asset Turnover	23.31	23.38	24.46
<b>Financial Policy Ratio</b>			
Debt to Equity (times)	4.10	3.53	3.15
Loans to Borrowings	121.10	122.41	121.23
Loans to Deposits	N/A	N/A	N/A
Deposits to Total Liabilities	N/A	N/A	N/A
Dividend Payout	30.49	36.24	36.04
<b>Asset Quality Ratio</b>			
Allowance for Doubtful Accounts to Total Loans	N/A	N/A	N/A
Allowance for expected credit loss to Total Loans	13.26	12.03	10.78
Bad Debt to Total Loans	6.92	8.40	9.14
Non-Performing Loans to Total Loans	5.77	4.86	5.69
Accrued Interest to Total Loans	2.76	2.74	2.53

Note: The Company has adjusted Gross Profit Margin by including the bad debts and doubtful accounts in calculation.

## Factors influencing the Company's operating result and financial position in the future.

### The effects of Interest rate fluctuation

Since core business of the Company is to provide several kinds of loans to the customers by using main source of fund from bank loan, issuing bonds and securitization. Therefore, direction of market interest rate and the government's policy, that factors may affect the Company's operating result and financial position in the future. These factors may influence the Company's revenues; expenses as well as operating result.

### The effects of economic condition

The overall economic condition of the country is another factor that affects population's expenditure. If purchasing power of the country's population including the Company's customers has significantly diminished, this may affect the repayment capability of both principal and interest and finally affect the Company's operating result.

### The effects of changes in Accounting Standards

1. Thai Financial Reporting Standards affecting the presentation and disclosure in the current year financial statements

During the year, the Group and the Company have adopted the revised financial reporting standards issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology and accounting requirements for interest rate reform - Phase 2. The adoption of these financial reporting standards does not have any significant impact on the Group's and the Company's interim financial statements.

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

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standard Interpretation, 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, 2025 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 provision of interpretations and accounting guidance to users of standards.

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

### Credit Rating

Pursuant to annual credit rating review for corporate by Japan Credit Rating Agency and Fitch Ratings, detail as follows;

Credit Rating Agency	Report	Credit Rating
Fitch Ratings	February 27, 2023	A-/ Stable
Japan Credit Rating Agency	February 28, 2023	A/ Stable

### Details of overdue accounts receivable classified by business types

Consolidated Financial Statements (Information as of February 28, 2023)

	Credit Card		Hire Purchase		Loan		Debt Collection		Insurance		Total	
	Amount (MB)	%	Amount (MB)	%	Amount (MB)	%	Amount (MB)	%	Amount (MB)	%	Amount (MB)	%
Less than 3 months	41,727.13	95.98	5,060.08	91.82	41,883.53	93.44	59.17	100.00	68.62	100.00	88,798.53	94.53
3 months and up	1,747.22	4.02	451.03	8.18	2,940.20	6.56	-	-	-	-	5,138.45	5.47
<b>Total</b>	<b>43,474.35</b>	<b>100.00</b>	<b>5,511.11</b>	<b>100.00</b>	<b>44,823.73</b>	<b>100.00</b>	<b>59.17</b>	<b>100.00</b>	<b>68.62</b>	<b>100.00</b>	<b>93,936.98</b>	<b>100.00</b>

### Bad debt categorized by business type

	FY2020 (MB)	FY2021 (MB)	FY2022 (MB)
Credit Card	607.11	851.02	956.49
Hire Purchase	1,431.43	1,994.71	2,121.78
Personal Loan	4,024.32	4,788.87	5,509.40
<b>Total</b>	<b>6,062.86</b>	<b>7,634.60</b>	<b>8,587.67</b>

### Financial Liquidity

As at February 28, 2023, the Company and subsidiaries recorded cash balance of 3,816 million baht, decrease by 419 million baht from previous year, which can be categorized as follows:

- Net cash provided by operating activities of 1,473 million baht mainly resulted from an increase of accounts receivable.
- Net cash used in investing activities of 754 million baht mainly resulted from investment in fixed assets and software, and intangible assets.
- Net cash used in financing activities of 1,130 million baht mainly from long-term loans and short-term loans from financial institutions.

Combined the net decrease in cash and cash equivalents of 411 million baht and decrease in exchange differences on transactions financial statement of foreign operations of 9 million baht with beginning cash balance of 4,236 million baht, the Company had ending cash balance at the end of the fiscal year 2022 in the amount of 3,816 million baht accordingly.



## Management Discussion and Analysis

### Fiscal year ended February 28, 2023

AEON Thana Sinsap (Thailand) Public Company Limited (“the Company”) has already submitted the audited financial statements for the year ended February 28, 2023 which were audited by Deloitte Touche Tohmatsu Jaiyos Audit Company Limited. The operating performance is summarized as follows.

#### Overview

According to the Bank of Thailand and Office of the National Economic and Social Development Board data, the Thai economy in the 4Q/2022 expanded by 1.4%y-y, slower than the expansion of 4.6% y-y in the previous quarter from the contraction of the industrial sector that reduced the production of industrial products due to higher production costs, a lower domestic demand and lower demands from trading partners in relevant to their economic slowdown, despite the acceleration in agricultural production and service and tourism industries, resulting in GDP in 2022 being 2.6%, lower than expectation. However, the economic expansion is still subjected to the rising cost of living, in which the inflation rate in 4Q/2022 reached 5.8%, the household debt ratio is considered high amid the increasing trend of interest burden but having tendency to decline as the GDP is expanding. Moreover, the number of unemployed in the 4Q/2022 amounted 4.62 hundred thousand people, or an unemployment rate of 1.2%, remained stable from the previous quarter. Although the numbers indicated a better direction comparing to the previous year, but the current unemployment rate has not yet returned to the pre-Covid-19 level.

The company performance of the fiscal year of 2022, the Company has total sales (turnover) increase by 23.4% y-y, with the focus on credit card business, as a result of new product launching in accordance to the Digitalization roadmap and marketing strategies such as AEON 30th Years Anniversary campaign, AEON ROP World Mastercard campaign and acquisition of new customers, driving the loan portfolio to reach 93,937 million baht, 3.2% growth y-y.

As of February 28, 2023, the Company had total cards and distribution networks as below;

Number of AEONTS Cards and Networks	February 28, 2022	February 28, 2023
Number of Credit Cards (million cards)	3.07	2.96
Number of Member Cards (million cards)	6.34	6.51
Branches	101	104
Bangkok	30%	30%
Province	70%	70%
ATMs (machine)	389	146
Affiliated Dealers	6,328	5,846

## Summary of Consolidated Financial Results

### 1. Operating Results

Profit and Loss Statement Unit : Million Baht	Consolidated			Separated		
	FY21	FY22	%YoY	FY21	FY22	%YoY
Credit card income	6,462	7,642	18.2%	6,370	7,488	17.6%
Loan income	10,368	10,385	0.2%	10,209	10,274	0.6%
Hire-purchase income	1,073	1,029	-4.1%	309	246	-20.4%
Other income	2,888	3,277	13.5%	2,829	3,108	9.9%
<b>Total Revenues</b>	<b>20,791</b>	<b>22,332</b>	<b>7.4%</b>	<b>19,717</b>	<b>21,116</b>	<b>7.1%</b>
Operating and administrative expenses	7,832	8,117	3.6%	7,029	7,387	5.1%
Expected credit loss	6,629	7,263	9.6%	5,771	7,070	22.5%
Finance costs	1,745	1,904	9.1%	1,826	1,970	7.9%
Other expenses	11	98	784%	10	96	860%
<b>Total Expenses</b>	<b>16,218</b>	<b>17,382</b>	<b>7.2%</b>	<b>14,636</b>	<b>16,524</b>	<b>12.9%</b>
Profit before tax income	4,573	4,950	8.2%	5,081	4,591	-9.6%
Income tax expenses	1,000	996	-0.4%	947	881	-7.0%
<b>Net profit for the period</b>	<b>3,553</b>	<b>3,815</b>	<b>7.4%</b>	<b>4,133</b>	<b>3,711</b>	<b>-10.2%</b>
<b>Earnings Per Share (Baht per share)</b>	<b>14.21</b>	<b>15.26</b>	<b>7.4%</b>	<b>16.53</b>	<b>14.84</b>	<b>-10.2%</b>

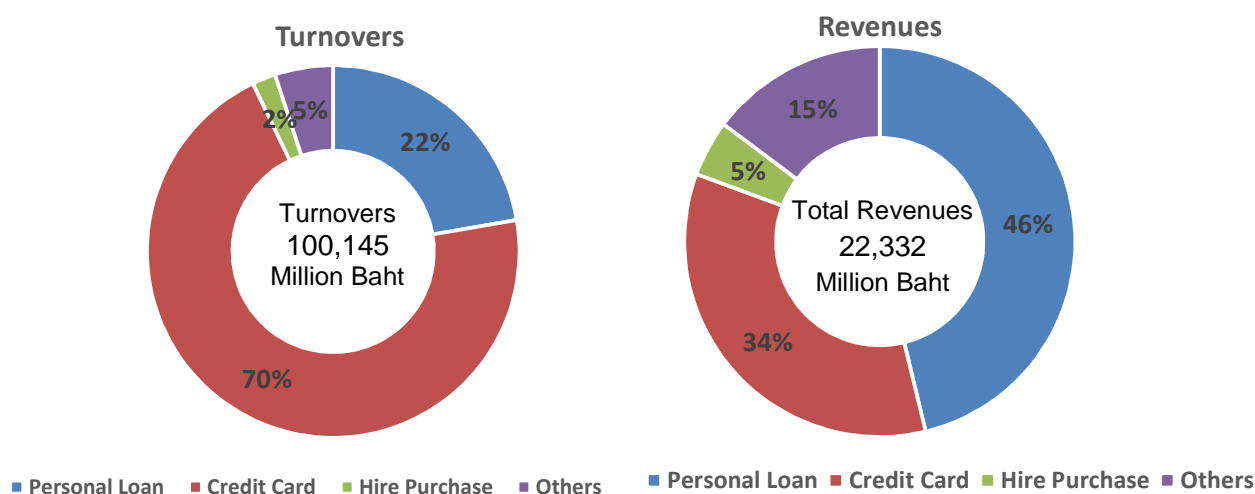
### Revenues

In the fiscal year ended February 28, 2023, the total consolidated revenues were 22,332 million baht, increasing of 1,541 million baht or 7.4% y-y. The increased in revenues was a result of growth in revenue of the Company's core businesses, especially the credit card income which having 18.2% growth y-y. Hence, the growth of revenue, especially credit cards, was mainly derived from marketing activities to stimulate credit card spending and acquisition of new credit card customers.

In addition, our consolidated revenue from Personal Loan were 10,385 million baht, stable from previous year and consolidated hire-purchase income were 1,029 million baht, reduced by 44 million baht or decreasing 4.1% y-y due to selective approach in credit judgement amid remaining high risky economic factors in this year.

However, the Company has other income for fiscal year 2022 amounted 3,277 million baht, 13.5% growth y-y. Details of each business can be described as follows:

## Sales and Revenues Structure for the fiscal year of 2022



### - Credit Card

For the fiscal year 2022, credit card sales accounted for 70% of total turnovers with revenue of 7,642 million baht, an increase of 1,180 million baht or 18.2% y-y. For overseas business, AEON Specialized Bank (Cambodia) Plc had credit card revenue in the fiscal year of 2022 of 154 million baht, grew by 27.9% y-y.

### - Loans

For the fiscal year 2022, loans shared 22% of total turnovers with the revenue of 10,385 million baht, accounting of 46% of total revenues, stable from previous year. Moreover, loan income from AEON Specialized Bank (Cambodia) PLC of 217 million baht, dropped by 17.2% y-y.

### - Hire Purchase

For the fiscal year of 2022, motorcycle and used car hire purchase in Thailand and electrical appliances, mobile phones in overseas business, with the revenues of 1,029 million baht, decreasing by 44 million baht or 4.1% y-y. In addition, hire purchase income from AEON Specialized Bank (Cambodia) Plc was 681 million baht, increasing by 4.4% y-y and AEON Leasing Service (Lao) Company Limited of 102 million baht, and decreased 9.6% y-y.

### - Other Incomes

For the fiscal year of 2022, other incomes were 3,277 million baht, accounting of 14.7% of total revenue, showing an increase of 389 million baht or 13.5% y-y. Other revenues consist of bad debt recovery, which was 1,696 million baht, 19.2% growth y-y, gain on sales of written-off receivables was 405 million baht, 26.5% growth y-y, collection service income was 226 million baht, 7.7% growth y-y, insurance brokerage commission income was 689 million baht, stable from the previous year, and others of 262 million baht respectively. The growth of other incomes revenue was contributed mainly from the continued growth of bad debt recovery and gain on sale of written-off receivables.

## Expenses

The Company's expenses mainly consist of operating and administrative expenses, expected credit loss and finance cost. For the fiscal year of 2022, the Company had total consolidated expenses of 17,382 million baht, an increase of 1,164 million baht or 7.2% y-y. Details of expenses are shown as follows:

### - Operating and Administrative Expenses and other expenses

For the fiscal year of 2022, the consolidated operating and administrative expense and other expenses were 8,117 million baht, increasing by 285 million baht or 3.6% y-y. The increase in operating and administrative expense was mainly from the increasing of marketing expense compared with the last year. However, the Company still maintained effective operating cost control with cost to income ratio at 36.3% of total revenues, reduced from 37.7% of previous year significantly. Considering the Company's separate financial statement, the operating and administrative expenses as a percentage of revenues was 35.0% in the fiscal year of 2022.

### - Expected Credit

The consolidated expected credit loss in the fiscal year of 2022 amounted to 7,263 million baht, increasing by 9.6% y-y.

### - Finance Cost

In 2022, the results of the Monetary Policy Committee (MPC) meeting resolved to raise the policy interest rate by 0.25% per, total 4 times in roll, resulting in the increment of policy rate of 1.00%, to 1.50% per year as at the end of fiscal year 2022. Despite the gradual increase in the policy interest rate to cope with the pressure from the high inflation rate in the country, the Company was still able to effectively manage its financial costs. The Company recorded consolidated finance cost in the fiscal year of 2022 of 1,904 million baht, increasing by 9.1% y-y, the average funding cost is 2.64%.

### - Net Profit

For the fiscal year of 2022, consolidated operating income was reported at 3,815 million baht, an increase 262 million baht or 7.4% y-y or earning per share of 15.26 baht due to the growth of loan portfolio specially the credit card business. Moreover, the operating cost has been managed with higher efficiency.

## 2. Financial Status

Statement of Financial Position	28 February 2021	28 February 2022	%YoY
Unit : Million Baht			
Accounts Receivable	91,028	93,937	3.2
Total Assets	90,469	95,207	5.2
Total Borrowing	65,418	66,055	1.0
Total Liabilities	70,205	71,859	2.4
Equity Attributed to Owners of the Parent	19,889	22,821	14.7
ROE	19.2%	17.9%	-
ROA	4.0%	4.1%	-
D/E Ratio	3.5	3.1	-

Remark: ROE = Profit (Loss) Attributable to Owners of the Parent/Equity Attributed to Owners of the Parent  
ROA = Profit (Loss) Attributable to Owners of the Parent/Total Assets

### Total Assets

As of February 28, 2023, consolidated total assets were 95,207 million baht, an increase of 4,738 million baht or 5.2% from last year. The majority of assets is loan portfolio account receivable, which accounting of 88.0% of total assets.

#### - Account Receivable

As of 28 February, 2023, the Company has accounts receivable of 93,937 million baht, increased by 3.2% from last year, in which consisting of domestic loan book amounted 88,861 million baht, 4.0% growth y-y, which can be classified by loan types as; number of credit cards receivable 43,474 million baht, 10.6% y-y; loans receivable of 44,878 million baht, decreased by 1.8% y-y; hire purchase receivable of 5,511 million baht, decreasing by 6.5% y-y and others receivable of 73 million baht decreased by 37.6% from last year respectively.

#### - Allowance for expected credit loss

As of February 28, 2023, the Company provided allowance for doubtful accounts of 10,125 million baht or 10.8% of total accounts receivable, decreasing from 10,951 million baht or 12.0% of total accounts receivable at the end of previous fiscal year due to the business is returning to normal situation. The consolidated delinquent account receivables for 3 months and up was 5.5%. For default receivables in credit risk (NPL Stage 3) was 5.7%. The separated delinquent account receivables for 3 months and up was 5.2% and the default receivables in credit risk (NPL Stage 3) was 5.4%. As at 28 February, 2023, the consolidated coverage ratio of allowance for expected credit loss to NPL (NPL Coverage ratio) was at 190%.

## Liabilities

The consolidated liabilities of the Company as of February 28, 2023 totaling 71,859 million baht, an increase of 1,654 million baht or 2.4% y-y from 70,205 million baht at the end of previous fiscal year. There were both short-term and long-term borrowings totally 66,055 million baht, increasing by 1.0% from the end of last year. The portion of long-term borrowings was 48,733 million baht or represented 74% of total borrowings, increased/decreased from the previous year to manage risk that might occur from the fluctuation in interest rate. However, for the risk of currency, the Company has entered cross currency interest rate swap contracts to hedge its debt. In addition, the Company has unused unsecured revolving credit facilities 12,370 million baht and 3,000 million baht unused committed facilities with various financial institutions which is sufficient to support the Company's operation and business expansion. The Company also does not have the debentures that will mature within 12 months. The company's credit rating by Fitch Rating remains at A-(tha)/Stable Outlook.

## Shareholders' Equity

As of February 28, 2023, total shareholders' equity attributed to owners of the parent amounted to 22,821 million baht, an increase of 2,932 million baht or 14.7% y-y, Book value as of February 28, 2023 was 91.3 baht per share, increased from 79.6 baht per share as of February 28, 2022.

Debt to Equity ratio as of February 28, 2023 was at 3.1 times, continued decreasing from 3.5 times of previous year. Return on Equity (ROE) and Return on Asset (ROA) for the fiscal year of 2022 are 17.9% and 4.1%, respectively.

Key Financial Ratio	FY2021	FY2022
Net Profit Margin (%)	17.1%	17.1%
Interest Coverage Ratio (Times)	3.5	3.1
Cost to Income (%)	37.7%	36.4%
EPS (Baht)	14.21	15.26

# 5

## **General information and other material facts**

## 5. General information and other material facts

### Issuer of Securities

#### **AEON Thana Sinsap (Thailand) Public Company Limited**

Business	Credit Card, Personal Loan and Hire Purchase
Head Office	388 Exchange Tower, 27 <sup>th</sup> Floor, Sukhumvit Road Khwaeng Klongtoey, Khet Klongtoey, Bangkok 10110
Registration Number	0107544000078
Website	<a href="http://www.aeon.co.th">http://www.aeon.co.th</a>
Tel.	0-2302-4400 (Call Center 0-2665-0123)
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**

#### **ACSI (Thailand) Co., Ltd. (100% of ownership)**

Business	Life and Non-life Insurance Brokerage Services
Head Office	159/22 Sermmitr Tower Building, 14 <sup>th</sup> Floor, Sukhumvit 21 (Asok) Road, Khlong Toey Nua, Watthana, Bangkok 10110
Tel.	0-2689-7111
Fax.	0-2689-7141-2
Website	<a href="https://www.aeoninsurance.co.th">https://www.aeoninsurance.co.th</a>
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

Note: AEON Insurance Service (Thailand) Co., Ltd. ("AIST") has returned the insurance broker license to Office of Insurance Commission (OIC) and AIST has changed its name with the Department to Business Development, Ministry of Commerce, to be ACSI (Thailand) Co., Ltd. which effective January 4, 2022 onward.

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

Business	Debt Collection Service and Legal Service
Head Office	699 Modernform Tower Building, 11 <sup>th</sup> 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 (96.29% of ownership)**

Business	Leasing Business
Head Office	ASEAN Road, 1 <sup>st</sup> & 3 <sup>rd</sup> 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

Note: The Company holds shares indirectly through ACS Servicing (Thailand) Company Limited with 3.71%

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

Business	Microfinance Business
Head Office	Room No. (210-212), Building (D), 2 <sup>nd</sup> Floor, Pearl Condo, Kabaraye Pagoda Road, Bahan Township, Yangon, Myanmar
Tel.	95-9-969712111
Fax.	95-1-430653
Issued and paid up share capital	MMK 17,021,811,000
Par Value of share	MMK 1,000

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

Business	Specialized Bank Business
Head Office	6th Floor (S603) of Diamond Twin Tower, Street Sopheak Monkul, Corner of Koh Pich, Sangkat Tonle Basak, Khan Chamkar Mon, Phnom Penh, Cambodia.
Tel.	855-23-988-555
Authorized share capital	USD 20,000,000
Issued and paid up share capital	USD 20,000,000
Par Value of share	USD 1

Note: 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.

**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 <sup>th</sup> Floor, Sukhumvit Road Khwaeng Klongtoey, Khet Klongtoey, Bangkok 10110
Tel.	0-2302-4780
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

Note: 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.

**Rabbit Cash Company Limited (18% of ownership)**

Business	Provide lending services through digital platform under the brand of "Rabbit Cash"
Head Office	1 Q HOUSE LUMPINI Room No. 2701, 2704 27 <sup>th</sup> Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok
Authorized share capital	Ordinary shares 800,000,000 baht,
Issued and paid up share capital	Ordinary shares 800,000,000 baht,
Par Value of share	100 baht

Note: On 29 March 2021, AEON Thana Sinsap (Thailand) Public Company Limited has entered into a Joint Venture Agreement with BSS Holdings Company Limited and Humanica Public Company Limited (the "JVA") to incorporate a joint venture company under the name of "Rabbit Cash Company Limited"

**AEON Asset Management (Thailand) Co.,Ltd (99% of ownership)**

Business	Non-performing assets management
Head Office	159/22 Sermit Tower 14 <sup>th</sup> Floor, Sukhumvit21 Road Khwaeng Klongtoey, Khet Klongtoey, Bangkok 10110
Authorized share capital	Ordinary shares 25,000,000 baht,
Issued and paid up share capital	Ordinary shares 6,250,000 baht,
Par Value of share	100 baht

Note: The Company indirectly holds shares of AEON Asset Management (Thailand) Co., Ltd through ACS Servicing (Thailand) Company Limited with 1.00% shareholdings.

**Reference****Securities Registrar**

Located

**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**

Located

**Deloitte Touche Tohmatsu Jaiyos Audit Company Limited**

AIA Sathorn Tower, 23rd – 27th Floor, 11/1 South Sathon Road,  
Yannawa, Sathon, Bangkok 10120  
Tel. 0-2034-0000 Fax. 0-2034-0100

**Other material facts****Legal Disputes**

The Company has no legal dispute, which

- 1) may materially affect its business operation,
- 2) may have a negative affect on the Company's assets amounting to more than 5% of shareholders' equity as of February 28, 2023, or
- 3) Any legal disputes beyond those occurring in the normal course of business of the Company.

# 6

## **Corporate Governance Policy**

## 6. Corporate governance policy

### 6.1 Overview of the Policy and Guidelines

The Company has been taking of 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, maximizing benefits to the shareholders 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 by Securities and Exchange Commission Thailand, which are comprises five sections as follows:

#### Section 1: Right of Shareholders

The Company realizes and places importance on equality of all shareholders' rights by keeping equitably with support and facilitation all shareholders to exercise their right 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 shares, the right to receive dividends, the right to participate in the annual general meeting, vote and make a question at the meetings of shareholders. Apart from above mentioned about the right of shareholders, the company has made additional efforts to encourage and facilitate shareholders to exercise their rights as follows:

- 1.1) 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 channel through the E-mail addresses of Investor Relations section.
- 1.2) The Company conducted shareholders' meetings within 4 months after the end of each fiscal year.
  - In 2022, The Company held a total of 1 shareholders' meeting (no extraordinary meeting during the year) on June 24, 2022 at 10:00 am. The Company held the Annual General Meeting 2022 in form of electronic meeting (E-AGM) at the meeting room, 388 Exchange Tower, Sukhumvit Road, Khwaeng Klongtoey, Khet Klongtoey, Bangkok 10110. The Company published a guideline and a manual via SET's disclosure channel and company website. The Company sent Thai and English 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 name list of all Independent Directors, and the criteria and procedures governing shareholders' meeting to shareholders for their consideration 15 days prior to the meeting.
  - The notice of shareholders' meeting both Thai and English language was disclosed on the Company's website at least 25 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.
  - For the convenience of shareholders unable to attend a Meeting, the Company provides an opportunity for them to appoint a representative, e.g., an independent director or any other person to act as proxy, using one of the proxy forms attached with the notice of the Meeting. The proxy forms prepared in compliance with the specifications defined by the Department of Business Development, Ministry of Commerce, allow shareholders to exercise their voting rights as they wish. Additional attachment is a profile of independent directors proposed by the Company to serve as proxies for shareholders. For institutional or foreign investors who authorize custodians in Thailand to keep and safeguard their shares, the Company will arrange for the documents and evidence required prior to attending the Meeting well in advance to facilitate registration on the date of the Meeting.

- 1.3) The Company allowed shareholders who had pre-registered for the electronic meeting to log in a system 2 hour before the meeting time according to AGM attending manual which was previously published and sent to shareholders. Shareholders are free to send their meeting-related questions to the Company at least 15 days before of the meeting date to following channels;  
 E-mail : [ir@aeon.co.th](mailto:ir@aeon.co.th)  
 Posting : Corporate Planning Office (Investor Relations)  
 388 Exchange Tower, Sukhumvit Road, Klongtoey, Klongtoey, Bangkok 10110
- 1.4) Before start the meeting, Company Secretary clearly informed all shareholders of voting and vote counting procedures with one share being equal to one vote. The Company will provide an independent legal advisor to be observer voting 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.
- 1.5) For the shareholders' meeting on June 24, 2022, the Chairman of the company attended the meeting by online and assigned Executive Director to act as a Chairman of the meeting. There were 12 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 invited representatives from Baker & McKenzie Co., Ltd. to be observers to ensure the transparency and comply with the laws and regulations of the company.

- 1.6) On the same day as the E-AGM, the Company conveyed a summary of the meeting resolutions and the voting results of each agenda to the shareholders and the public via the Stock Exchange of Thailand's disclosure channels and disclosed such minutes on the Company's website within 14 days.

## 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 disclosed 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:

- 2.1) 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.
- 2.2) 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.
- 2.3) The Company allowed shareholders to submit questions relevant to the shareholders' meeting agenda in advance.
- 2.4) The Company has encouraged shareholders to use ballots in every agenda item by using voting tickets provided for each agenda 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. In 2022, the Company held the Annual General Meeting in form of electronic meeting (E-AGM). Shareholders were able to vote through electronic system for each voting agenda allowed by the Chairman of the meeting. The voting results were accordingly combined with the pre-voted in the proxy form before the announcement of the resolution of the votes in the meeting. However, electronic traffic data was collected in accordance with the requirements attached to the notification of the Ministry of Information and Communication Technology.

2.5) The Company duly submits the minutes, with voting records to SET within 1 day after the meeting. Also, the Company records the minutes accurately and completely for sending to The Stock Exchanged Thailand (SET) and the Securities and Exchange Commission (SEC) within 14 days after the meeting. The minutes are also posted on the Company's website within 14 days after the meeting.

2.6) The Company sets up the following policies to protect directors and executive officers to exploit the Company's inside information for their own benefit.

- Measure to control the purchase, sale, transfer or acceptance of transfer of the Company's securities

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 or before the disclosure of financial statement of the company to the public. The period in which the purchase, sale, transfer or acceptance of transfer of the Company's securities is controlled, i.e. the period in which the Company's securities price may be affected by activities such as the disposing of assets, opening a new business or new product, etc., and the period from closing the financial statements to submitting financial statements to the SET and the SEC, which is not more than 45 days for quarterly financial statements and not more than 60 days for annual financial statements. In addition, after the disclosure of the information, the above-mentioned person should not buy or sell (not less than 24 hrs.) securities until the public has received such information and had an opportunity to evaluate it thoroughly.

- Measure to educate directors, executives, employees and connected persons on the use of inside information

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.

- Measure to report securities holdings and changes in securities holdings

The Board of directors set up the 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 buy and sell 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 transaction.

- Measure to restrict employee to access to information (Need-to-know Basis)

The company restricts employee's access rights to the data layer to prevent access to information that may be sensitive and affect the price of the Company's securities.

- Measure to establish information technology and data security

The Company has established IT Steering Committee (ITSC) to promote, supervise and manage the use of information technology system and the IT security system to prevent the leakage of inside information or damage that may occur to the data. The Company also implements and complies the standard system ISO27001:2022 (Information Security, cybersecurity and privacy protection – Information security management system) that the International Organization for Standardization (International Organization for Standardization, abbreviated as ISO) officially in October 2022, which was modified from ISO27001:2013.

- Measures to preserve and prevent the use of inside information.

Public disclosure of inside information, including any internal communications or any potentially sensitive information, Management approval is required. In addition, the Company has set a Blackout Period during the period from the closing of the financial statements until the announcement of the financial statements.

- Legal measures to prevent the use of insider information.

The Company has set prohibitions on the use of inside information for personal benefits and communicated to all employees including clear legal penalties.

2.7) The Company sets up the following policies to prevent conflict of interest;

- Measure to report directors and executives' interests and related persons.

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.

- Measures to prevent structural conflicts of interest.

The company has arranged a transparent and clear management structure in the shareholding structure and investment in subsidiaries or associated companies.

- Measure to inspect and report connected transactions

The Company has established measures for related transactions between the Company and persons who may have conflict of interest that the executives or related persons will not be able to take part in approving such transactions. In addition, the Company has arranged for the Audit Committee to consider and give opinions on the transactions between the Company and related persons which is disclosed in the connected transactions.

- Measure to prevent the conflict of interest by rules and regulations of the company.

The Company has established "Rules and regulations of entertainment and gift exchanging" for employees at all levels to be aware of the principles, terms of accepting gifts and hospitality for customers. Such rules and regulations shall be regarded as part of this anti-corruption policy as well and disclosed in the Anti-Corruption Policy.

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 follows:

#### The Company's guidelines for treatment of stakeholders

##### ● 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 facilitates shareholders to fully exercise their rights.

##### ● Employee

The company has recognized that the 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 including receive a fairly benefits and reward for their dedication to the Company on yearly basis.

##### ● Customer

The company is committed to conducting business with customer satisfaction as the top priority, therefore it has continuously developed products and services along with its Digitalization Roadmap in which adopting digital technology into best services to meet the needs of customers. In addition, the Company also places importance on conducting business with fairness and transparency, supporting free competition for the utmost benefit of customers.

##### ● Competitor

The Company executes the business under a fair competition, integrity approaches, strictly comply with laws, rules and related regulations and does not seek competitors' confidential information by dishonest means and do not take advantage of competitors by unlawful means or try to damage the reputation of competitors by making malicious accusations without real information and no attempts to infringe others' copyrights or their intellectual properties. In addition, the Company does not have a price policy that discourages or takes competitive advantages against competitors. During the past year, the Company does not have any legal issues with its competitors for unfair business.

##### ● Business partner

The company has always been realized of the importance and determine to go forward together with the business partner by doing business with fairness. The success of the business group partly from the support of partners. The company strictly treats any agreements and conditions with honorably for a long-term relationship with all partners.

- Strictly to follow guidelines and procedures of procure, selecting and evaluating the business partners.
- Require business partners to comply with international standards.
- Strictly to follow the Company's policy about the acceptance of gifts, money, or special favors from business partners
- Strengthen a good relationship with business 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. The debentures will begin gradually redemption in 2023 and the final redemption date will be on October 28, 2025 with the condition of early redemption on February 28, 2023. The subsidiary is considering the debenture redemption plan.

As of February 28, 2023, the Company was able to maintain financial ratios and other terms as specified in the contract. The Company has been assessed by an internationally recognized credit rating agencies. In 2022, the Company was able to maintain its credibility. The assessment results are as follows:

Credit Rating Agency	Credit Rating
Fitch Rating	A-(tha)/Outlook Stable
Japan Credit Rating	A/Stable

#### ● 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. It creates a corporate culture to encourage all employees to participate in environmental stewardship including training all level of employees to realize the importance of society and environment responsibility. For more details on ESG part or Sustainability report 2022 of the company, disclosed in the Company's Investor Relation website.

### Section 4 Information Disclosure and Transparency

#### 1) Disclosure of Information

Information disclosure is a crucial principle for Good Corporate Governance. The Company has set up policy, 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 56- 1 One report 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 and press release to analysts and investors through the Company's website ([www.aeon.co.th](http://www.aeon.co.th)). 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 56-1 One Report. For non-financial information such as connected transactions, management discussions, analysis, risk management information, and the Company's corporate governance, The Company has published such information in the 56- 1 One Report 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 56-1 One Report annually.

The Company discloses information on shareholding of director and executives, both directly and indirectly (including spouses and their minor children), in the 56-1 One Report under the topic, "Change in Shareholding of Board of Directors and Management".

## 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, 56-1 One Report, and notifications to SET/SEC, etc.

### Investor Relations contact information

Address : AEON Thana Sinsap (Thailand) Public Company Limited  
388 Exchange Tower, 27<sup>th</sup> Floor, Sukhumvit Road  
Khwaeng Klongtoey, Khet Klongtoey, Bangkok 10110

Website : <http://www.aeon.co.th> (select "Investor Relations")

Telephone : 0-2302-4721-3

Fax : 0-2302-4470

E-mail : [ir@aeon.co.th](mailto:ir@aeon.co.th)

The Company has regularly conducted company visit for both domestic and international analysts and investors and according to Covid-19 situation the company mainly joined/hold the meeting via online platform. Fiscal Year 2022, the Company shows details as below:

Forms of activities	Number of times	Number of Company
Conference call + Online meeting	23	86
Roadshow	2	9
Analyst meeting	2	23
<b>Total</b>	<b>26</b>	<b>118</b>

## **Section 5 Responsibilities of the Board**

### **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 reported in attachment1.

### **The Board of Directors' Authorization**

The Board of Director is empowered to authorize various matters in accordance with the scope of authority stipulated by laws, the Company's Articles of Association, the Board Charter, and the Shareholder Meeting resolutions. Such matters include defining and reviewing corporate vision, mission, operating strategies, operating plans, risk management policy, annual budget and business plans, defining of the target operating results and also material connected transactions.

### **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. The Board of Directors can invite any involved executive or relevant persons for inquiry during the meeting.

In addition, according to the Company's Articles of Association, at a meeting of the board of directors, at least one half (1/2) of the total number of directors present shall form a quorum. However, in practice, the Company has maintained at least two-thirds of the directors attending the meeting to determine the quorum in every meeting. For FY2022, the summarized of the Board of Directors' average attendance was not less than 75% which was shown on Summary of the Board of Directors' and Sub-Committees' Meeting Attendance in FY2022.

In each meeting, the Chairman allows each director to express his opinion extensively and freely. Thus, each decision is made rationally and thoroughly. Each meeting agenda item is made under the proper time. The Company provides an online meeting 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 the fiscal year 2022, the Board held a total of 13 board meetings. (Detail of the meeting and number of attendance of each director in Report on key operating results on corporate governance).

### **Succession Planning**

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

## 6.2 Business Ethics and Corporate Governance Policies

### Business Ethics

- Aeon group has provided “AEON Code of Conduct” for the Board of Directors, the Management, and the employees of the Aeon group 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 with AEON Financial Service (Japan) always provides training for management on yearly basis. 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.

### AEON – Commitment

- Aeon people are always grateful to the many other individuals who provide support and help, never forgetting to act with humility.
- Aeon people values the trust of others more than anything else, always acting with integrity and sincerity in all situations.
- AEON people actively seek out ways to exceed customer expectations.
- AEON people continually challenge themselves to find new ways to accomplish the AEON ideals.
- AEON people support local community growth, acting as good corporate citizens in serving society.

● The Company has clear procedures to monitor transaction that may have conflict of interest. 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 reporting to the Management on monthly basis by arranging electronic meeting (Online Meeting) with companies affiliated and parent company in Japan. 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.

### ● Intellectual Property Policy

The Company values and respects all related rights of intellectual property of others without doing any acts which infringe the intellectual property and will only utilize them after obtaining permission to do so.

## Corporate Governance Policies

### 1) Policy of anti-corruption and bribery prohibition

The Company is against and does not accept corruption in any form. The Company has prescribed anti-corruption procedures for its activities to comply with this policy and will regularly review that these procedures comply with the relevant laws and maintain the Company's reputation. All the employees, affiliates and parties involved with the Company must strictly comply with this policy.

Executive Committee is responsible for determining the policies, monitoring and forming an effective system supporting anti-corruption in order to ensure that the senior executives intensively concern and emphasize on anti-corruption, and cultivate anti-corruption mindset as the Company's culture.

1. The Company has a policy to conduct business in good faith with honesty, transparency and ethical principles by focusing on fostering the attitude among its employees to oppose, correct and be responsible for corruption issues, including communicating the knowledge, understanding to all employees and performing tasks honestly and in accordance with the policy.
2. The Company does not accept any corruption activity which may be an offence under the law and is committed to conduct business with integrity, honesty, and fairness according to the Company's commitment to prescribe and enforce effective anti-corruption measures.
3. The Company will cooperate and support anti-corruption activities by promoting and participating in monitoring, auditing and having mechanism to monitor and control the exercise of power to be appropriate, transparent and efficient as well as to act in compliance with the anti-corruption laws.
4. The Company shall set the standard for the investigation procedure for trials to be effective and in compliance with the operation of the appointment of the Disciplinary Working Team (ISMS-PC-04-13), and operation for appointment of the Disciplinary Working Team for Fraud Case (ISMS-PC-04-14) which are considered part of this policy.

#### Scope of Policy

1. This policy applies to employees of the Company and employees of the affiliated company operating at all levels, including employees of the Company's or affiliates' branches and/or other related parties.
2. The policy regarding the Company's employment contracts states that all employees must comply with the rules, regulations and policies of the Company. Compliance with this policy is in accordance with the terms of the relevant employment contract or any agreement between the Company and the employees.
3. If this policy conflicts with or differs from other policies of the Company, the affiliates or the relevant regulations and laws, the stricter policies, regulations, and laws must be adhered to.
4. The Company determines that its affiliates shall implement the anti-corruption policy of each company in accordance with this policy.

#### Corruption Risk Assessment Measures

The Company shall implement risk assessment to determine which cases are considered to have a high risk of corruption as follows;

1. Planning
2. Gathering and analyzing data
3. Risk identification
4. Risk level assessment
5. Gathering information on the existing risk control measures and remaining risk assessments
6. Use the risk assessment data to implement appropriate anti-bribery measures, and reporting the results. The corruption risk assessment form is deemed as the part of this policy.

### **Internal Communication**

The Company has established channels for communicating the policy and procedures regarding anti-corruption policy including the approval process, the practice for avoiding or denying corrupt behavior. The Company provides various channels for reporting corruption information, complaints or suggestions within the Company; for example, via the intranet within the organization, email, new employee orientation program in order to give employees a better understanding of the anti-corruption policy.

### **Whistleblower Protection**

1. The Company encourages and is open to employees to report actual offenses under this policy, even if it is found later that such report is based on a misunderstanding. The company has no policy to demote, punish or cause negative effect on employee who refuses to commit corruption, even if such action will cause the Company to lose a business opportunity.
2. The company promises that no employee shall be adversely affected by the denial of participation in corruption, including well-intention reporting of suspicious behavior of bribery, or other fraud that occurs or may occur in the future.
3. If an employee is subject to unfavorable treatment due to whistle blowing. He/She must report such treatment immediately to the supervisor, senior management of the department /or supervisor in the line of work.

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

AEONTS and subsidiaries are committed to combating money-laundering and financing of terrorism and the proliferation of weapons of mass destruction to be complied with the applicable laws and regulation of legal entity and also to be complied with AFS Group's AML/CFT policy.

We are taking into the account its social responsibility as a financial institution, company and corporate group, considers the prevention of money laundering and terrorist financing to be one of its most important management issues.

In order to prevent of money laundering and terrorist financing, the company wholly or majority-owned or controlled legal entities as a source of money laundering and supporting financial to terrorist and proliferation of weapon of mass destruction implements the AML/CFT/WMD policy as followings:

1. The Company supports and strictly complies with the applicable Anti-Money Laundering, Combating the Financing of Terrorism and the Proliferation of Weapons of Mass Destruction's law and regulations which includes but not limit to the customer acceptance, customer due diligence, risk assessment and risk mitigation, transaction monitoring and reporting and record keeping.
2. The Company shall appoint senior management to oversight AML/CFT/WMD laws and regulations and considers the prevention of money laundering and terrorist financing to be one of its most important management issues and the management shall establish organizational control of Group Policy.
3. The Company will prescribe the control measure relates to Anti-Money Laundering, Combating the Financing of Terrorism and the Proliferation of Weapons of Mass Destruction 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 in case customer has their risks concerning Anti-Money Laundering, Combating the Financing of Terrorism and the Proliferation of Weapons of Mass Destruction. Such subordinate policies and guidelines shall be regularly reviewed and kept the information are up-to-date.
4. The Company shall perform the internal AML/CTPF risk assessment and management in order to determine, evaluate and mitigate AML/CTPF risks as annually basis. The assessment covers all customers, products/services and channel and also perform the assessment prior to introduction of new products or services or implementation of new technology or electronics network as required by the applicable laws and regulations.
5. The Company shall report the cash transaction report as required by law and regulations includes the suspicious transaction with accurate and complete information as well as within the specified timeframe to the law enforcement authority.

6. The Company shall prescribe the independent internal control which suitable for the organization and complied with regulatory requirement.
7. The Company shall prescribe the information's sharing procedure among intra-group the groups of company and mutual cooperation.
8. All officers and employees in AFS Group and Company shall not engage in money laundering or terrorist financing, nor shall they provide any assistance, including involvement, support or inaction, to those who engage in such activities. Directors, officers, employees, agents and offices acting on their behalf are prohibited from disclosing information, facts or doing any acts that may cause customers or third parties to know about the investigation, transaction reporting to the AMLO office, except for compliance with the law or by court order or disclosure of information between the head office and branches.
9. The Company requires that all information and evidence of identity verification, as well as Customer Due Diligence and transactions shall be kept entirely within the period specified by law.
10. The Company shall arrange and provide the AML/CFT/WMD training to all staffs in accordance with the applicable laws and regulations. Also responsible for the enhancement of the staff's knowledge to meet the regulatory requirement and efficiency of AML/CFT related duties.
11. The Company will arrange the independent audit program on AML/CFT/WMD regarding to the compliance with the internal policies and regulations.
12. The Company shall prescribe the internal policy and procedures for sharing information required for the purposes of AML/CFT/WMD risk management applicable to all branches and majority-owned subsidiaries both local and oversea jurisdiction. Adequate safeguards on the confidentiality and use of information exchanged should be in place. In the case of their foreign operations, where the minimum AML/CFT requirements of the host country are less strict than those of the home country, the Company shall be required to ensure that the branches and majority-owned subsidiaries in host countries implement the requirements of the home country, to the extent that host country laws and regulations permit. If the host country does not permit the proper implementation of the measures above, the Company should apply appropriate additional measures to manage the money laundering and terrorist financing risks, and inform their home supervisors. The Company shall prescribe the internal policy and design the program to supervise a third party's activities in accordance with the applicable AML/CFT laws and regulations.
13. The Company has appointed Managing Director, to be the Chairman of AML/CFT Committee.



### 3) Channels for Complaints and Whistleblower Protection Policy

The Company place great importance on good governance by prescribing a policy for all levels of employees to focus on transparent and verifiable operations. The Company continuously provides training and knowledge for employees in those matters.

The Company has provided channels for complaints or whistleblowing for various groups of stakeholders, which can be reported through several channels, such as;

- All 104 branches nationwide
- Call Center phone number 02-665-0123
- Electronic mail (E-Mail): [csd@aeon.co.th](mailto:csd@aeon.co.th)
- Investor Relations: [ir@aeon.co.th](mailto:ir@aeon.co.th)

The Company has established a clear process for receiving complaints, whereby the complaint information, including the name of the complainant will be kept confidential. Employees are not involved and have no access to such information. In case of receiving complaint, the recipient will record the information and take corrective action as appropriate without delay, including reporting the results to the executives or the Board of Directors for acknowledgment in some cases.

In addition, the Company has established channels for complaints in case of unfair treatment of employees, whether caused by the operations of the Company, supervisors or employees. When receiving such cases, the departments and responsible persons appointed by the Company will be responsible for inspecting, investigating and considering the results without delay, and directly reporting the results to senior management. In this regard, the complainant will be kept confidential as well. The Company has a variety of complaint channels, consisting of E-mail channel and other channels such as telephone, etc.

### 4) Personal Right and Personal Data Protection Policy (PDPA)

As the Company's operation is related with the personal information, we are well aware of the personal information breach issue, and strongly value the importance of privacy rights' protection, security of processed personal information and using personal information within the defined purpose(s) under enforced legislations, Personal Data Protection Act 2019 (PDPA).

The Company has policies and practices to protect personal information of all stakeholders. The Company has improved internal processes and practices following the Personal Data Protection Act in order to develop potential and create awareness among personnel in the organization. Therefore, we have provided company's personnel the training about rules and guidelines on the personal data protection to be acknowledged and prevent damage that may occur from the collection, usage and disclosure of Personal Information as well as the information is kept safe, confidential and will not be disclosed without the data subject's consent or any lawful basis. We also set up system to control safety of personal information of customer and follow the related regulations.

To collect personal information, the Company has published Privacy Policy Statement (or the privacy notice) for customer, third parties, external AEON business and employee, on our website, to notify the data subject about purposes, retention period, lawful basis, disclosure and other details required by laws.

The Company also values data subject rights and provides proper channels to receive a request and complaint. Besides we have policies to investigate and handle issues within reasonable timeline.

### **6.3 Significant changes and developments in policies, practices and corporate governance systems in the past year**

#### **Implementation of the Corporate Governance Code for Listed Companies 2021**

According to the Corporate Governance Report of Thai Listed Companies also known as “CGR” survey 2022, the Company survey result was “very good”. Nevertheless, the Company’s Corporate Compliance Committee held the meeting to reconsider and rectify the Company’s policies to be in accordance with the CGR’s criteria including disclosed the responsibilities of the board which demonstrates transparency of the Company’s operations and build trust in stakeholders.

However, there were some cases that may not follow the CGR’s criteria which the explanations and the guidelines for amendment are as follow;

#### **1. The Board of Directors should consider and approve the establishment of the nominating and remuneration committee**

The Board of Directors has already acknowledged the suggestion and the current on-going process to consider appointing the director to be a member of the nomination and remuneration committee. In the meantime, the processes to nominate new director and determine appropriate monetary and non-monetary remuneration are defined by the resolution of the Board of Directors with the suggestion from the executive of Human Resource Department.

#### **2. The Board of Directors should set the term for the Independent Director to hold the position for a maximum of 9 consecutive years since the date of appointment**

Due to the Board of Directors prioritized on the independence and freedom of expression, also, the Independent Director was not considered only by competence and knowledge, but also by the definition of the Independent Director by Securities and Exchange Commission (SEC). However, in 2022, there’s the only 1 Independent Directors out of 4 that serves as the Independent Director for more than 9 consecutive years and still able to independently provide opinions pursuant to the relevant rules and regulations and consistently maintain the qualification of the Independent Director. Therefore, the Board of Directors has the resolution that the current Independent Director is suitable for the position.

#### **3. The Company’s free float portion should be larger than 40 percent of the registered shares.**

In 2022, the Company free float portion is 30-40 percent of the registered shares. Although the Company’s free float portion is incompletely meeting the CGR criteria, the Company’s Board of Directors still take an important on liquidity of the Company’s shares. Therefore, the Board of Directors considered setting the Company’s free float to not less than 15 percent, which is in accordance with the Distribution of Minority Shareholdings regulation from the Stock Exchange of Thailand (SET) and meeting the criteria for SET100 index.

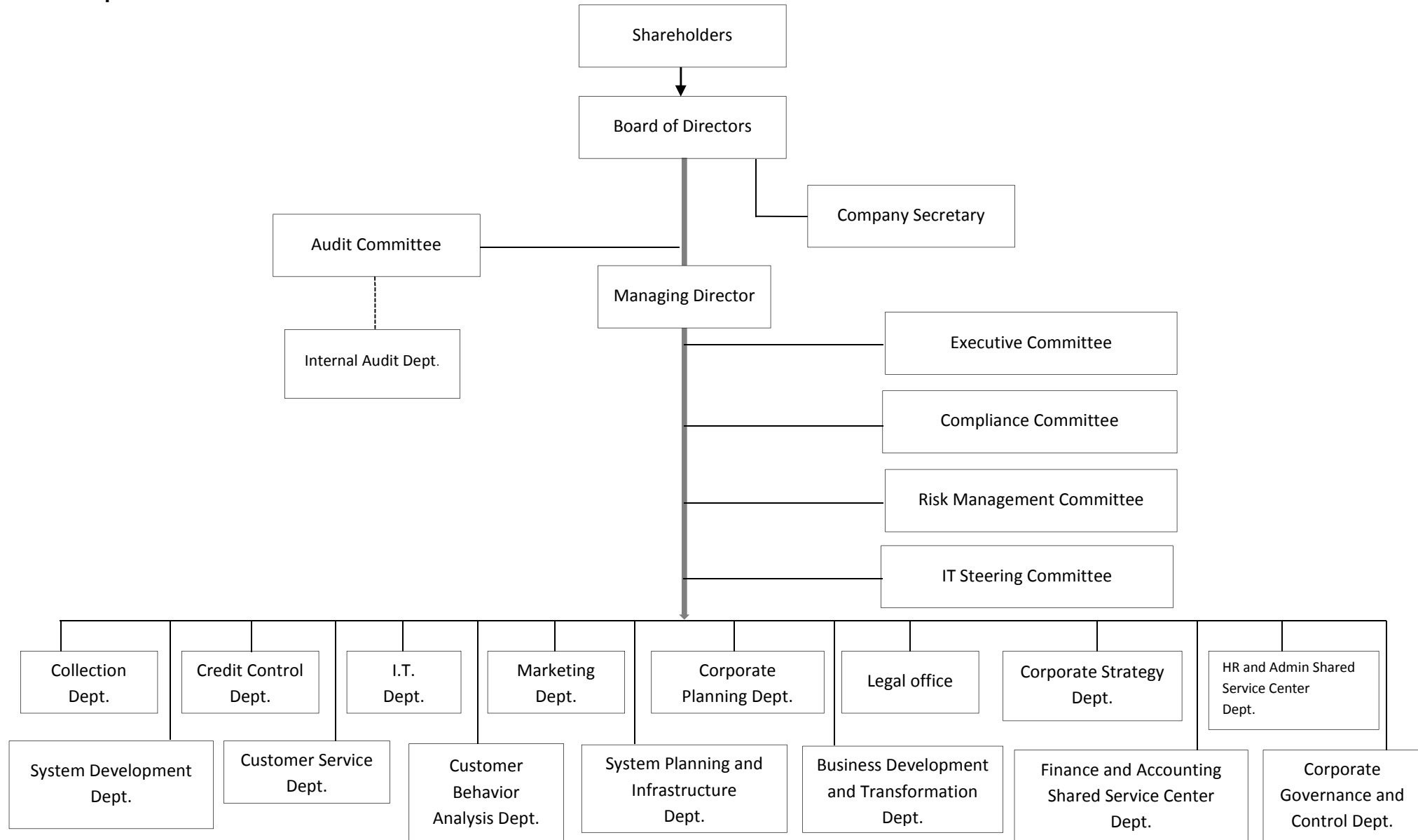
#### **4. The Board of Directors should consider setting the limitation of the directorship in other Company not to be over than 5 companies.**

The Company has 1 director holding the other Company’s directorship more than 5 companies which is non-executive director. However, each director still outstandingly performs his/her duties and effectively gives an opinion or suggestions for the Board of Directors meeting. Furthermore, every director has the attendance portion more than 98 percent which comply with the CGR criteria.

# 7

**Corporate governance structure and material facts  
related to the board, sub-committees, executives,  
employees and others**

**7. Corporate governance structure and material facts related to the board, sub-committees, executives, employees and others**  
**7.1 Corporate Governance Structure**



## 7.2 Information of the Board of Directors

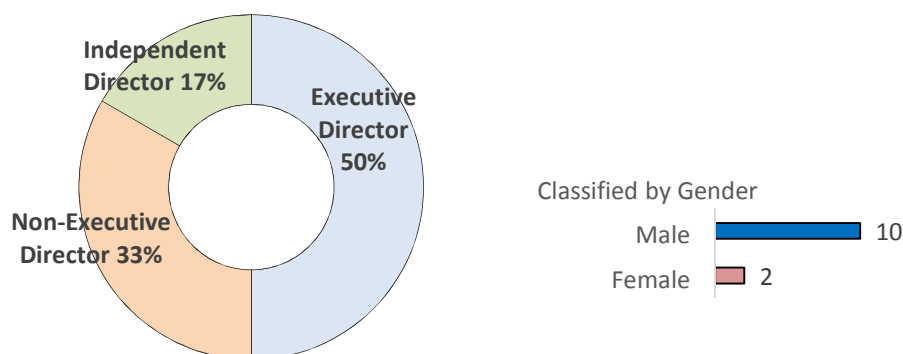
### **Board Structure**

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 diversity which consisting of 6 executive directors, 2 non-executive directors, 4 independent directors, totaling 12 directors, in compliance to requirements and regulations of the SEC. Moreover, the board comprises directors with diversity of gender, education, and professional expertise in which considered relevant and necessary for the Company's business management such as marketing, legal, information technology, finance and accounting, corporate governance, environment, investment in foreign countries and Asia region, etc.

The average age of the Board of Directors is 57 years is considered appropriate and sufficient to formulate policies and direction of the company. Details of individual directors appear in Attachment 1 (skill table).

As at February 28, 2023, the Board of Directors structure is as follows:

**Board of Director's Structure Classified by Type**



Important Skill Matrix for Board of Directors						
Marketing	Legal	IT	Accounting and Finance	Corporate Governance	Investments in Offshore	Environment

### **The Board of Directors of the Company**

As of February 28, 2023, the Board of Directors comprises 12 directors: 6 executive directors; 4 independent directors and 2 non-executive directors. The details of each director are listed below:

<b>Members of the Board Directors</b>	<b>Position</b>
1. Mr. Mitsugu Tamai	Chairman of the Board of Directors (Non-Executive director)
2. Mr. Tsutomu Omodera	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. Ms. Suriporn Thammawatid	Director (Executive director)
6. Mr. Kazumasa Oshima	Director (Executive director)
7. Mr. Junichi Iwakami	Director (Executive director)
8. Mr. Chatchaval Jiaravanon	Director (Non-Executive director)
9. Dr. Sucharit Koontanakulvong	Independent Director and Chairman of Audit Committee
10. Dr. Mongkon Laoworapong	Independent Director and Audit Committee Member
11. Mr. Ittinant Suwanjutha	Independent Director and Audit Committee Member
12. Mr. Ryuichi Hasuo	Independent Director

### **Authorized Signatory Directors**

The authorized signatory of the Company is Mr. Mitsugu Tamai or Mr. Tsutomu Omodera and affixed with the Company's seal.

### **Role of the Board to control, governance, follow up operation with transparency and effectiveness**

### **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 a meeting 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.

### **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 or authorized person to take action instead.
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 control and conduct 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.

### **Roles, Duties and Responsibilities 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 goal, budget, etc., supervises the Management's performance to comply with the specified policies and plans, effectively and efficiently, and also provides the system to monitor, improve, and evaluate the Company's operation in order to achieve the Company's maximum value.

After the Company became a public limited company and the listed company in 2001, the board 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 and completely.

### **Roles, Duties and Responsibilities of Independent Directors**

1. Act as an unbiased advisor to the Board of Directors to make a decision on the deliberate issue; performance, strategy, risk management, and the related regulation.
2. Safeguard the interests of all stakeholders and the minority shareholders.
3. Scrutinize the financial information and the performance of management as well as ensure risk management to be well-prepared for any possibilities.
4. Engage in any duties as assigned by the Board of Directors, without interfere with the independent nature of the Independent Director.

## 7.3 Information on sub-committees

### Sub-Committee

The Board has further appointed the Sub-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;

#### 1. 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. 2558) 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, nominate and terminate 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 (56-1 One 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 Stock 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.



### List of Members of Audit Committee

As of February 28, 2023, 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
Dr. Sucharit Koontanakulvong	Independent Director and Chairman of Audit Committee	10/10
Dr. Mongkon Laoworapong	Independent Director and Audit Committee Member	10/10
Mr. Ittinant Suwanjutha	Independent Director and Audit Committee Member	10/10

### 2. The Compliance Committee

The Compliance Committee is the management association of elected members of 1) Risk Management Committee and 2) Compliance Committee, which also known as the "Risk Management and Compliance Committee". The policy of Compliance committee had been latest reviewed on May 5, 2022 by the board of Director who reviews and determines roles and responsibilities of the Compliance Committee to ensure and build the trust in Company's efficiency in risk management and regulatory compliance as well as company internal standard, in order to provide certainty to all shareholders and stakeholders of the Company.

The Compliance Committee was formed to report, deliberate and approve on acts of 1) Risk Management, 2) Regulatory Compliance and 3) Corporate Internal Control. The role and responsibility of the Committee are to identify risk associated with company business activities, monitor and control risks within acceptable level and to ensure that the company is comply with the government regulations, ISO standards, and J-SOX audit by monitoring the result. Moreover, any other responsibilities may be required as necessary for the benefit of the company as well as to ensure that Company's operation to be fair, transparent, respected to all the stakeholders together with the Company's risk management and achievement of business goals under changing conditions in the industry, economic fluctuations, political instability, as well as other various risk factors potentially affect the Company's operations.

#### Scope of power and duties of Compliance Committee

1. Conduct policies and plans that related to the Company's guidelines to propose to the Board of Directors for approval, together with provide an approval for respective departments' action plans.
2. Acknowledge the process and follow up the result for reconsidering and enhancing each plan to make reports and propose 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.
4. 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 Compliance Committee is mainly arranged on monthly basis, and shall be held in time of necessary, in accordance with urgent agenda potentially significant impact to the Company (if any). The meeting has been consciously held as a monthly practice to monitor and to ensure effectiveness of the corporate governance in conducting the company to be in line with government regulations and internal standards, as well as to generate trust in the Company's risk management in subsidiary companies in both Thailand and oversea. In 2022, the Compliance Committee had been arranged totally 12 times.

### List of the Compliance Committee

The Compliance Committee member is latest reviewed on April 26, 2022, which comprises of 20 active members as the name list following;

Name	Position
1. Mr. Tsutomu Omodera	Vice Chairman of the Board and Managing Director
2. Mrs. Suporn Wattanavekin	Executive Director
3. Mr. Nuntawat Chotvijit	Executive Director
4. Ms. Suriporn Thammavattid	Executive Director
5. Mr. Kazumasa Oshima	Executive Director and Chief of Financial Officer
6. Mr. Junichi Iwakami	Executive Director
7. Ms. Supanee Asawasuwana	Company Secretary and Senior Executive Vice President
8. Mr. Wichasorn Suwannakindra	Senior Executive Vice President
9. Mr. Manavudhi Mingvanich	Senior Executive Vice President
10. Mr. Somsak Hempiam	Senior Executive Vice President
11. Mr. Tawatchai Peechapat	Senior Executive Vice President
12. Mrs. Chittiporn Inoue	Senior Executive Vice President
13. Ms. Nadanong Chompong	Senior Executive Vice President
14. Mr. Alongkorn Sattabusaya	Senior Executive Vice President
15. Mr. Amorn Jirachaiprasitti	Senior Executive Vice President
16. Ms. Gritsla Kommongkol	Executive Vice President
17. Mr. Kosei Yahiro	Executive Vice President
18. Ms. Ariya Lertsatira	Executive Vice President
19. Mr. Jakkapan Kittananun	Vice President
20. Mr. Taveesak Phrusukarn	Vice President

### 3. 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) Manage general activities regarding business of the company in order to reach company's goal and plan.
- 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. In FY2022, the Company held the meetings for the Executive Committee at totally 23 times.

### List of the Executive Committee

As of February 28, 2023, the Company has totaled 6 executive directors, whose names are as listed below;

<b>Name</b>	<b>Position</b>
1. Mr. Tsutomu Omodera	Vice Chairman of the Board and Managing Director
2. Ms. Suporn Wattanavekin	Executive Director
3. Mr. Nuntawat Chotvijit	Executive Director
4. Ms. Suriporn Thammavatid	Executive Director
5. Mr. Kazumasa Oshima	Executive Director
6. Mr. Junichi Iwakami	Executive Director

### 4. PDPA Steering Committee

The Company also decided to establish PDPA Steering Committee to foster due compliance with PDPA. The members and their roles and responsibilities of PDPA Steering Committee are as below.

#### Name list of PDPA Steering Committee

<b>Name-Surname</b>	<b>Position</b>
Ms. Nananong Chompong	Senior Executive Vice President, Legal Office
Mr. Takashi Hisae (DPO)	Vice President, Corporate Compliance

In performing the following tasks, DPO shall follow the direction and recommendation as concluded by the PDPA Steering Committee.

#### Scope of power and duties of PDPA Steering Committee

- 1) Give advice and recommendation to the Company and internal departments about the interpretation or application of PDPA;
- 2) Handle query or complain on request by PDPC, data subject, regulatory body and any other persons;
- 3) Coordinate with the PDPC where there is data leakage, data breach, breach of PDPA or such other issues with respect to processing of personal data undertaken by the Company, data controller, data processor and service provider; and
- 4) Make any report or response, including issue official letter to PDPC, data subject, other regulatory bodies and such other persons in respect of PDPA.

## 5. Kaizen Committee

AEON has been developing “Kaizen” to be a part of business management which is able to enhance the quality, productivity and also increase the competitiveness of the business. The Company hereby appoints the Kaizen Committee for FY 2022 as of February 28, 2023 as listed below.

Name	Position
1. Mr. Tsutomu Omodera	Vice chairman of the Board and Managing Director
2. Ms. Suporn Wattanavekin	Executive Director
3. Mr. Nuntawat Chotvijit	Executive Director
4. Ms. Suriporn Thammawatid	Executive Director
5. Mr. Kazumasa Oshima	Executive Director
6. Mr. Junichi Iwakami	Executive Director
7. Ms. Supanee Asawasuwana	SEVP
8. Mr. Witchasorn Suwannakindra	SEVP
9. Mr. Manavudhi Mingvanich	SEVP
10. Mr. Somsak Hempiam	SEVP
11. Mr. Tawatchai Peechapat	SEVP
12. Ms. Chittiporn Inoue	SEVP
13. Ms. Nadanong Chompong	SEVP
14. Mr. Amorn Jirachaiprasitti	SEVP
15. Mr. Alongkorn Sattabusaya	SEVP
16. Ms. Gritsla Kommongkol	EVP
17. Mr. Kosei Yahiro	EVP
18. Ms. Kajohnporn Kittisobhone	VP

### Role and Responsibility

1. Provide direction and consultation for Kaizen activities.
2. Encourage and support Kaizen activities.
3. Evaluate Kaizen suggestions and decision for implementation.
4. Monitor the progress of Kaizen implementation.
5. Evaluate Kaizen suggestions for selection and give awards.

Note: The meeting of Kaizen Committee shall be held by monthly basis or upon call as needed.

## 6. IT steering committee (ITSC)

### Definition and the importance of ITSC

ITSC was established to enhance, supervise and manage the use of Information Technology Systems for conducting business operations or providing business services in accordance with the increasing volume of transactions, complexity of Information Technology and all related risks of the use of Information Technology Including the provision of supervising and managing the Information Technology Projects with efficiency and conciseness in order to achieve the success as planned.

### Role and responsibility

- 1) ITSC shall supervise and ensure the operations of Information Technology Systems including the Project Management Processes.
- 2) ITSC shall ensure the readiness of Information Technology Systems are in accordance with the strategy of business services or business operations and future changes.
- 3) ITSC shall ensure the IT Security Policy and IT Project Management Policy.
- 4) ITSC shall ensure the knowledge and awareness of IT Security for Directors, Executives and employees in the organization continuously and effectively.
- 5) ITSC shall ensure the appropriateness and competence of employees, who conduct IT Risk Management, monitoring compliance in accordance with laws and regulation, IT Auditing, including IT Daily Operation.
- 6) ITSC shall promote IT Risk Awareness throughout organization.

### Committee consisting of

The Committee members comprise of all top managements of the company according to company organization chart and/or reference to the IT Steering Committee of company detail as follow:

- a. Managing Directors of the Company
- b. Executive Directors of the Company
- c. Head of the department for relevant

The meeting held a monthly basis, related staff present the agenda to the meeting for acknowledgement or approval together with staff of IT Operation Support division engage in proceeding with duties at the Meeting respectively.

### Committee members comprise of the following persons;

Name	Position
1. Mr. Tsutomu Omodera	Vice Chairman of the Board and Managing Director
2. Mrs. Suporn Wattanavekin	Executive Director
3. Mr. Nuntawat Chotvijit	Executive Director
4. Ms. Suriporn Thammawatid	Executive Director
5. Mr. Kazumasa Oshima	Executive Director
6. Mr. Junichi Iwakami	Executive Director
7. Ms. Supanee Asawasuwana	SEVP
8. Mr. Manavudhi Mingvanich	SEVP
9. Mr. Tawatchai Peechapat	SEVP
10. Ms. Chittiporn Inoue	SEVP
11. Ms. Nananong Chompong	SEVP
12. Mr. Amorn Jirachaiprasitti	SEVP
13. Mr. Virach Sithivaraporn	SEVP
14. Mr. Sitthipong Kanaraksunti	SEVP
15. Mr. Alongkorn Sattabusaya	SEVP
16. Ms. Gritsla Kommongkol	EVP
17. Mr. Kosei Yahiro	EVP
18. Mr. Jakkapan Kittananun	EVP
19. Ms. Kajohnporn Kittisobhone	VP
20. Mr. Peeravich Pasuthip	VP

<u>1<sup>st</sup> line</u>	<u>2<sup>nd</sup> line</u>	<u>3<sup>rd</sup> line</u>
<b><u>IT Department (ITS)</u></b>  R&R: perform IT operation <b><u>Persons in charge:</u></b>  1. Mr. Junichi Iwakami 2. Mr. Manavudhi Mingvanich 3. Mr. Tawatchai Peechapat 4. Mr. Jakkapan Kittananun	<b><u>Compliance Department and Risk Management Department</u></b> R&R: Supervision on IT operation process in compliance with regulations  <b><u>Person in charge:</u></b>  Mr. Alongkorn Sattabusaya	<b><u>Internal Audit Department</u></b>  R&R: audit IT operation process to be comply with regulations  <b><u>Person in charge:</u></b>  Ms. Kajohnporn Kittisobhone

## 7.4 Information of Executive

### Management Executive

As of February 28, 2023, the Company has totaling 15 executive officers, whose names are listed below. Details of management shown in attachment 1:

Name	Position
1. Mr. Tsutomu Omodera	Vice Chairman of the Board and Managing Director*
2. Mrs. Suporn Wattanavekin	Director*
3. Mr. Nuntawat Chotvijit	Director*
4. Ms. Suriporn Thammavattid	Director*
5. Mr. Kazumasa Oshima	Director and Chief of Financial Officer*
6. Mr. Junichi Iwakami	Director*
7. Ms. Supanee Asawasuwana	Company Secretary and SEVP - Corporate Planning Office
8. Mr. Witchasorn Suwannakindra	SEVP - Business Control Management
9. Mr. Manavudhi Mingvanich	SEVP - System Development
10. Mr. Somsak Hempiam	SEVP - Collection-Project Management
11. Mr. Tawatchai Peechapatt	SEVP - I.T.
12. Mrs. Chittiporn Inoue	SEVP - Customer Service Department
13. Ms. Nananong Chompong	SEVP - Legal Office
14. Mr. Alongkorn Sattabusaya	SEVP - Corporate Governance and Control
15. Mr. Amorn Jirachaprasitti	SEVP - Collection

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

### 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 FY2022, the Company has totaling 12 directors and 15 executive officers, of which 6 executive officers are the Company's directors. Monetary remuneration of the Board of directors at the end of FY2022 from March 1, 2022 to February 28, 2023 as below.

Types of Remuneration	Remuneration of Directors and Executive Officers (Million Baht)	
	FY2022	FY2021
Number of the Board of Directors	12	13
Number of Executives <sup>1</sup>	17 <sup>4</sup>	15
Salary and other incentives for executive officers	85.27	74.08
Directors Remuneration <sup>2</sup>	5.51	21.98
Contribution added into provident fund	4.77	4.40
Long-term management remuneration <sup>3</sup>	4.16	3.60
Employee Joint Investment Program (EJIP)	4.72	0.00
<b>Total</b>	<b>104.43</b>	<b>104.06</b>

Note:

<sup>1</sup> Management under SEC definition is ranking from the position of SEVP upward.

<sup>2</sup> Directors Remuneration of 5.51 million baht is recognised accrual expenses (Included payment adjustment) which is in accordance with the Note 34 to the financial statements which has been audited by the auditor. Actual payment was 24.21 million baht in FY2022.

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

<sup>4</sup> Inclusive of 2 executive who resigned during the year.

**Other remuneration**

- None -

**7.5 Information of Employees****Employees**

As of February 28, 2023, the Company had 4,030 employees in total, consisting of female 3,138 employees and male 892 employees and disable person 23 employees. All those employees can be divided based on the Company's branch offices as follows:

Company's branches	Number of Employees (person)
Head Offices	2,589
Branches in Bangkok	152
Branches in upcountry	1,193
Service Counter-Bangkok	15
Service Counter in upcountry	81
<b>Total</b>	<b>4,030</b>

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, Customer Service Department	3,571
2	Finance and Accounting SSC, Information and Technology Service, HR and Admin Shared Service Center, Customer Behavior Analysis, Internal Audit, Corporate Governance and Control, Legal, Corporate Strategy, Corporate Planning, Risk Management and Business Development and Transformation	459
<b>Total</b>		<b>4,030</b>

As of February 28, 2023 the employees of a subsidiaries company as follow;

Subsidiary Company	Number of Employees (person)
ACSI (Thailand) Co.,Ltd	1
ACS Servicing (Thailand) Co.,Ltd	863
AEON Specialized Bank (Cambodia) PLC	982
AEON Microfinance (Myanmar) Co.,Ltd	68
AEON Leasing Service (Lao) Co.,Ltd	131
AEON Asset Management (Thailand) Co.,Ltd	0
<b>Total</b>	<b>2,045</b>

Note: data as of December 31, 2022

**1) Changing in Number of Employee**

The number of the Company's employee in the fiscal year 2022 decreased 4.48% comparing with the previous year.

During the past three years, the Company has had no material labor dispute. The total remuneration for all employees in fiscal year 2022 includes salary, overtime, bonus, incentive, and welfare, which included provident fund contributions for employees.

## 2) Accidents at work statistics and Work Absence Rates

Policy on Safety Occupational Health and Environmental in Workplace Aeon Thana Sinsap (Thailand) Public Company Limited firmly hold the philosophy and morality in conduction business. So confidence in the value of employees, to maintain the quality of life, safety and health condition including holding social and environmental responsibility regarding Safety Occupational Health and Environmental in Workplace are key factors for business success. The company thus regulates the policy details as follow:

1. The Company will support the employees for healthy, awareness of safety occupational health and environmental in workplace at all level.
2. The Company will improve and prevent the accident, incident, illness that might be arisen from work and concerned body.
3. The Company will hold and abide to the law and a regulation concerning Safety Occupational Health and Environment in workplace as company is standard.
4. The Company will set up the workplace clean and proper.
5. The Company will allocate the resources enough and appropriate for following up work to maintain Safety Occupational Health and Environment in Workplace policy.
6. The Company will revise the policy follow up, inspection, system management intermittently, to ensure that the policy is appropriate for company.

Accidents at work statistics and work absence rates in FY2022 were record as follows:

- **Crucial Accidents at work statistics:**  
Found 1 case reported (Slipped).
- **Work Absence Rates:**

Type of leaving	Total Employees (persons)	Total leaves (days)
Sick Leave	3,870	26,022
Personal Leave	3,461	9,352
Vacation Leave	3,947	41,200
Birthday Leave	3,259	3,259
Maternity Leave	136	10,035

## 3) 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 benefit 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) and market rate.
- Long-term employee benefit 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. The provident fund has the main objective of enhancing the security of the employees' livelihoods and as a security for employees' retirements. The company has registered a provident fund under the name Aeon Thana Sinsap Group which has a total of 4,030 employees, with 2,653 employees applying to join the fund, representing 66 percent of the total number of employees.
- Employee Joint Investment Program (EJIP)  
The Company established an Employee Joint Investment Program (EJIP) with the objective to retain employees in the long term by managing employee benefits through the joint stock accumulation program with the Company as well as to promote the idea and participation of employees in joint ownership with other shareholders of the Company. However, this project



does not allow directors or executives to interfere with investment. In 2022, the Company's contribution is 5.17 million baht.

The project details are as follows;

<b>Issue</b>	<b>Program Detail</b>
Participated Company	AEON Thana Sinsap Public Company Limited ("AEONTS") and its affiliates in Thailand
Program Period	5 Years (1 September 2022-31 August 2027)
Eligibilities	<ul style="list-style-type: none"> <li>• Full-time employees from the level of assistant manager up and have more than 3 years of service, which is voluntary for those who are eligible to participate in the program, except for the Overseas Expatriates</li> <li>• Be qualified employees and competency (Talent Employee) according to the conditions set by the company.</li> </ul> <p>The Personnel Management Committee ("PMC") may, at its discretion, dispute the provision of employees to participate in the program according to the qualifications that the PMC deems appropriate and the decision is final.</p>
Program Format	<ul style="list-style-type: none"> <li>• Employees or executive employees who participate in the EJIP program must pay a cumulative contribution to co-invest with the Company's contributions on a monthly basis for a specified period of time and under specified conditions at a rate of not more than 9 percent of the monthly salary.</li> <li>• The company will contribute at the rate of 100 percent of the money deducted from the project participants monthly and adding to employees with qualifications and competency (Talent Employee) according to the terms and conditions of the company and to employees at the executive level of the company 3 percent from the base salary of employees (Basic Salary).</li> </ul>
Number of Participants	245 employees

- Other welfares

Apart from Short-term and Long-term plans, the Company also provides the various fringe benefits to support 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.

- The total remuneration for all employees

In 2022, a total remuneration for 4,030 employees of the Company was 1,909.18 million baht which composing of Salaries, Bonuses, Overtime, Operating Expense, and etc. as followed;

<b>Type of Remuneration</b>	<b>FY2020 (MB)</b>	<b>FY2021 (MB)</b>	<b>FY2022 (MB)</b>
Salaries	1,240.26	1,206.94	<b>1,241.08</b>
Bonuses	183.78	263.18	<b>265.78</b>
Overtime	9.33	3.03	<b>2.19</b>
Operating Expenses <sup>1</sup>	407.47	454.68	<b>400.13</b>
<b>Total remuneration</b>	<b>1,840.84</b>	<b>1,927.83</b>	<b>1,909.18</b>

Noted - <sup>1</sup>Operating Expenses are composing of Subvention, Cost of living, Mileage claims, Diligence Allowance, Telephone cost, Transportation fringe benefits etc.

#### 4) Promotion of employee engagement and retention

In order to promote employee engagement with the Company, each year, the Company organizes activities within the organization such as

- Annual Party is an activity to thank employees who have worked together throughout the year. The event will be held at the end of the year. or early next year
- Songkran festival activities in order to continue Thai culture
- Company merit-making activities on the occasion of the anniversary of the establishment of the company, etc.

From an employee satisfaction survey, the Company received a satisfaction rating of 94.4%. Various activities were organized in order to create engagement and retain employees to work with the company for a longer period. The company has arranged welfare benefits to help employees in normal cases and added extraordinary welfare in special cases, such as welfare for event of flooding, explosion incident in 3 southern border provinces, incident of fire, etc. Moreover, the Company has established a joint investment project between employers and employees (EJIP Program) with a duration of the project: 5 years from September 1, 2022 until 31 August 2027.

According to the Company's resignation data, the employee resignation rate was 21% of the total number of employees. From the employee satisfaction survey, 19% of the total number of resigned employees, their satisfaction survey for the year 2022-2023 reported below;

Office	Operation Center							Branch					Grand Total
	HQ	BKK Center	Chiang mai Center	Hadyai Center	Khonka en Center	Sirach a Center		BKK Branch	Central East& West	Northen Lower& Upper	Northeast Lower& Upper	Southern Lower & Upper	
Total Employees	566	890	489	591	451	93		454	508	349	414	333	5,138
Number of Employee Resigned	106	114	84	41	47	93		149	173	90	125	67	1,089
Number of Employee Resigned due to unsatisfaction	3	3	-	4	1	90		4	11	1	1	3	121
Employee Resigned Due to Unsatisfaction Rate													2%
Number of Employee Resigned due to other neccessity	103	111	84	37	46	3		145	162	89	124	64	968
Total Employee Turnover Rate													21%

\*Data as of February 21, 2022 until February 20, 2023

## 5) Policy for Employee Development

### Human Resource Development

The Company's training programs are determined to "To develop the potential of employees Both creating new skills that align with the organization's strategy and enhancing existing skills, so that employees can initiate innovation through the customer's perspective".

In Fiscal Year 2022, company provided various trainings to our employees. The courses provided are as follow;

#### 1. Leadership and Managerial Course

The course focused on Leadership and Managerial skills including skills required to well complete job in each function via job specific course, Company provided 23 courses, online and offline, totaled 11,504 participants and totaled 37,406 training hours.

#### 2. Business Operation and Sustainability Courses

The course aims to create awareness, educate and prepare employees to confidently operate work and handle cases in any relevant situation by focusing on corporate compliance and company's sustainability. The Company arranges for employees in all position to regularly review relevant knowledge on a regular basis via virtual Learning and E-Learning, with 13,913 participants, totaling more than 17,175 hours of training, which includes the following courses:

- AEON Code of Conduct FY2022
- AEON Code Of Conduct Seminar 2022 for Management By AFS
- Personal Data Protection Act B.E. 2562 (PDPA)
- Anti-Money Laundering and Counter Financial Terrorism and Weapon Mass Destruction
- AEON People Training
- Annual Training (Corporate Compliance)
- Handling Workplace Harassment for Management level Training
- Workplace Harassment for Supervisor level
- Sustainability Training Course FY2022 By AFS
- Anti-Harassment Eradication Course By AFS
- Risk Management By AFS
- Internal Control Seminar FY2022 By AFS
- Legal Training FY2022 by Legal Dept.

#### 3. Specific courses related to operations

The aim of this course is to give executives and employees the opportunity to gain new and specialized skills and knowledge in addition to the training and development plans set by the company. The company will send personnel of the company to join external training institutions for specific purposes. In 2022, the company has organized 22 training courses for 46 participants, totaling 324 training hours.

#### 4. Training Programs for Company Directors

This course focuses on training for Company Director level to increase skills and knowledge for Directors. From the AEON group of companies and from external institutions that provide training for those who hold positions as directors of the company in the fiscal year 2022, there are 6 training courses as follows:

- FY2022 ASEAN "Compliance Training for Executives
- Directors Certification Program (DCP)
- Directors Accreditation Program (DAP)
- CFO's Refresher 2022 (Foreigner)
- "ESG" Issues Related to Financial Reporting Strategies.
- Executive Coaching

## **5. AEON Learning Management System (AEON LMS)**

The company has implemented the LMS system to increase the efficiency of employee learning. This system will allow employees to learn at all times and facilitate access to learning on many devices such as PC Smart phone etc. In 2022, the program has been extended to various departments. The course contents in the form of E-learning and E-Test, contents and quizzes have been brought into the LMS system for a total of 84 contents/quizzes, an average of 7 contents/quizzes per month.

## **6. Management systems according to International Standards ISO9001, ISO14001 and ISO27001**

The company keeps important focus to personnel and organizational knowledge by recruiting and selecting the personnel with appropriate knowledge and capability in their operations. As well as the promoting training to develop knowledge, abilities and create awareness of employees on the management system according to the International standards by 3 systems, namely the Quality Management System (ISO9001), Environmental Management System (ISO14001) and Information Security Management System (ISO27001) by training to existing and new employees. The employees will able to apply the knowledge and concept to relevant work base on the International Standardization System as well as the evaluation process of employee's knowledge to confirm their understanding of what has been trained. The training will be conducted as an in-house organization by Corporate Quality Secretariat (CQS) department and an external trainer which is certified in an International Standard System.

In addition, the company has set up activities to raise awareness up regarding the International Standard System concept through various activities such as "Weekly Self-Monitoring Activities", "Monthly Internal training by ISO / BISO person", "Monthly Inventory of Asset Activities Updating" and also "ISO Knowledge Test Activities" for all 3 ISO standards, quarterly, for all employees.

### **The objective of ISO course training:**

#### **ISO9001:**

1. Develop the Company's employees to have knowledge, skills, attitudes that they can work to achieve the Company's plans or goals.
2. To motivate employees to participate in the process of working effectively in accordance with the set quality standards.
3. To develop the ability of employees to be able to work at the job level or higher position with knowledge and skills required.

#### **ISO14001:**

1. To cultivate knowledge to employees about systematic environmental management.
2. To raise awareness among employees in order to efficient use of company resources.
3. To build knowledge and understanding for employees to be able to comply with laws, regulations, regulations and various environmental requirements correctly.

#### **ISO27001:**

Nowadays, in the changing of digitalization era, the Company has developed and implemented various information systems to support internal business operations such as RPA (Robot Process Automation), Cloud computing system as well as the AEON Thai Mobile Application in order to facilitate and speed up in using company's services for customers. This is to raise the level of security up in term of the information system and moreover, the Company has plan to be upgraded the ISO27001 system from ISO27001:2103 to be new version ISO27001:2022 (Information Security, cyber security and privacy protection – Information security management system) within year 2023 which already officially announced in October 2022. The ISO27001:2022 has been developed to provide the modern risk control measures against cyber treats including to protect personal information. The scope of ISO27001:2022 certification will cover all operational areas including the Head office, Regional centers and all Branches by coving of retail finance business comprising 6 mains businesses as Credit card, loan, Hire-purchase motorcycle, Web business service, Used-car hire purchase and Insurance broker. The Company has considered its significants and proceed as follows;

1. To raise the awareness of employees about importance of complying with ISO27001 requirements which is focus on data protection, confidentiality, integrity, and availability.
2. The employees realize the benefits of security management in the Company's information system.
3. The employees able to apply the ISO27001 standard in their work correctly and appropriately.

## **7. Employee Assessment Program**

The Company has continuously to collaborating with Chulalongkorn University Academic Testing Center to redesign Company Test for assessing knowledge, skills and potential of employees, for Learning and Development Plan and Promotion in particular. In Fiscal Year 2022, the total number of employees who joined the online assessment is 359 persons.

And to be related to learning vision company has therefore established a long-term training and development plan with the implementation of a measurement system. To ensure that the employee of the company will develop and enhance the skills necessary for the job. Along with the sustainable growth of the organization.

## **8. Kaizen System Process Improvement**

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 aim 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.

## **6) Fair treatment of workers/employees**

The Company has complied with the AEON code of conduct "we respect human rights and do not discriminate for any reason, from nationality or race to gender, educational background, religion, or mental or physical disability, and all employees must listen to their colleagues and give the most value on human".

Regarding human resource management, the Company treats employees equally in matters including salary and benefits, training, performance evaluation, promotion, penalty as well as termination and retirement regardless of nationality, race, gender, religion or disabilities. In addition, we also treat our staffs with respect and honor under a workplace environment free from harassment and other improper behaviors. More details for fair treatment of employee are as follows.

- Support and encourage employees to learn and constantly improve themselves in order to increase career opportunities and drive the Company forward. More details in Human Resource Development
- Respecting to human rights and for the individual are important in create a livable workplace.

As Company understands and recognizes the impact of HR processes on hiring women, disabilities or those who have difficulties reentering the job market, during the past year, the Company provided employment opportunities in all regions in Thailand. The Company employed 23 disabilities staff in all regions which are 0.6% of all employees 4,030 person and contributed to the Fund for the Promotion and Development of the Quality of Life of Persons with Disabilities in the amount of 2,035,240.00 baht.

## **7) Employees and Stakeholders with Corporate Transparency**

The Company provides hotline number, website and email for employees to report corporate non-transparency issue with undisclosed name, position, age, gender, etc. for their safety.

## **8) Occupational Safety, Health and Work Place Environment (Pandemic)**

The policy of the Company firmly holds the philosophy and morality in conduction business with confidence in the employees' value by maintaining the quality of life, safety and health condition including holding social environmental responsibility. The safety occupational health and environmental in workplace is considered as key factors for business success. The Company thus regulates the policy details as follow:

1. The Company will support the employees for healthy, awareness of safety occupational health and environmental in workplace at all level.
2. The Company will improve and prevent the accident, incident, illness that might be arisen form work and concerned body.
3. The Company will hold and abide to the law and regulations concerning Safety Occupational Health and Environmental in workplace as company is standard.
4. The Company will set up the workplace clean and proper.
5. The Company will allocate the resources enough and appropriate for following up work to maintain Safety Occupational Health and Environmental policy.
6. The Company will revise the policy follow up, inspection, system management intermittently, to ensure that the policy is appropriate for company.

## **7.6 Others significant Information**

### **The person who is assigned the highest responsibility in the accounting and financial field**

A person who is assigned the highest responsibility in the accounting and financial field is Mr. Kazumasa Oshima, Director and Chief Financial Officer (See more details in Attachment#1)

### **The person who is assigned direct responsibility for overseeing bookkeeping duties**

A person who is assigned direct responsibility for overseeing bookkeeping duties is Mr. Sitthipong Kanaraksanti, Senior Executive Vice President-Chief of Accountant. ( See more details in Attachment#1)

### **The Head of the Compliance**

The Head of the compliance unit is Mr. Alongkorn Sattabusaya, Senior Executive Vice President, who has appropriate knowledge and capability to support and control the Company's Operational Compliance System to be accordance with the rules and related regulation. ( See more details in Attachment#3)

### **Corporate Secretary**

The Company has appointed Miss Supanee Asawasuwana, Senior Executive Vice President - Corporate Planning Office who has appropriate knowledge and capability to be the Corporate Secretary since September 1, 2008 (Details of Corporate Secretary shown in attachment#1) 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.

### **The Auditors**

For the Fiscal Year 2022 ended February 28, 2023, the Company appointed three auditors from Deloitte Touche Tohmatsu Jaiyos Audit Company Limited. The three auditors do not have any relations or any interest with the Company, executives, major shareholders, or related persons, in the way that potentially impact their independency in task performing. 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., ATS Rabbit Special Purpose Vehicle Co., Ltd.,and AEON Asset Management (Thailand) Co., Ltd. the auditors of the Company and subsidiaries are as follows:

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

### **The Auditors' Remunerations**

The auditors' remunerations for the Fiscal Year 2022 ended February 28, 2023 are as follows:

#### **1. Audit fee**

In Fiscal Year 2022, the Company paid 6,190,000 Baht for its audit fee and 1,400,000 Baht for its subsidiaries' audit fee.

#### **2. Non-Audit Fee**

In the Fiscal Year 2022 ended February 28, 2023, the Company and subsidiaries had non-audit services fee paid to Deloitte Touche Tohmatsu Jaiyos Audit Company Limited totaling 1,900,000 Baht, comprising 1,850,000 Baht for J-SOX (Japanese version of Sarbanes-Oxley) and 50,000 Baht for subsidiaries' package.

# 8

## **Report on key operating results on corporate governance**



## 8. Report on key operating results on corporate governance.

### 8.1 Summary of duty performance of the Board of Directors in the past year.

In 2022, the Board of Director Meeting were held 13 meetings, which was in accordance with the Company's good corporate governance policy. The Board of Directors defined business directions, policies, business plan, including the reports on past performance of the Company as planned in order to evaluate the Company's performance for every meeting and find a common way to drive the Company's business to be able to continue to have good results in the future.

### 8.2 Development for the Directors

Directors regularly pursue self-development by attending in both domestic and overseas seminars and courses, which organized by the Institute of Directors of Thailand (IOD), SET, and SEC.

The Company has a policy of encouraging the directors training courses/seminars for developing their knowledge, to enhance the director's efficiency in performing their duties. In 2022, directors attended training courses/seminars are as follows:

Name	Training course/Seminar/Activities
1. Mr. Mitsugu Tamai	<ul style="list-style-type: none"> <li>- AFS Group Director and Management Training Programme 2022</li> <li>- Corporate Governance Training</li> <li>- Corporate Governance and Duties and Responsibilities of Directors Training</li> <li>- Group Governance Training</li> <li>- Sustainability Management Training</li> </ul>
2. Mr. Tsutomu Omodera	<ul style="list-style-type: none"> <li>- FY2022 ASEAN "Compliance Training for Executives"</li> <li>- Digitalization Seminar for Director &amp; Management # 3/2022 5 year digital transformation road map by Mastercard</li> <li>- AEON Code Of Conduct Training FY2022</li> <li>- Annual Training 2022 [Corporate Compliance]</li> <li>- AFS Training : Risk Management Training 2022</li> <li>- AFS Training : Anti-Harassment Training 2022</li> <li>- Executive Coaching</li> </ul>
3. Mrs. Suporn Wattanavekin	<ul style="list-style-type: none"> <li>- FY2022 ASEAN "Compliance Training for Executives"</li> <li>- AEON Code Of Conduct Training FY2022</li> <li>- Annual Training 2022 [Corporate Compliance]</li> <li>- AFS Training : Risk Management Training 2022</li> <li>- AFS Training : Anti-Harassment Training 2022</li> <li>- Handling Workplace Harassment for Management level Training</li> </ul>
4. Mr. Nuntawat Chotvijit	<ul style="list-style-type: none"> <li>- FY2022 ASEAN "Compliance Training for Executives"</li> <li>- Digitalization Seminar for Director &amp; Management # 3/2022 5 year digital transformation road map by Mastercard</li> <li>- Sustainability Training Course FY2022 By AFS</li> <li>- PDPA Awareness Training FY2022</li> <li>- KPMG PDPA Training</li> <li>- AEON Code Of Conduct Training FY2022</li> <li>- Annual Training 2022 [Corporate Compliance]</li> <li>- AFS Training : Risk Management Training 2022</li> <li>- AFS Training : Anti-Harassment Training 2022</li> <li>- Handling Workplace Harassment for Management level Training</li> </ul>
5. Ms. Suriporn Thammawatid	<ul style="list-style-type: none"> <li>- FY2022 ASEAN "Compliance Training for Executives"</li> <li>- Digitalization Seminar for Director &amp; Management # 3/2022 5 year digital transformation road map by Mastercard</li> <li>- Sustainability Training Course FY2022 By AFS</li> <li>- PDPA Awareness Training FY2022</li> <li>- KPMG PDPA Training</li> <li>- AEON Code Of Conduct Training FY2022</li> <li>- Annual Training 2022 [Corporate Compliance]</li> <li>- AFS Training : Risk Management Training 2022</li> <li>- AFS Training : Anti-Harassment Training 2022</li> <li>- Handling Workplace Harassment for Management level Training</li> <li>- The 2nd Sustainability Training Course FY2022 by AFS</li> <li>- Directors Certification Program (DCP)</li> </ul>

Name	Training course/Seminar/Activities
6. Mr. Kazumasa Oshima	<ul style="list-style-type: none"> <li>- FY2022 ASEAN "Compliance Training for Executives"</li> <li>- Digitalization Seminar for Director &amp; Management # 3/2022 5 year digital transformation road map by Mastercard</li> <li>- Sustainability Training Course FY2022 By AFS</li> <li>- PDPA Awareness Training FY2022</li> <li>- KPMG PDPA Training</li> <li>- AEON Code Of Conduct Training FY2022</li> <li>- Annual Training 2022 [Corporate Compliance]</li> <li>- AFS Training : Risk Management Training 2022</li> <li>- AFS Training : Anti-Harassment Training 2022</li> <li>- The 2nd Sustainability Training Course FY2022 by AFS</li> <li>- E-Learning CFO's Refresher course</li> <li>- CFO Refresher 3/2565 : "ESG" Issues Related to Financial Reporting Strategies.</li> </ul>
7. Mr. Junichi Iwakami	<ul style="list-style-type: none"> <li>- FY2022 ASEAN "Compliance Training for Executives"</li> <li>- Digitalization Seminar for Director &amp; Management # 3/2022 5 year digital transformation road map by Mastercard</li> <li>- Sustainability Training Course FY2022 By AFS</li> <li>- PDPA Awareness Training FY2022</li> <li>- AEON Code Of Conduct Training FY2022</li> <li>- Annual Training 2022 [Corporate Compliance]</li> <li>- AFS Training : Risk Management Training 2022</li> <li>- AFS Training : Anti-Harassment Training 2022</li> <li>- The 2nd Sustainability Training Course FY2022 by AFS</li> </ul>
8. Dr. Sucharit Koontanakoolavong	<ul style="list-style-type: none"> <li>- FY2022 ASEAN "Compliance Training for Executives"</li> <li>- The Study on Value of Audit with recommendations to improve audit quality and improve Thai financial report organized by SEC and TFEC organized December 2, 2022.</li> </ul>
9. Dr. Mongkon Laoworapong	<ul style="list-style-type: none"> <li>- FY2022 ASEAN "Compliance Training for Executives"</li> </ul>
10. Mr. Ittinant Suwanjutha	<ul style="list-style-type: none"> <li>- Directors Accreditation Program (DAP)</li> </ul>

### 8.3 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.

#### The self-assessment findings were as follows:

**Assessment of Individual Directors (Self-assessment):** The assessment form comprises five topics: (1) The role and composition of BOD (2) The operation of BOD Meeting (3) The Process of decision making (4) The relationship with audit institutions (5) Other (Relationship with shareholders, etc.).

In addition, the other main duties and roles of the directors are responsibility for overall policies and goals of the Company and responsibility for direct supervising units. Therefore, to reflect efficiency/effectiveness in accordance with the responsibilities of the assigned role, individual director will conduct a self-assessment. The assessment form including topics and assessment instructions are determined by Aeon Financial Service Company Limited (AFS), its parent company in Japan, in which the director will determine the work plan and goals of each department under his or her supervision from the beginning of the year to be used for assessment. KPI will be used to measure the effectiveness to be used as a framework for determination of the director's performance. Each year's assessment will measure the actual achievements in regards to the Company's goals as a whole as well as achievements in accordance with the goals set by the departments under each director's supervision. After that, the Managing Director will assess the Company's directors and submit the assessments to the Overseas Business Management Committee to finalize the assessments of the year in order to determine the remuneration of each director. Moreover, the assessment enables each director to

acknowledge his/her own assessment results and compare them with those of the Managing Director as a line supervisor and governance body to continuously enhance and develop their potential.

For senior executives, the Personnel Management Committee which consisting of the Managing Director and the Company's executive directors is the responsible body to conduct the assessments.

#### 8.4 Remuneration for the Board of Directors and the Committee

The Board of Directors Meeting shall be established for an annual review of the directors' remuneration in order to ensure that the remuneration is commensurate with their duties and responsibilities. The Board of Directors, therefore, recommends the shareholders to approve the directors' remuneration.

##### Remuneration of each director paid in the FY2022

As of February 28, 2023, directors' remuneration can be summarized as follows:

Name	Position	Retainer Fee	Bonus <sup>3</sup>	Total Remuneration
1. Mr. Mitsugu Tamai <sup>1</sup>	Chairman of the Board of Directors	-	-	-
2. Mr. Tsutomu Omodera <sup>2</sup>	Vice Chairman of the Board and Managing Director	-	3,790,000	3,790,000
3. Mrs. Suporn Wattanavekin <sup>2</sup>	Director	-	2,610,000	2,610,000
4. Mr. Nuntawat Chotvijit <sup>2</sup>	Director	-	2,220,000	2,220,000
5. Ms. Suriporn Thammavattid <sup>2</sup>	Director	-	1,930,000	1,930,000
6. Mr. Kazumasa Oshima <sup>2</sup>	Director	-	2,040,000	2,040,000
7. Mr. Junichi Iwakami <sup>2</sup>	Director	-	-	-
8. Mr. Chatchaval Jiaravanon	Director	1,806,000	790,000	2,596,000
9. Dr. Sucharit Koontanakulvong	Independent Director and Chairman of Audit Committee	1,986,000	677,000	2,663,000
10. Dr. Mongkon Laoworapong	Independent Director and Chairman of Audit Committee	1,521,000	677,000	2,198,000
11. Mr. Ittinant Suwanjutha	Independent Director and Audit Committee Member	1,365,000	600,000	1,965,000
12. Mr. Ryuichi Hasuo	Independent Director and Audit Committee Member	1,521,000	677,000	2,198,000
<b>Total</b>		<b>8,199,000</b>	<b>16,011,000</b>	<b>24,210,000</b>

Note: <sup>1</sup>Directors from AEON Financial Service do not have any remuneration from the Company

<sup>2</sup>Executive directors

<sup>3</sup>Bonus is calculated based on Company's performance in 2021.

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

### Nomination of the Independent Director

The process of nominating the independent director is not performed by the Nomination Committee, due to the Company has not yet appointed Nomination Committee. However, 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 including 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.

The Company requires the audit committee members and independent directors to have meeting at least fourth a year to give them the opportunity to meet among themselves to propose guidelines for quality improvement and corporate governance in accordance with the principles of good corporate governance for listed companies of the Stock Exchange of Thailand.

### **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 of the parent company in Japan will recruit and presented the person's name to Board of Directors jointly considered the properties and suitability as follows:

- 1) Has complete qualifications and does not have prohibited characteristics according to relevant rules and laws.
- 2) Be a person with knowledge, ability, expertise, professional skills, suitability in terms of qualifications and experience that are beneficial to the Company's business operations.

The Board of Directors shall propose to the general meeting of shareholders for approval, in accordance to the articles of association of the Company. The procedure for the appointment of directors can be summarized as follows:

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

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

### **Nomination of Key Executives**

The responsibilities for recruiting and selecting executives operated by 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.

## 8.6 Summary of the Board of Directors' and Sub-Committees' Meeting Attendance in FY2022

Each year the Board of Directors shall convene at least 12 times on a regular basis. Throughout the year, directors are required to attend at least 75% of all board meetings. The Company has informed the whole year meeting schedules of the board and sub-committees in advance throughout the year. However, a special meeting may be arranged when deemed appropriate. Generally, main meeting agenda items include quarterly review of financial statement, review of key policies, and monitoring operating performance of the Company. In addition, according to the Company's Articles of Association, at a meeting of the board of directors, at least one half (1/2) of the total number of directors present shall form a quorum. The company, however, in practiced the meeting of the board of directors resolution determines the quorum of the Board of Directors while voting in the meeting there must be at least two-thirds of the directors attending the meeting. The meeting invitation will be distributed along with meeting agendas and ancillary documents to the Board members no later than 7 days prior to the meeting via email and/or in hard copies for convenience and paper saving, allowing the directors to consider the meeting's agenda and its document beforehand.

Each the Board of Directors meeting was recorded and taken the minutes as well as presented to the Board of Directors to consider the minutes before approval in the next meeting. However, the minutes of the Board of Directors will be kept for ready to review from committee and related agencies.

In FY2022, the Company held the Board of Directors meeting a monthly basis in totaled 13 meetings. The summarized of the Board of Directors' average attendance was more than 75 % at the end of Fiscal Year 2022, which was in accordance with good corporate governance.

Members of The Board of Directors	Number of Meetings Attended / Total Number of Meetings Held			
	Board of Directors		Audit Committee	Executive Committee
	Ordinary Meeting	Special Meeting		
1. Mr. Mitsugu Tamai	12/12	1/1	-	-
2. Mr. Tsutomu Omodera	12/12	1/1	-	23/23
3. Mrs. Suporn Wattanavekin	11/12	1/1	-	23/23
4. Mr. Nuntawat Chotvijit	12/12	1/1	-	23/23
5. Ms. Suriporn Thammawatid	12/12	1/1	-	21/23
6. Mr. Kazumasa Oshima	12/12	1/1	-	22/23
7. Mr. Junichi Iwakami	12/12	1/1	-	22/23
8. Mr. Chatchaval Jiaravanon	11/12	1/1	-	-
9. Dr. Sucharit Koontanakulvong	12/12	1/1	10/10	-
10. Dr. Mongkon Laoworapong	12/12	1/1	10/10	-
11. Mr. Ittinant Suwanjutha	12/12	1/1	10/10	-
12. Mr. Ryuichi Hasuo	12/12	-	-	-

The summarized of the Board of Directors' average attendance was 98% at the end of Fiscal Year 2022.

## 8.7 Summary of the Annual General Meeting and Extraordinary General Meeting of Board of Directors and Sub-Committees' Meeting Attendance in 2022

The Meeting was held on June 24, 2022 at 10:00 a.m. at Meeting Room, 388 Exchange Tower, Sukhumvit Road, Klongtoey, Klongtoey, Bangkok.

There were 12 directors attending the Annual General Meeting of Shareholders for the Year 2022 accounting for 100 percent of the total number of directors as follows:

1	Mr. Mitsugu Tamai	Chairman of the Board
2	Mr. Tsutomu Omodera	Vice Chairman of the Board and Managing Director
3	Mrs. Suporn Wattanavekin	Director
4	Mr. Nuntawat Chotvijit	Director
5	Ms. Suriporn Thammawatid	Director
6	Mr. Kazumasa Oshima	Director and Chief Financial Officer
7	Mr. Junichi Iwakami	Director
8	Mr. Chatchaval Jiaravanon	Director
9	Dr. Sucharit Koontanakulvong	Independent Director and Chairman of Audit Committee
10	Dr. Mongkon Laoworapong	Independent Director and Audit Committee Member
11	Mr. Ittinant Suwanjutha	Independent Director and Audit Committee Member
12	Mr. Ryuichi Hasuo	Independent Director

Due to the situation of the Coronavirus 2019 (COVID-19) pandemic, the Meeting was conducted in form of electronic meeting (E-AGM) by using e-Meeting system of Quidlab Co., Ltd., 3 directors of the Company namely Mr. Mitsugu Tamai, Mr. Chatchaval Jiaravanon and Mr. Ryuichi Hasuo attended the Meeting through the e-Meeting system. and there is an extraordinary meeting was not convened in this fiscal year.

## 8.8 Supervision of subsidiaries and associated companies

The Company has developed corporate governance for its subsidiaries and affiliates 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 affiliates. Also, set up the mechanisms for financial information and connected transaction disclosure, under the related rules and regulations. Therefore, the Company held the Executive Committee meeting to report on the operating results and the Corporate Governance of the Company's subsidiaries and affiliates.

## 8.9 Monitoring of compliance with the corporate governance policy and guidelines

The Company has monitored on compliance with corporate governance policies and practices. The details are as follows.

### 1. Use of inside information to seek benefits

The Company has measures to prevent directors and executive directors from using the Company's internal information for their own benefits. The details of the measures were specified in "Equitable Treatment of Shareholders" No. 2.6.

In 2022, it was not found that the Board of Directors, executives or relevant employees traded securities during the period that the company determined to suspend trading. No case of internal information leakage was found and no case of whistleblowing on the use of internal information within the organization was found.

### 2. Prevention of conflicts of interest

The Company gives importance to practice of information disclosure to prevent conflicts of interest, illegal and improper activities specified in section 2.7 Topic Equitable treatment of shareholders.

In 2022, there was no action that violated the conflict of interest policy.

### **3. Whistle Blowing**

The Company has more focus on the Good Corporate Governance by defining the Whistleblowing and whistleblower protection policy. In 2022, the Company has complied to the policy as follows;

- The Company provides channels and encourages employees, including the stakeholders, to report any suspicious matters or behavior relating to misconduct as soon as possible, or when the employees and stakeholders witness or suspect that an action is in conflict with the Company's policy, or could lead to an offense in the future.
- The Company shall conduct an investigation without disclosing the whistle blower's identity to prevent any potential adverse impact on the whistle blower. The company shall proceed with the investigation process in accordance with the regulations prescribed by the Company and record the investigation in writing. The whistles blower's identity shall be kept confidential and shall be accessible by related persons only.

### **4. Anti-corruption action**

The Company places great importance on good governance and has established anti-corruption policies for all levels of employees. Details are disclosed in the Anti-Corruption and Anti-Corruption Policy section, including the determination of measures, rules and regulations of the Company to achieve transparent operations. In addition, the Company provides training and continuously develops knowledge for employees.

In 2022, the Company did not find any cases of corruption within the organization in which affecting customers, stakeholders and the performance of the company significantly.



## 5. Report on Changing Securities holdings of Board of Directors and Management

Directors and Executives have strictly complied with the principles of reporting changes in the Company's securities holdings. The details are as follows.

Name - Surname	Position	No. of Common Share held (shares)		
		February 28, 2022	+ / (-)	February 28, 2023
1. Mr. Mitsugu Tamai Spouse and minor children	Chairman of the Board -	- -	- -	- -
2. Mr. Tsutomu Omodera Spouse and minor children	Vice Chairman of the Board and Managing Director -	- -	- -	- -
3. Mrs. Suporn Wattanavekin Spouse and minor children	Director -	200,000 -	- -	200,000 -
4. Mr. Nuntawat Chotvijit Spouse and minor children	Director -	- -	- -	- -
5. Ms. Suriporn Thammawatid Spouse and minor children	Director -	- -	- -	- -
6. Mr. Kazumasa Oshima Spouse and minor children	Director -	- -	- -	- -
7. Mr. Junichi Iwakami Spouse and minor children	Director -	- -	- -	- -
8. Mr. Chatchaval Jiaravanon Spouse and minor children	Director -	14,700,000 -	- -	14,700,000 -
9. Dr. Sucharit Koontanakulvong Spouse and minor children	Independent Director and Chairman of Audit Committee -	- -	- -	- -
10. Dr. Mongkon Laoworapong Spouse and minor children	Independent Director and Audit Committee Member -	- -	- -	- -
11. Mr. Ittinant Suwanjutha Spouse and minor children	Independent Director and Audit Committee Member -	- -	- -	- -
12. Mr. Ryuichi Hasuo Spouse and minor children	Independent Director -	- -	- -	- -

Note - The information according to the report of interest of directors and management as of February 28, 2023

- This report is excluding EJIP program.

### Report on Changing Securities holdings of Board of Directors and Management (Continued)

At the end of Fiscal Year 2022, directors and management's shareholding in the Company are as follows;

Name - Surname	Position	No. of Common Share held (shares)		
		February 28, 2022	+ / (-)	February 28, 2023
1. Ms. Supanee Asawasuan Spouse and minor children	Company Secretary and SEVP - Corporate Planning Office -	6,200 -	- -	6,200 -
2. Mr. Witchasorn Suwannakindra Spouse and minor children	SEVP - Business Control Management -	200 -	- -	200 -
3. Mr. Manavudhi Mingvanich Spouse and minor children	SEVP - System Development -	- -	- -	- -
4. Mr. Somsak Hempiam Spouse and minor children	SEVP - Auto Finance -	- -	- -	- -
5. Mr. Tawatchai Peechapat Spouse and minor children	SEVP - I.T. -	- -	- -	- -
6. Mr. Sitthipong Kanaraksanti Spouse and minor children	Chief of Accountant -	- -	- -	- -
7. Mrs. Chittiporn Inoue Spouse and minor children	SEVP - Customer service department -	- -	- -	- -
8. Ms. Nadanong Chompong Spouse and minor children	SEVP - Legal Office -	100 -	- -	100 -
9. Mr. Alongkorn Sattabusaya Spouse and minor children	SEVP - Corporate Governance and Control -	- -	- -	- -
10. Mr. Amorn Jirachaiprasitti <sup>3</sup> Spouse and minor children	SEVP - Collection Department -	- -	- -	- -

Note - Based on the information according to the report of interest of directors and management as of February 28, 2023

- This report is excluding EJIP Program.

## 8.10 Report on the results of duty performance of the Audit Committee in the past year

The Board of Directors appointed the Audit Committee to be responsible for audit and corporate governance. For more information on this sub-committee, please see section 2 Corporate Governance Structure under the Information regarding to the Sub-Committees and the report of the Audit Committee which were disclosed in attachment 5

The details of the Board of Directors' and Sub-committees' meeting attendance in 2022, please see section 2 Corporate Governance Structure under the Summary of the Board of Directors' and Sub-Committees' Meeting Attendance in 2022.

The Audit Committee's main duty is to support the Board of Directors to transparently perform their roles and responsibilities in accordance with the policy of the Board of Directors. The supporting would be consisted of 1) Ensuring the Accuracy of Financial Report 2) Ensuring the Sufficiency and effectiveness of Risk Assessment and Internal Control are implemented 3) Monitoring on the compliance with laws and relevant regulations 4) To consider External Auditors' qualification and Independency 5) To consider reasonable of Related Transactions, which are in accordance with the Audit Committee Charter or Policy of the Audit Committee.

Furthermore, the Audit Committee's roles and responsibilities also focus to monitor the Company's Internal Audit Tasks by considering internal audit results on either the Company's and affiliate companies' operations, which aim at operation processes in accordance with good governance, relevant laws and regulations including adequacy and appropriateness on internal control. This would respond on the sustainability and value – added to the Company as well as maximize the benefit of all stakeholders.

### Summary of the results of duty performance of the Audit Committee

#### 1. To review Financial Report

In order to ensure that the Company's Financial Reports have been performed in accordance with relevant laws and Thai Accounting Standard, the Audit Committee would review Quarterly and year ended financial reports together with External Auditors, Internal Auditors and relevant Management (if required). Moreover, the Audit Committee considered to appoint the external auditors with focused on the independency of external auditors regarding to audit tasks, Besides, the Audit Committee has also discussed with the external auditors in the matter of the accuracy of Financial Reports, significant accounting adjustment, accounting records as well as completeness and correctness on accounting disclosure.

#### 2. To review the effectiveness of Internal Control System

The Audit Committee has reviewed internal control system together with Internal Audit Department on a regular basis. Internal audit tasks would related to the appropriateness of internal control within the Company's operation and the compliance to the laws and regulation in regarding to the Company's activities. In accordance to perform and review the internal control, the internal auditors would perform, which is based upon risk-based approach. Regarding to perform the evaluation on sufficiency of internal control in year 2022 in accordance with SEC's guideline, there was no significant deficiency being found.

#### 3. To review monitoring process

In order to ensure that the company has reasonably operated, the Audit Committee has utilized the internal audit tasks as one of monitoring tool, which not only concerning on internal control in each operation process but also concerning on compliance in various related laws and regulation. Moreover, the related transactions or any transactions with possibility of conflict of interest within Aeon Group have also been focused as a monitoring purpose.

#### 4. To monitor Internal Audit Performance

The Audit Committee has also reviewed Internal Audit Plan either in short term (1 year) or long term (3 years), as well as reviewing the internal audit tasks and following up the internal audit progress in accordance to Internal Audit Plan on a regular basis. In addition, the Audit Committee has reviewed the internal audit results and audit recommendations, which are performed by Internal Audit Department, including corrective and preventive actions provided by relevant parties. Furthermore, the Audit Committee has performed evaluation on adequacy and appropriateness of internal audit resources, and evaluated Head of Internal Audit Department's performance on a regular basis.

**5. To consider on assigning External Auditor for the Year 2023**

The Audit Committee has agreed to appoint the external auditors from Deloitte Touche Tohmatsu Jaiyos as the Company's external auditor for year 2023, regarding to their professional competency, business knowledge and independent status. Moreover, the Audit Committee would propose the appointment of aforementioned external auditors in the Shareholder Meeting for their approval.

**8.11 Summary of the results of duty performance of sub committee**

The details of the Board of Directors' and Sub-committees' meeting attendance in 2022, can be found in section 2 Corporate Governance Structure under the Summary of the Board of Directors' and Sub-Committees' Meeting Attendance in 2022.

# 9

## **Internal control and related party transactions**

## 9. Internal control and related party transactions

### 9.1 Internal Control

The Company continuously improve the internal control systems to achieve the Company's goal and the objective of internal control in area of Operation, Reporting, and Compliance to the relevant laws and regulation. Internal Control also assist the Company to comply with relevant laws and regulations, with a system to protect the company's assets from being wrongfully used by directors or executives or without authority.

Furthermore, "Three Lines Model" has been implements throughout the Company, which represent an approach to providing structure around risk management and internal controls within an organization. The first line of defense is formed by managers and staff who are responsible for identifying and managing risk as part of their accountability for achieving objectives. The second line of defense is the functions that oversee or who specialize in compliance with relevant laws and regulations as well as the management of risk. The third line of defense is a function that provide independent assurance.

Furthermore, the Internal Audit Department assessed the adequacy of internal control according to The Securities of Exchange Commission, Thailand's (SEC) guidance. The assessment result would be proposed to the Audit Committee and the Audit Committee agreed that the Company's internal controls are sufficient and appropriate, including being continuously performed by each unit. The internal control system would be summarized according to by adopting the international standard of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) as follows;

#### 1. Control Environment

The Company has arranged good control environment" and adhere with the honesty and ethics, which shall cover daily operations to business partners, customers and external parties. Moreover, the Company has had "Code of Conduct in writing that all employee is required to test their recognition of Code of Conduct on a regular basis.

Furthermore, the Company has communicated business plan either short term or long term throughout the Company, which are also in-lined with the Company's mission and vision. Besides, Key Performance Index (KPI) was determined for all department's consideration for improvement in accordance with the aforementioned plan.

The Company has Directors and independent directors, who obtain experience, knowledge and ability in order to provide efficient management to the Company. With 3 Audit Committee Members, which obtain qualification according to the criteria, which has been determined by The Stock Exchange of Thailand and The Securities and Exchange Commission, Thailand. The Company has clearly determined roles and responsibilities of each committee, including Policy of the Audit Committee (or "Audit Committee Charter") and Internal Audit Department (or "Internal Audit Charter") in writing.

According to Company's structure, Three Lines Model or Three Lines of Defense is the conceptual of management. The second line of defense has roles and responsibilities to perform risk assessment and management, including monitor the compliance of the first line operation to the laws, regulation, policy and operation manual. The third line of defense has roles and responsibilities to perform the internal audit tasks in order to assurance the appropriate of internal control and compliance to the laws, regulation, policy and operation manual are in place. Moreover, the Company also set the third line of defense (Internal Audit Department) as independent unit and directly report to the Audit Committee.

## **2. Risk Assessment**

The Company has performed risk assessment and management in order to mitigate the impact of risk to the acceptance level. There are 2 main types of risk being assessed, which are external and internal risk. The Company has implemented Key Risk Indicators (KRIs) as a tool to identify the risk, which might impact to each operation process. Risk evaluation process would be co-considered between risk owners and Risk Management Committee in order to ensure that the Company could achieve the determined objectives and goals. In addition, the Company would review and revise business plan and strategy of managing risk on a regular basis in order to respond to the incident on a timely manner.

## **3. Control Activities**

Policy, Operation Manual and Work Flow were implemented as internal control tools. The different groups within organizations play a distinct role within the three lines of defense model, from business units to compliance with relevant laws and regulations, risk management, including internal audit.

Furthermore, Internal Audit Department has monitored the significant operation processes of each affiliate company by considering on risks-based approach and significant impact to the Company's business. The Company also assigns the Company's top management to participant in affiliate companies' Board of Director Meeting in order to ensure that employee, management and Board of Directors operate in accordance with appropriateness of internal control system.

## **4. Information Technology and Communication**

The Company also focus on Information Technology and Communication, which are significant tools to support business operation in current world. The Company has also realized how significant of information security quality by determining on two authentications for accessing to the Company system and network. The access right of each employee would be considered, which are based upon type of roles and responsibilities. Moreover, the Company arranges firewall for either hardware or software, as well as vulnerability test on a regular basis.

In order to ensure that the Company is able to continuously operate and provide the service to customers under emergency circumstance, the Company has organized the test regarding to "Business Continuity Management" on an annually basis.

In the part of communication, the Company has provided communication channels for both within organization and external parties, which would consist of top at the top, which will indicate the Company's vision and mission to drive the Company in the same direction, including provide opportunity to employee to communicate with the top management.

There are several channels for communicating with external parties, which are Website, Facebook, Company's Line Official and AEON Thai Mobile Application with the purpose of providing the products' information, promotion campaign, and company's performance and so on. Customers and partners also have an opportunity to propose their comments in Website, Facebook, Company's Line Official regarding to products and services for further development.

## **5. Monitoring and Evaluation Activities**

The Company has set the monitoring ongoing monitoring, which were embedded in all operations, e.g. reconciliation process, segregation of duties, reporting identified internal control deficiencies, and so on. The audit process is also one tools of monitoring regarding to internal control deficiencies. Internal Audit Department as the independent party also evaluate the sufficient of internal control system, as well as propose the evaluation results to the Audit Committee for consideration. In the case that the Audit Committee do not agree with Internal Auditor's and management's opinion, the Audit Committee can also inquiry for their explanation.

In the case that any audit observations being found, Internal Auditors will discuss with the auditee regarding to root cause and corrective actions. Additionally, Internal Auditors will follow up whether corrective actions are implemented on a regular basis.

## **9.2 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 Kajohnporn Kittisobhone, Vice President-Internal Audit Department; 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 2022, 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**

The Audit Committee Meeting has evaluated the sufficiency of internal control systems by asking and reviewing the information from the Company's management, related departments and Internal Audit Department. The evaluation concluded that the Company has appropriate and sufficient internal control systems. Management control was in place to enable the Company to safeguard assets of the Company and its subsidiaries from authorized uses, ensure the accuracy and reliability of financial reporting, and ensure that business transactions are conducted in accordance with proper approved level of authority. It was also independently reviewed by Internal Audit Department. The Internal Audit Department and Deloitte Touche Tohmatsu Jaiyos Audit Company Limited, the official auditor of the Company's financial reporting, did not find any material non-conformance of the Company's internal control system in 2022.

In addition, the Audit Committee agree that Head of Internal Audit Department is properly qualified and trained regarding to internal audit matter. She also has well knowledge regarding to the Company's business, which is consisted of finance, accounting and auditing. Thus she is appropriate to perform roles as assigned.



### 9.3 Related Party Transaction

#### Details of Related Party Transaction

The Fiscal Year ended on February 28, 2023, the Company had related party transactions with persons with a possibility of conflict of interest, as follows:

Person with possibility to cause conflict	Relationship	Nature/ Size of Transaction	Necessity and Reasonableness of Transactions
ACS Capital Corporation Ltd. ("ACS") A holding company to invest in related companies and operate car leasing business.	- A shareholder of AEONTS, holding 19.20% of shares - One common directors: Mr. Kazumasa Oshima	1. The Company provides management services to ACS with the fee charged as follows: <ul style="list-style-type: none"> <li>Computer service fee at the rate of 200,000 Baht per month, Finance and Accounting operation services fee charged at the rate of 50,000 Baht per month.</li> <li>Collection service fee and legal service fee Service fee as agreed at market price</li> </ul> In FY2022, the Company has total revenue from service of 6,123,931 Baht, consist of Computer service 2,400,000 Baht, Finance and Accounting services 600,000 Baht, Outsource collection 280,506 Baht, Legal service 2,843,425 Baht As of 28 February 2023, the Company has other receivable of 421,081 Baht.  2. In FY2022, the Company had paid the interim dividend and final dividend to ACS totally 249,600,000 Baht.	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. (Approved by the Board of Director's meeting on March 10, 2020 and September 9, 2020)
AEON (Thailand) Co., Ltd. ("AEON") Retail commerce business	- 3.82% of shares held by the Company - Common ultimate holding company	1. In 2022, the Company had expense with AEON of 12,592,475 Baht, consist of office rental of 1,725,192 Baht, advertising & promotion of 10,384,471 Baht and other expense of 482,812 Baht. As of February 28, 2023, the Company had other payable of 960,257 Baht.	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.

Person with possibility to cause conflict	Relationship	Nature/ Size of Transaction	Necessity and Reasonableness of Transactions
<p>AEON Financial Service Co., Ltd. (“AEON Financial Service”) Retail Finance</p>	<p>- A major shareholder of AEONTS, holding 35.12% of shares</p>	<p>1. In 2022, the Company has the expense with AEON Finance Service of 166,870,811 Baht, consist of technical assistant fee of 111,041,471 Baht, personnel expense of 6,345,715 Baht, Other administrative expenses of 49,483,625 Baht and financial cost of 12,525,567 Baht. As of February 28, 2023, the Company has other receivable of 3,071,591 Baht, and other payable of 60,797,013 Baht.</p> <p>2. In 2022, the Company has paid the interim dividend and final dividend to AEON Financial Service totally 456,560,000 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 subsidiaries of AEON Financial Service.</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 7, 2020)</p>
<p>AEON Credit Service Co., Ltd. (“AEON Credit Service”) Retail Finance</p>	<p>- Common ultimate holding company</p>	<p>1. In FY2022 the Company paid personnel expense to AEON Credit Service of 23,801,608 Baht.</p> <p>2. As of February 28, 2023, the Company has other receivable of 540,323 Baht, and other payable of 2,559,344 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> <p>The value of transaction is determined on the actual cost occurred.</p>

Person with possibility to cause conflict	Relationship	Nature/ Size of Transaction	Necessity and Reasonableness of Transactions
AEON Bank Ltd. ("AEON Bank") Banking Business	- Common ultimate holding company	1. In FY2022, the Company paid personnel expense to AEON Bank of 9,603,789 Baht. As of February 28, 2023, the Company had other payables of 935,953 Baht.  2. The Company had long term loan from AEON Bank. In FY2022, the Company had interest expense of 7,645,897 Baht.	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.  The value of transaction is determined on the actual cost occurred.  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.

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.33 and 38)

- The Related Party Transaction in the past 3 years. Shareholders/Investors can view historical information from annual report which was released on IR website.

### **Opinion of the Audit Committee on the Connected Transaction**

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

### **Measures and Procedures for the Approval of Related Parties Transactions**

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

### **Policy and Tendency of Related Party Transactions in the Future**

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

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

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

# 10

## **Financial Statements**

## 10. Financial Statements

### 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, 2023, 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, 2023, 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 Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to our audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

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

Key Audit Matters	Audit Responses
<p><b>Allowance for expected credit loss</b></p> <p>The allowance for expected credit loss of trade receivables is considered to be a key audit matter as there are management's judgment and assumptions applied to the calculation including forward economic looking and post model adjustments.</p> <p>The Group and the Company have applied Thai Financial Reporting Standard No.9 - Financial Instruments ("TFRS9"). This standard requires the Group and the Company to recognize impairment loss based on expected credit loss. The Group and the Company calculated allowance for expected credit loss on trade receivables based on forward-looking information basis by calculating on a probability-weighted credit losses with respective risk of expected cash shortfalls either based on credit events arising in the 12 months from the reporting date or based on credit events arising over the lifetime of the financial instrument; depending on the significant increase in credit risk ("SICR") since initial recognition.</p>	<p>Key audit procedures included</p> <ul style="list-style-type: none"> <li>• Reviewed management written policies, which were collaborated from the Group and the Company management's experts, and procedures to derive the allowance for expected credit loss estimate. Determined whether the policies and procedures for the estimation are incorporate with the requirements of TFRS 9 and properly approved by the appropriate level of management</li> <li>• Obtained an understanding of the Group's and Company's design of internal controls over significant input data used in the calculation of allowance for expected credit loss, and calculation of allowance for expected credit loss</li> <li>• Evaluated the design and implementation and performed operating effectiveness testing of key internal controls over significant input data used in the calculation of allowance for expected credit loss, and calculation of allowance for expected credit loss</li> </ul>

Key Audit Matters	Audit Responses
<p><b>Allowance for expected credit loss</b> (continued)</p> <p>The post model adjustment may also be recorded by the Group and the Company using credit expert assumptions and judgment where the inputs, assumptions and/or modelling techniques do not capture all relevant risk factors in respect to the current economic conditions and market circumstances.</p> <p>Accounting policy for the allowance for expected credit loss and detail of allowance for expected credit loss were disclosed in Note 3.2.2 and Note 5 to the financial statements, respectively.</p>	<ul style="list-style-type: none"> <li>• Evaluated the design and implementation and performed operating effectiveness testing of key General Computer Controls over the IT processing environment for retail finance system with the involvement of IT specialists</li> <li>• Involved our internal specialists to assess the model documentation. This included assessing the appropriateness of model design, assumptions, inputs, formulas used and post model adjustments. We tested the data used in the ECL calculation by reconciling to source systems</li> <li>• Evaluated relevant inputs and assumptions used by management in each stage of the expected credit loss calculation by considering whether the inputs and assumption appear reasonable, considering the historical loss experience and adjust this for current observable data and considering the relationship between those assumptions and forecast of reasonable and supportable future economic conditions</li> <li>• Tested calculation of allowance for expected credit loss for a sample of models</li> <li>• Performed analysis of the Group's and the Company's allowance for expected credit loss by comparing to historical data and considering related macroeconomic factors.</li> </ul>



**Other Information**

Management is responsible for the other information. The other information comprises information in the annual report, but does not include the consolidated and separate financial statements and our auditor's report thereon, 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 management and those charged with governance for correction of the misstatement.

**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 Group and 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 and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

**BANGKOK**  
April 11, 2023

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

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENT OF FINANCIAL POSITION  
AS AT FEBRUARY 28, 2023

UNIT : THOUSAND BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		As at February 28, 2023	As at February 28, 2022	As at February 28, 2023	As at February 28, 2022
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	4.1	3,816,356	4,235,603	2,159,810	2,639,136
Trade and other current receivables					
Trade receivables	5	80,667,069	76,839,427	77,833,587	73,982,280
Other receivables	6	518,404	518,100	414,708	412,773
Fixed deposits at banks under obligations	7	-	3,000	-	-
Current portion of long-term loan to a subsidiary	8	-	-	27,990	-
Current portion of loans from purchase of accounts receivable	9	490	-	-	-
Seller loan in Special Purpose Vehicle for securitization	13	-	-	287,621	275,773
Current portion of derivative assets	26	1,047,431	82,380	1,047,431	82,380
Current tax assets		-	7,805	-	-
Other current assets		102,645	101,352	42,955	43,071
Total Current Assets		86,152,395	81,787,667	81,814,102	77,435,413
<b>NON-CURRENT ASSETS</b>					
Trade and other non-current receivables					
Trade receivables	5	3,144,652	3,236,973	1,496,409	1,512,440
Other receivables	6	74,041	-	74,041	-
Fixed deposits at banks under obligations	7	144,216	41,333	-	-
Long-term loan to a subsidiary	8	-	-	83,970	130,244
Loans from purchase of accounts receivable	9	12,133	-	-	-
Investments in subsidiaries	10	-	-	1,235,409	1,210,909
Investment in equity securities designated at fair value through profit or loss	11	5,062	5,062	5,062	5,062
Investment in equity securities designated at fair value through other comprehensive income	12	144,000	144,000	144,000	144,000
Subordinated lendings	14.1	-	-	84,074	84,074
Leasehold improvement and equipment	15	523,145	622,934	447,217	528,845
Right-of-use assets	16	892,559	611,069	776,685	538,356
Intangible assets other than goodwill	17	923,406	920,386	783,252	777,857
Derivative assets	26	684,654	293,795	684,654	293,795
Deferred tax assets	18	2,340,922	2,624,482	2,268,848	2,524,973
Other non-current assets	19	165,501	181,687	146,184	167,847
Total Non-current Assets		9,054,291	8,681,721	8,229,805	7,918,402
<b>TOTAL ASSETS</b>		<b>95,206,686</b>	<b>90,469,388</b>	<b>90,043,907</b>	<b>85,353,815</b>

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

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

## STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT FEBRUARY 28, 2023

UNIT : THOUSAND BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		As at February 28, 2023	As at February 28, 2022	As at February 28, 2023	As at February 28, 2022
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Bank overdrafts and short-term borrowings					
from financial institutions	20	4,485,424	9,171,904	3,440,000	7,941,240
Trade and other current payables					
Trade payables		220,728	269,599	200,448	248,207
Other payables	21	1,629,459	1,628,020	1,532,329	1,550,316
Current portion of long-term liabilities					
Long-term borrowings	23	12,836,551	17,090,217	11,273,543	16,317,580
Long-term debentures	25	-	3,798,878	-	3,798,878
Derivative liabilities	26	562,743	654,801	562,743	654,801
Lease liabilities	22	444,127	356,328	389,924	312,304
Current income tax payable		643,416	379,519	608,272	348,000
Other current liabilities		341,614	387,092	345,103	394,973
Total Current Liabilities		<u>21,164,062</u>	<u>33,736,358</u>	<u>18,352,362</u>	<u>31,566,299</u>
<b>NON-CURRENT LIABILITIES</b>					
Long-term borrowings	23	39,152,934	30,896,445	37,867,795	28,578,535
Long-term borrowings under securitization project	24	-	-	1,260,991	1,401,709
Long-term debentures	25	9,580,142	4,460,676	8,107,060	2,987,594
Derivative liabilities	26	876,160	212,925	876,160	212,925
Lease liabilities	22	473,541	268,650	412,280	240,121
Subordinated borrowings	14.2	84,074	84,074	-	-
Provisions for employee benefit	27	444,377	463,335	405,630	419,132
Other non-current liabilities		83,316	82,962	71,186	68,102
Total Non-current Liabilities		<u>50,694,544</u>	<u>36,469,067</u>	<u>49,001,102</u>	<u>33,908,118</u>
<b>TOTAL LIABILITIES</b>		<u>71,858,606</u>	<u>70,205,425</u>	<u>67,353,464</u>	<u>65,474,417</u>

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

## STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT FEBRUARY 28, 2023

UNIT : THOUSAND BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		February 28,	February 28,	February 28,	February 28,
		2023	2022	2023	2022
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)					
SHAREHOLDERS' EQUITY	29				
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
SURPLUS ON SHARE-BASED PAYMENT TRANSACTION	28	9,265	-	9,265	-
RETAINED EARNINGS					
Appropriated					
Legal reserve	30	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		17,382,220	14,808,860	17,167,729	14,703,739
OTHER COMPONENTS OF SHAREHOLDERS' EQUITY	32				
Exchange differences on translating financial statements of foreign operations		(83,454)	(95,808)	-	-
Cumulative loss on cash flow hedges		(89,551)	(427,341)	(89,551)	(427,341)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		22,821,480	19,888,711	22,690,443	19,879,398
NON-CONTROLLING INTERESTS		526,600	375,252	-	-
TOTAL SHAREHOLDERS' EQUITY		23,348,080	20,263,963	22,690,443	19,879,398
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		95,206,686	90,469,388	90,043,907	85,353,815

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, 2023

UNIT: THOUSAND BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS For the years ended February 28, February 28, 2023 2022		SEPARATE FINANCIAL STATEMENTS For the years ended February 28, February 28, 2023 2022	
REVENUES					
Credit card income		7,641,755	6,462,205	7,488,114	6,370,437
Loan income	33	10,384,552	10,367,574	10,273,844	10,208,931
Hire-purchase income		1,028,530	1,073,176	246,053	308,562
Other income					
Bad debt recovery		1,696,186	1,423,426	1,638,278	1,423,426
Gain on sale of written-off receivables	43	404,572	319,764	404,572	319,764
Collection service income		225,753	209,682	-	29
Insurance broker business income		688,884	682,021	688,884	627,331
Dividend income		-	-	203,000	334,400
Others		261,433	253,574	173,363	123,759
Total Other income		3,276,828	2,888,467	3,108,097	2,828,709
Total Revenues		22,331,665	20,791,422	21,116,108	19,716,639
EXPENSES					
Operating and administrative expenses		7,962,449	7,671,368	7,282,911	6,924,615
Directors and managements' remuneration	34	154,560	161,119	104,425	104,064
Loss on impairment of assets	17	95,497	-	95,497	-
Loss on sale and write-off of leasehold improvement and equipment and intangible assets other than goodwill		2,627	11,099	1,041	9,710
Total Expenses	36	8,215,133	7,843,586	7,483,874	7,038,389
Finance costs		1,903,841	1,744,665	1,970,310	1,826,482
Expected credit loss		7,262,728	6,629,397	7,070,470	5,771,184
PROFIT BEFORE INCOME TAX		4,949,963	4,573,774	4,591,454	5,080,584
INCOME TAX EXPENSES	37	995,818	999,880	880,727	947,393
PROFIT FOR THE YEAR		3,954,145	3,573,894	3,710,727	4,133,191
PROFIT ATTRIBUTABLE TO :					
Owners of the parent		3,815,145	3,553,041	3,710,727	4,133,191
Non-controlling interests		139,000	20,853	-	-
		3,954,145	3,573,894	3,710,727	4,133,191
BASIC EARNINGS PER SHARE	BAHT	15.26	14.21	14.84	16.53
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, 2023

UNIT : THOUSAND BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS For the years ended February 28, February 28, 2023 2022		SEPARATE FINANCIAL STATEMENTS For the years ended February 28, February 28, 2023 2022	
Profit for the year		3,954,145	3,573,894	3,710,727	4,133,191
Other comprehensive income, net of tax					
Components of other comprehensive income that will be reclassified to profit or loss					
Exchange differences on translating financial statements of foreign operations					
- Owners of the parent	32	12,354	25,417	-	-
- Non-controlling interests		14,844	49,914	-	-
Gain on cash flow hedges	32	337,790	468,234	337,790	468,234
Components of other comprehensive income that will not be reclassified to profit or loss					
Gain on remeasurements of defined benefit plans		58,208	71,722	53,256	67,046
Other comprehensive income for the year, net of tax		423,196	615,287	391,046	535,280
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>4,377,341</b>	<b>4,189,181</b>	<b>4,101,773</b>	<b>4,668,471</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO :</b>					
Owners of the parent		4,223,497	4,118,414	4,101,773	4,668,471
Non-controlling interests		153,844	70,767	-	-
		<b>4,377,341</b>	<b>4,189,181</b>	<b>4,101,773</b>	<b>4,668,471</b>

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



AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED FEBRUARY 28, 2023

UNIT : THOUSAND BAHT

Notes	CONSOLIDATED FINANCIAL STATEMENTS									Non-controlling interests	Total shareholders' equity
	Issued and paid-up share capital	Share premium on ordinary shares	Surplus on share-based payment transaction	Owners of the parent Retained earnings		Other components of shareholders' equity			Total owners of the parent		
				Appropriated Legal reserve	Unappropriated Reserve for business expansion	Exchange differences on translating financial statements of foreign operations	Cumulative loss on cash flow hedges				
<b>Beginning balance as at March 1, 2021</b>	250,000	478,000	-	25,000	4,850,000	12,471,581	(121,225)	(895,575)	17,057,781	321,883	17,379,664
Changes during the year											
Dividend paid 29.1	-	-	-	-	-	(662,488)	-	-	(662,488)	(17,398)	(679,886)
Interim dividend paid 29.2	-	-	-	-	-	(624,996)	-	-	(624,996)	-	(624,996)
Profit for the year	-	-	-	-	-	3,553,041	-	-	3,553,041	20,853	3,573,894
Other comprehensive income	-	-	-	-	-	71,722	25,417	468,234	565,373	49,914	615,287
<b>Ending balance as at February 28, 2022</b>	<b>250,000</b>	<b>478,000</b>	<b>-</b>	<b>25,000</b>	<b>4,850,000</b>	<b>14,808,860</b>	<b>(95,808)</b>	<b>(427,341)</b>	<b>19,888,711</b>	<b>375,252</b>	<b>20,263,963</b>
<b>Beginning balance as at March 1, 2022</b>	250,000	478,000	-	25,000	4,850,000	14,808,860	(95,808)	(427,341)	19,888,711	375,252	20,263,963
Changes during the year											
Increase in non-controlling interests arising from new investment in a subsidiary	-	-	-	-	-	-	-	-	-	250	250
Surplus on share-based payment transaction 28	-	-	9,265	-	-	-	-	-	9,265	-	9,265
Dividend paid 29.3	-	-	-	-	-	(662,496)	-	-	(662,496)	(2,746)	(665,242)
Interim dividend paid 29.4	-	-	-	-	-	(637,497)	-	-	(637,497)	-	(637,497)
Profit for the year	-	-	-	-	-	3,815,145	-	-	3,815,145	139,000	3,954,145
Other comprehensive income	-	-	-	-	-	58,208	12,354	337,790	408,352	14,844	423,196
<b>Ending balance as at February 28, 2023</b>	<b>250,000</b>	<b>478,000</b>	<b>9,265</b>	<b>25,000</b>	<b>4,850,000</b>	<b>17,382,220</b>	<b>(83,454)</b>	<b>(89,551)</b>	<b>22,821,480</b>	<b>526,600</b>	<b>23,348,080</b>

See condensed notes to the financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)  
FOR THE YEAR ENDED FEBRUARY 28, 2023

UNIT : THOUSAND BAHT

	Notes	SEPARATE FINANCIAL STATEMENTS							
		Issued and paid-up share capital	Share premium on ordinary shares	Surplus on share-based payment transaction	Legal reserve	Retained earnings Appropriated Reserve for business expansion	Unappropriated	Other components of shareholders' equity Cumulative loss on cash flow hedges	Total shareholders' equity
Beginning balance as at March 1, 2021		250,000	478,000	-	25,000	4,850,000	11,790,986	(895,575)	16,498,411
Changes during the year									
Dividend paid	29.1	-	-	-	-	-	(662,488)	-	(662,488)
Interim dividend paid	29.2	-	-	-	-	-	(624,996)	-	(624,996)
Profit for the year		-	-	-	-	-	4,133,191	-	4,133,191
Other comprehensive income		-	-	-	-	-	67,046	468,234	535,280
Ending balance as at February 28, 2022		250,000	478,000	-	25,000	4,850,000	14,703,739	(427,341)	19,879,398
Beginning balance as at March 1, 2022		250,000	478,000	-	25,000	4,850,000	14,703,739	(427,341)	19,879,398
Changes during the year									
Surplus on share-based payment transaction	28	-	-	9,265	-	-	-	-	9,265
Dividend paid	29.3	-	-	-	-	-	(662,496)	-	(662,496)
Interim dividend paid	29.4	-	-	-	-	-	(637,497)	-	(637,497)
Profit for the year		-	-	-	-	-	3,710,727	-	3,710,727
Other comprehensive income		-	-	-	-	-	53,256	337,790	391,046
Ending balance as at February 28, 2023		250,000	478,000	9,265	25,000	4,850,000	17,167,729	(89,551)	22,690,443

See condensed notes to the financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED FEBRUARY 28, 2023

UNIT : THOUSAND BAHT					
	Notes	CONSOLIDATED FINANCIAL STATEMENTS For the years ended		SEPARATE FINANCIAL STATEMENTS For the years ended	
		February 28, 2023	February 28, 2022	February 28, 2023	February 28, 2022
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit for the year		3,954,145	3,573,894	3,710,727	4,133,191
Adjustments for:					
Income tax expense		995,818	999,880	880,727	947,393
Expected credit loss		7,262,728	6,629,397	7,070,470	5,771,184
Loss on impairment of assets		95,497	-	95,497	-
Depreciation of leasehold improvement and equipment and right-of-use assets		810,097	896,111	697,005	755,706
Amortization of intangible assets other than goodwill		241,503	202,899	197,074	160,671
(Gain) loss on sale of leasehold improvement and equipment and intangible assets other than goodwill		(768)	7,594	(51)	8,269
Loss on write-off of leasehold improvement and equipment		3,395	3,505	1,092	1,441
Employee benefit expense		76,515	111,832	70,337	98,239
Employee joint investment program expense		14,426	-	14,426	-
Gain on sales of written-off receivables		(404,572)	(319,764)	(404,572)	(319,764)
Unrealized gain on exchange rate		-	-	(5,837)	(10,750)
Gain on discount received from lease agreements		-	(11,833)	-	(11,833)
Gain on cancellation of lease agreements		(334)	(1,399)	(330)	(724)
Interest income		(13,841,603)	(13,286,167)	(12,493,503)	(11,802,682)
Dividend income		-	-	(203,000)	(334,400)
Finance costs		1,903,841	1,744,665	1,970,310	1,826,482
		1,110,688	550,614	1,600,372	1,222,423
Operating assets (increase) decrease					
Trade and other current receivables		(10,962,742)	(9,988,237)	(11,012,202)	(10,086,966)
Loans from purchase of accounts receivable		(12,623)	-	-	-
Other current assets		(2,037)	2,206	118	2,027
Other non-current assets		15,867	10,736	21,665	5,432
Operating liabilities increase (decrease)					
Trade and other current payables		(86,085)	(202,520)	(112,919)	(29,646)
Other current liabilities		(39,872)	58,566	(49,870)	35,573
Other non-current liabilities		647	639	3,671	(678)
Cash paid for operations		(9,976,157)	(9,567,996)	(9,549,165)	(8,851,835)
Proceeds from interest income		13,928,127	12,962,299	12,544,148	11,476,511
Dividend received		-	-	203,000	334,400
Finance costs paid		(1,906,754)	(1,719,684)	(1,980,343)	(1,816,105)
Income tax paid		(544,660)	(881,461)	(462,091)	(793,737)
Employee benefits paid	27	(22,713)	(37,256)	(13,916)	(28,578)
Cash received (paid) from transfer of employees within the Group	27	-	-	(3,353)	1,673
Cash paid for employee joint investment program	28	(5,161)	-	(5,161)	-
Net cash flows provided by operating activities		1,472,682	755,902	733,119	322,329

**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED FEBRUARY 28, 2023**

UNIT : THOUSAND BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS For the years ended		SEPARATE FINANCIAL STATEMENTS For the years ended	
		February 28, 2023	February 28, 2022	February 28, 2023	February 28, 2022
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Cash received from fixed deposits at banks under obligations		3,050	-	-	-
Cash paid for fixed deposits at banks under obligations		(105,200)	(2,325)	-	-
Cash paid for purchase of leasehold improvement and equipment	4.2	(211,777)	(198,248)	(173,463)	(163,775)
Cash received from sale of leasehold improvements and equipment		2,169	18,211	1,457	1,689
Cash paid for purchase of intangible assets other than goodwill	4.2	(442,328)	(291,549)	(397,442)	(275,782)
Cash received from sale of intangible assets other than goodwill		-	1,642	-	-
Cash paid for investment in a subsidiary	10	-	-	(24,500)	(4,264)
Cash paid for investment in equity securities designated at fair value through other comprehensive income	12	-	(144,000)	-	(144,000)
Cash received from repayment of long-term loan to a subsidiary		-	-	24,121	-
Net cash flows used in investing activities		(754,086)	(616,269)	(569,827)	(586,132)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Cash received from bank overdrafts and short-term borrowings from financial institutions	4.4	116,228,272	92,796,090	113,233,224	87,359,879
Cash repayments for bank overdrafts and short-term borrowings from financial institutions	4.4	(120,792,355)	(93,968,202)	(117,734,464)	(87,278,639)
Cash received from long-term borrowings	4.4	22,210,298	7,194,654	20,351,762	6,554,661
Cash repayments for long-term borrowings	4.4	(18,590,828)	(4,191,220)	(16,381,625)	(4,191,220)
Cash received from long-term borrowings under securitization project	4.4	-	-	564,624	491,631
Cash repayments for long-term borrowings under securitization project	4.4	-	-	(564,624)	(491,631)
Cash received from long-term debentures	4.4	5,245,000	2,063,600	5,245,000	2,063,600
Cash repayments for long-term debentures	4.4	(3,800,000)	(3,403,200)	(3,800,000)	(3,403,200)
Cash paid for lease liabilities	4.4	(558,097)	(564,337)	(488,331)	(488,719)
Cash received from sales of written-off receivables		231,809	416,869	231,809	416,869
Proceeds from increase in non-controlling interest arising from investment in a subsidiary		250	-	-	-
Cash paid for dividend		(666,592)	(681,842)	(662,496)	(662,488)
Cash paid for interim dividend		(637,497)	(624,996)	(637,497)	(624,996)
Net cash flows used in financing activities		(1,129,740)	(962,584)	(642,618)	(254,253)
Net decrease in cash and cash equivalents before effect of exchange rate		(411,144)	(822,951)	(479,326)	(518,056)
Effect of exchange rate changes on cash and cash equivalents		(8,103)	(46,614)	-	-
Cash and cash equivalents at the beginning of the year		4,235,603	5,105,168	2,639,136	3,157,192
<b>Cash and cash equivalents at the ending of the year</b>	4.1	<b>3,816,356</b>	<b>4,235,603</b>	<b>2,159,810</b>	<b>2,639,136</b>

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, 2023**

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**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED FEBRUARY 28, 2023**

**1. OPERATIONS OF THE COMPANY**

The Company was registered as a limited company under the Civil and Commercial Code on September 18, 1992 and registered to be Public Company Limited with the Ministry of Commerce on August 7, 2001. The Company was listed on The Stock Exchange of Thailand on December 11, 2001. The Company's head office is located at 388, 27<sup>th</sup> Floor, Exchange Tower, Sukhumvit Road, Klongtoey, Bangkok. The Company's main objective is to do the retail finance services which consist of credit card, hire-purchase and personal loans, and others. Subsequently, on October 6, 2020, the Company has registered another objective which is to conduct life and non-life insurance brokerage business.

As at February 28, 2023 and 2022, the Company has head office and branches totaling 104 locations and 101 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 as mentioned in Note 2.4 and Note 10.

**Coronavirus Disease 2019 Pandemic**

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

In order to mitigate the impacts, the Company provides supports to customers as the relief measurement for loan to affected customer from the impact of COVID-19, following to the Bank of Thailand's the relief measurement to help debtors from the Thai economic situation, by providing debt restructuring program and reducing minimum payment rates for credit card and personal loan.

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

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

## 2. BASIS FOR PREPARATION AND PRESENTATION OF 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.

The English version of the consolidated and separate financial statements have been prepared from the Thai version of the consolidated and separate financial statements prepared by law. In the event of any conflict or different interpretation of the two different languages, the Thai version consolidated and separate financial statements in accordance with the Thai law is superseded.

- 2.2 The Group's and the Company's financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 "Presentation of Financial Statements" 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 Statement (No. 3) B.E. 2562" dated December 26, 2019.

- 2.3 The consolidated financial statements for the years ended February 28, 2023 and 2022 included the accounts of the Company and its subsidiaries. Significant transactions and balances between the Company and its subsidiaries have been eliminated.

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

Loss 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 losses 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 equity securities depending on the level of influence retained.

2.4 For the years ended February 28, 2023 and 2022, the subsidiaries included in the consolidated financial statements are as follows:

	Business type	Country of registration	Registration date	Percentage of direct and indirect holdings (%)	
				2023	2022
ACS Servicing (Thailand) Company Limited	Collection servicer	Thailand	March 13, 2007	100.00	100.00
ACSI (Thailand) Co., Ltd.	Non-life insurance broker and life insurance broker	Thailand	July 1, 2013	100.00	100.00
AEON Specialized Bank (Cambodia) Plc. <sup>(4)</sup>	Retail finance business	Cambodia	October 5, 2011	50.00	50.00
AEON Microfinance (Myanmar) Company Limited	Retail finance business	Myanmar	November 2, 2012	100.00	100.00
AEON Leasing Service (Lao) Company Limited <sup>(1)</sup>	Retail finance business	Laos	January 11, 2013	100.00	100.00
ATS Rabbit Special Purpose Vehicle Company Limited <sup>(3)</sup>	Special purpose juristic person in securitization projects	Thailand	March 20, 2015	48.75	48.75
AEON Asset Management (Thailand) Co., Ltd. <sup>(2)</sup>	Non-performing assets management	Thailand	August 2, 2022	99.00	-
(1) The Company indirectly holds shares of AEON Leasing Service (Lao) Company Limited through ACS Servicing (Thailand) Company Limited with 3.71% shareholding.					
(2) The Company indirectly holds shares of AEON Asset Management (Thailand) Co., Ltd through ACS Servicing (Thailand) Co., Ltd. with 1.00% shareholding.					
(3) 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.					
(4) The Company has the power to control over AEON Specialized Bank (Cambodia) Plc. in accordance with the requirement of TFRS No.10 "Consolidated Financial Statements".					

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

2.5 The financial statements of the subsidiaries 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 using the most recent financial statements of the subsidiaries 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 are as follows:

Subsidiaries	The date of the end of the reporting period in preparation of the consolidated financial statements For the years ended	
	February 28, 2023	February 28, 2022
ACS Servicing (Thailand) Company Limited	December 31, 2022	December 31, 2021
ACSI (Thailand) Co., Ltd.,	December 31, 2022	December 31, 2021
AEON Specialized Bank (Cambodia) Plc.	December 31, 2022	December 31, 2021
AEON Microfinance (Myanmar) Company Limited	December 31, 2022	December 31, 2021
AEON Leasing Service (Lao) Company Limited	December 31, 2022	December 31, 2021
AEON Asset Management (Thailand) Co., Ltd.	December 31, 2022	-



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

During the year, the Group and the Company have adopted the revised financial reporting standards issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology and accounting requirements for interest rate reform - Phase 2. The adoption of these financial reporting standards does not have any significant impact on the Group's and the Company's interim financial statements.

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

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

For the year ended February 28, 2023, the Group and the Company have adhered to such Accounting Treatment Guidance regarding staging of receivables. For receivables that are credit impaired but still have the potential for repayment, the Group and the Company will classify the receivables as low credit risk (Stage 1) if the debtor has been repaying for 3 consecutive months or 3 payment periods, whichever is longer.

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

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

On August 19, 2022, Thai Financial Reporting Standard No.17 "Insurance Contracts" has been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2025 onwards.

On September 26, 2022, the revised Thai Accounting Standards and Thai Financial Reporting Standards have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2023 onwards. Standards relevant to the Group and the Company are as follows:

Thai Accounting Standard No.37 “Provisions, Contingent Liabilities and Contingent Assets”

The amendments specify that the “cost of fulfilling a contract” comprises the “costs that relate directly to the contract”. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labor or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate.

Thai Financial Reporting Standard No.9 “Financial Instruments”

The amendment clarifies that in applying the “10 per cent” test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

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 it becomes effective. The Group’s and the Company’s management is 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 comprise cash on hands, all deposits at financial institutions with the original maturities of three months or less and highly liquid short-term investments, excluding cash at banks used as collateral.

#### **3.2 Financial instruments**

Financial assets and financial liabilities are recognized in the Group’s consolidated statement of financial position and the Company’s separate statement of financial position when the Group and the Company become a party to the contractual provisions of the instrument.

### 3.2.1 Classification and Measurement

#### 3.2.1.1 Classification

##### *Financial Assets*

The Group and Company classify financial assets, depending on the business model of the Group and Company on financial assets and type of contractual cash flow of financial assets. The Group and Company classify financial assets as subsequently measured by amortized cost and fair value through profit or loss.

##### *Financial Liabilities*

The Group and Company classify all financial liabilities as subsequently measured by amortized cost.

#### 3.2.1.2 Initial measurement

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

#### 3.2.1.3 Subsequent measurement

##### *Financial Assets*

The Group and Company are subsequently measure financial assets as below;

##### (1) Subsequent measurement by Amortized cost

Financial assets are measured subsequently at amortized cost. The Group and Company using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash inflow (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or (where appropriate) a shorter period, to the amortized cost of a financial asset.

(2) Subsequent measurement by Fair value through profit or loss (“FVTPL”)

Financial assets that do not meet the criteria for being measured at amortized cost are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship (see Note 3.2.3 Hedge accounting). The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset.

*Financial Liabilities*

All financial liabilities are measured subsequently at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

3.2.1.4 Derecognition of Financial instruments

*Financial Assets*

The Group and the Company derecognize a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group and the Company neither transfer nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group and the Company recognize its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group and the Company retain substantially all the risks and rewards of ownership of a transferred financial asset, the Group and the Company continue to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

### *Financial liabilities*

The Group and the Company derecognize financial liabilities when, and only when, the obligation of the Group and the Company are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

### 3.2.2 Impairment of financial assets

The Group and the Company recognize allowance for expected credit loss on trade receivables using ECL model. The amount of expected credit losses is updated at each reporting period date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group and the Company recognize lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group and the Company measure the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit loss that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

#### (i) Significant increase in credit risk

The Group and the Company compare the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognized. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group and the Company consider both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Despite the foregoing, the Group and the Company assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if;

- The financial instrument has a low risk of default;
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group and the Company regularly monitor the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Group and the Company consider constituting an event of default for internal credit risk management policies and historical experience indicates that financial assets are defaulted by considering information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, in full.

Irrespective of the above analysis, the Group and the Company consider that default has occurred when the past due is more than 90 days unless the Group and the Company have supportable information to demonstrate that a more lagging default criterion is reasonable.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes the consideration of following events;

- Significant financial difficulty of the issuer or the borrower;
- A breach of contract, such as a default or past due event;
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; and
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

(iv) Write-off policy

The Group and the Company write off trade receivables when there is information indicating that the debtor is in financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of loans to customers, when the days past due are over the period that the Management determined, whichever occurs sooner. Loans to customers written off may still be subject to enforcement activities under the Group's and the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

(v) Measurement and recognition of expected credit loss

The measurement of expected credit loss is a function of the probability of default, loss given default and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

For financial assets, exposure at default is represented by the asset's gross carrying amount at the reporting date.

For loan commitments, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's and the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

If the Group and the Company have measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group and the Company measure the loss allowance at an amount equal to 12-month ECL at the current reporting date.

### 3.2.3 Hedge accounting

The Group and the Company designate certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in cash flow hedges.

At the inception of the hedge relationship, the Group and the Company document the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group and the Company document whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements;

- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not dominate the value changes that result from that economic relationships; and
- The hedged ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group and the Company actually hedge and the quantity of the hedging instrument that the Group and the Company actually use to hedge that quantity of hedged item.

#### *Cash flow hedges*

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, and is included in the "Finance costs" line item.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognized in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

This transfer does not affect other comprehensive income. Furthermore, if the Group and the Company expect that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

### 3.3 Investment in subsidiaries

Investments in subsidiaries in the separate financial statements are accounted for using the cost method, less allowances 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.

### 3.4 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.

### 3.5 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.

### 3.6 Loans from purchase of accounts receivable and accrued interest

The loans from purchase of accounts receivable represent non-performing receivables which a subsidiary has purchased from financial institutions and credit service companies by bidding for debts management and collection. Under the purchase contracts of non - performing receivables, the subsidiary takes all the risks in the collection without recourse. The loans from purchase of accounts receivable are recognized as purchased or originated credit-impaired financial assets. The subsidiary initially recognizes purchased or originated credit-impaired financial assets at cost, which comprise purchased amount (fair value as at transaction date equals or approximates to purchased price) plus direct expense of loans from purchase of accounts receivable, and presents at amortized cost plus accrued interest income, net of allowance for expected credit losses.



### 3.7 Allowance for expected credit losses of loans from purchase of accounts receivable

The loans from purchase of accounts receivable are purchased or originated credit-impaired financial assets. The subsidiary recognizes allowance for expected credit losses from loans from purchase of accounts receivable as the cumulative changes in lifetime expected credit losses since initial recognition.

The subsidiary estimates the amount of expected credit losses of loans from purchase of accounts receivable by calculating the difference between the carrying amount of loans from purchase of accounts receivable and the present value of estimated future cash flow, and by discounting the unbiased forecast cash flows based on reasonable and supportable information that is relevant and available without undue cost or effort.

The subsidiary uses judgment in estimating the amount and period of expected net cash inflows in calculating allowance for expected credit losses and credit-adjusted effective interest rate since initial recognition of loans from purchase of accounts receivable for recognition of interest income. In estimating cash flows, the subsidiary considers loss experience and adjusts on the basis of current observable data. In addition, the subsidiary uses reasonable and supportive forecasts of future economic conditions that are proven to be statistically correlated, and uses appropriate judgment to estimate the amount of expected credit losses. The subsidiary uses judgement in assessing financial situation of debtor, net collateral value and future information and uses forward-looking information model to calculate allowance for expected credit losses.

The subsidiary recognizes the amount of the change in lifetime expected credit losses of the financial assets as gain or loss from expected credit losses in profit or loss. The subsidiary recognizes favorable changes in lifetime expected credit losses as a reversal of expected credit losses, even if the lifetime expected credit losses are less than the amount of expected credit losses that were included in the estimated cash flows on initial recognition.

### 3.8 Leases

The Group and the Company as lessee

The Group and the Company assess whether a contract is or contains a lease, at inception of the contract. The Group and the Company recognize a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lease under residual value guarantees;
- The exercise price of purchase options, if the lease is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated and separate statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group and the Company remeasure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group and the Company expect to exercise a purchase option, the related right-of-use is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated and separate statements of financial position.

The Group and the Company apply TAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the “Leasehold improvement and equipment” policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “Operating and Administrative expenses” in profit or loss.

As a practical expedient, TFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group and the Company have used this practical expedient.

### 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 in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized as profit or loss in statement of profit or loss and other comprehensive income.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities for which settlement is neither planned nor likely to occur in a foreseeable future is treated as part of net investment in the foreign operation of the Group. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation shall be recognized in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g. consolidated financial statements when the foreign operation is a subsidiary), such exchange differences shall be recognized initially in other comprehensive income and reclassified from equity to profit or loss on a disposal of the net investment.

### 3.9.3 Translation of financial statements of foreign operations

The assets and liabilities of foreign entities are translated to Thai Baht at the foreign exchange rates ruling at the reporting date.

The revenues and expenses of foreign entities are translated to Thai Baht at rates approximating the foreign exchange rates ruling at the dates of the transactions.

Foreign exchange differences arising on translation are recognized as other comprehensive income in the statement of other comprehensive income and presented as the foreign currency translation reserve in equity until a disposal of the investment.

### 3.10 Share-based payment

Equity-settled share-based payments to management and employees are measured at the fair value of the equity instruments at the grant date, and is recognized as employee expense in the statement of profit or loss along with the recognition of the shareholders' equity throughout the period that employee is able to access the rights without restriction. The expense recognized is to be adjusted to reflect the value of shares under the term of service that is not the term of equity market.

### 3.11 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.

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

Collection service income is recognized on an accrual basis when service has been provided or upon satisfaction of performance obligations.

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

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.

### 3.12 Provisions for employee benefits

#### 3.12.1 Provident Fund

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

#### 3.12.2 Post-employment benefits

The Group and the Company 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.

Gain or loss on remeasurements of defined benefit plans are recognized in the statement of profit or loss and other comprehensive income.

### 3.13 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.

### 3.14 Income tax expense

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

#### 3.14.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of 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.

### 3.14.2 Deferred tax

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

### 3.15 Basic earnings per share

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

### 3.16 Fair value measurements

In estimating the fair value of an asset or a liability, the Group and the Company take 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.

### 3.17 Critical accounting judgments and key sources of estimation uncertainty

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

The preparation of financial statements in conformity with Thai Financial Reporting Standards (TFRSs) requires the Group and the Company's management to exercise various judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

Critical judgments in applying the Group's and the Company's accounting policies are as follows:

##### (1) Allowance for expected credit loss

Management is required to use judgment in estimation in determining the allowance for expected credit loss of loans to customers and accrued interest receivables, together with loan commitments. The calculation of allowance for expected credit loss of the Group and the Company are based on the criteria of assessing if there has been an increase in credit risk, the development of complex expected credit loss model with a series of underlying assumptions, including the choice of inputs the forecasted macroeconomic variables in the model. This estimation has various relevant factors; therefore, the actual results may differ from estimates.

##### (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 benefits. 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 27.

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.

#### (4) Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test (please see financial assets sections of Note 3.2). The Group and the Company determine the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated.

The Group and the Company monitor financial assets measured at amortized cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's and the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. However, no such changes were required during the periods presented.

#### (5) Significant increase in credit risk

As explained in Note 3.2.2, expected credit losses are measured as an allowance equal to 12-month ECL for Stage 1 assets, or equal to lifetime ECL for Stage 2 or Stage 3 assets. An asset moves to Stage 2 when its credit risk has increased significantly since initial recognition. TFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased, the Group and the Company take into account qualitative and quantitative reasonable and supportable forward-looking information.



### 3.17.2 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 40.6.

## 4. SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

4.1 Cash and cash equivalents as at February 28, 2023 and 2022, are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	February 28,	February 28,	February 28,	February 28,
	2023	2022	2023	2022
	Baht '000	Baht '000	Baht '000	Baht '000
Cash	452,796	666,891	422,844	627,565
Deposits at bank - call deposits	3,363,560	3,568,712	1,736,966	2,011,571
<b>Total cash and cash equivalents</b>	<b>3,816,356</b>	<b>4,235,603</b>	<b>2,159,810</b>	<b>2,639,136</b>

- 4.2 Cash paid for purchase of leasehold improvement and equipment and intangible assets other than goodwill for the years ended February 28, 2023 and 2022, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS For the years ended		SEPARATE FINANCIAL STATEMENTS For the years ended	
	February 28, 2023 Baht '000	February 28, 2022 Baht '000	February 28, 2023 Baht '000	February 28, 2022 Baht '000
Leasehold improvement and equipment				
Liabilities recorded - brought forward	34,470	25,839	34,218	23,896
Purchase of leasehold improvement and equipment	185,962	206,879	147,703	174,097
	<u>220,432</u>	<u>232,718</u>	<u>181,921</u>	<u>197,993</u>
<u>Less</u> Cash paid for purchase of				
leasehold improvement and equipment	(211,777)	(198,248)	(173,463)	(163,775)
Liabilities recorded - carried forward	<u>8,655</u>	<u>34,470</u>	<u>8,458</u>	<u>34,218</u>
Intangible assets other than goodwill				
Liabilities recorded - brought forward	146,101	13,521	145,886	13,520
Purchase of intangible assets other than goodwill	342,888	424,129	297,966	408,148
	<u>488,989</u>	<u>437,650</u>	<u>443,852</u>	<u>421,668</u>
<u>Less</u> Cash paid for purchase of intangible				
assets other than goodwill	(442,328)	(291,549)	(397,442)	(275,782)
Liabilities recorded - carried forward	<u>46,661</u>	<u>146,101</u>	<u>46,410</u>	<u>145,886</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 years ended February 28, 2023 and 2022 such sale was settled by increasing the Seller loan Account of Baht 11.85 million and Baht 56.15 million, respectively, instead of cash receipt.
- 4.4 Changes in liabilities arising from financing activities for the years ended February 28, 2023 and 2022 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS					
	Beginning	Financing cash flows		Non-cash changes		Ending
	balance	Cash	Cash	Differences	Others	balance
	as at	received	paid	on translating		as at
	March 1,			foreign		February 28,
	2022			currencies		2023
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Bank overdrafts and short-term borrowings from financial institutions	9,171,904	116,228,272	(120,792,355)	(122,397)	-	4,485,424
Long-term borrowings	47,986,662	22,210,298	(18,590,828)	408,801	(25,448)	51,989,485
Long-term debentures	8,259,554	5,245,000	(3,800,000)	(108,319)	(16,093)	9,580,142
Lease liabilities	624,978	-	(558,097)	1,675	849,112*	917,668

	CONSOLIDATED FINANCIAL STATEMENTS					
	Beginning	Financing cash flows		Non-cash changes		Ending
	balance	Cash	Cash	Differences	Others	balance
	as at	received	paid	on translating		as at
	March 1,			foreign		February 28,
	2021			currencies		2022
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Bank overdrafts and short-term borrowings from financial institutions	10,379,071	92,796,090	(93,968,202)	(35,055)	-	9,171,904
Long-term borrowings	42,821,621	7,194,654	(4,191,220)	2,152,012	9,595	47,986,662
Long-term debentures	9,425,401	2,063,600	(3,403,200)	189,811	(16,058)	8,259,554
Lease liabilities	689,629	-	(564,337)	6,705	492,981*	624,978

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

	SEPARATE FINANCIAL STATEMENTS					
	Beginning	Financing cash flows		Non-cash changes		Ending
	balance	Cash	Cash	Differences	Others	balance
	as at	received	paid	on translating		as at
	March 1,			foreign		February 28,
	2022			currencies		2023
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Bank overdrafts and short-term borrowings from financial institutions	7,941,240	113,233,224	(117,734,464)	-	-	3,440,000
Long-term borrowings	44,896,115	20,351,762	(16,381,625)	300,533	(25,447)	49,141,338
Long-term borrowings under securitization project	1,401,709	564,624	(564,624)	-	(140,718)	1,260,991
Long-term debentures	6,786,472	5,245,000	(3,800,000)	(108,319)	(16,093)	8,107,060
Lease liabilities	552,425	-	(488,331)	-	738,110*	802,204

	SEPARATE FINANCIAL STATEMENTS					
	Beginning	Financing cash flows		Non-cash changes		Ending
	balance	Cash	Cash	Differences	Others	balance
	as at	received	paid	on translating		as at
	March 1,			foreign		February 28,
	2021			currencies		2022
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Bank overdrafts and short-term borrowings from financial institutions	7,860,000	87,359,879	(87,278,639)	-	-	7,941,240
Long-term borrowings	40,646,732	6,554,661	(4,191,220)	1,876,347	9,595	44,896,115
Long-term borrowings under securitization project	1,489,622	491,631	(491,631)	-	(87,913)	1,401,709
Long-term debentures	7,952,319	2,063,600	(3,403,200)	189,811	(16,058)	6,786,472
Lease liabilities	558,595	-	(488,719)	-	482,549*	552,425

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

## 5. TRADE RECEIVABLES

5.1 Trade receivables as at February 28, 2023 and 2022, consist of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	February 28,	February 28,	February 28,	February 28,
	2023	2022	2023	2022
	Baht '000	Baht '000	Baht '000	Baht '000
Trade receivables	92,675,988	89,626,146	87,599,547	84,065,981
Trade receivables under securitization project				
- ATS Rabbit Special Purpose Vehicle				
Company Limited	1,260,991	1,401,709	1,260,991	1,401,709
Total	93,936,979	91,027,855	88,860,538	85,467,690
<u>Less</u> Allowance for expected credit loss	(10,125,258)	(10,951,455)	(9,530,542)	(9,972,970)
<b>Total trade receivables</b>	<b>83,811,721</b>	<b>80,076,400</b>	<b>79,329,996</b>	<b>75,494,720</b>

As the securitization transaction under the Receivables Sale and Purchase Agreement for transferred rights on loans receivable with ATS Rabbit Special Purpose Vehicle Company Limited does not qualify for derecognition of financial assets according to TFRS 9, the Company continues to recognize the full carrying amount of these receivables and uses them as collateral for long-term borrowings under the securitization project (see Note 5.5).

As at February 28, 2023 and 2022, details of trade receivables are as follows:

CONSOLIDATED FINANCIAL STATEMENTS						
As at February 28, 2023			As at February 28, 2022			
Due within 1 year Baht '000	Due after 1 year Baht '000	Total Baht '000	Due within 1 year Baht '000	Due after 1 year Baht '000	Total Baht '000	
<b>Hire-purchase receivable</b>						
Hire-purchase and accrued interest receivable	2,483,958	3,625,375	6,109,333	2,562,979	3,972,671	6,535,650
<u>Less</u> Unearned financing income	<u>(251,126)</u>	<u>(347,096)</u>	<u>(598,222)</u>	<u>(277,545)</u>	<u>(366,710)</u>	<u>(644,255)</u>
	2,232,832	3,278,279	5,511,111	2,285,434	3,605,961	5,891,395
<u>Less</u> Allowance for expected credit loss	<u>(185,051)</u>	<u>(314,840)</u>	<u>(499,891)</u>	<u>(283,862)</u>	<u>(508,248)</u>	<u>(792,110)</u>
Hire-purchase and accrued interest receivable - net	<u>2,047,781</u>	<u>2,963,439</u>	<u>5,011,220</u>	<u>2,001,572</u>	<u>3,097,713</u>	<u>5,099,285</u>
<b>Loans receivable</b>						
Loans and accrued interest receivable	44,669,914	208,350	44,878,264	45,513,782	181,622	45,695,404
<u>Less</u> Allowance for expected credit loss	<u>(5,973,197)</u>	<u>(27,137)</u>	<u>(6,000,334)</u>	<u>(6,236,426)</u>	<u>(42,362)</u>	<u>(6,278,788)</u>
Loans and accrued interest receivable - net	<u>38,696,717</u>	<u>181,213</u>	<u>38,877,930</u>	<u>39,277,356</u>	<u>139,260</u>	<u>39,416,616</u>
<b>Credit card receivable</b>						
Credit card and accrued interest receivable	43,474,347	-	43,474,347	39,323,715	-	39,323,715
<u>Less</u> Allowance for expected credit loss	<u>(3,624,750)</u>	<u>-</u>	<u>(3,624,750)</u>	<u>(3,880,166)</u>	<u>-</u>	<u>(3,880,166)</u>
Credit card and accrued interest receivable - net	<u>39,849,597</u>	<u>-</u>	<u>39,849,597</u>	<u>35,443,549</u>	<u>-</u>	<u>35,443,549</u>
<b>Receivable from rendering the collection service</b>						
Receivable from rendering the collection service	4,634	-	4,634	15,593	-	15,593
<u>Less</u> Allowance for expected credit loss	<u>(283)</u>	<u>-</u>	<u>(283)</u>	<u>(391)</u>	<u>-</u>	<u>(391)</u>
Receivable from rendering the collection service - net	<u>4,351</u>	<u>-</u>	<u>4,351</u>	<u>15,202</u>	<u>-</u>	<u>15,202</u>
<b>Receivable from insurance broker business</b>						
	<u>68,623</u>	<u>-</u>	<u>68,623</u>	<u>101,748</u>	<u>-</u>	<u>101,748</u>
<b>Total trade receivables</b>	<u>80,667,069</u>	<u>3,144,652</u>	<u>83,811,721</u>	<u>76,839,427</u>	<u>3,236,973</u>	<u>80,076,400</u>

## SEPARATE FINANCIAL STATEMENTS

	As at February 28, 2023			As at February 28, 2022		
	Due within 1 year Baht '000	Due after 1 year Baht '000	Total Baht '000	Due within 1 year Baht '000	Due after 1 year Baht '000	Total Baht '000
<b>Hire-purchase receivable</b>						
Hire-purchase and accrued interest receivable	904,756	2,033,501	2,938,257	914,643	2,192,369	3,107,012
<u>Less</u> Unearned financing income	(251,126)	(347,096)	(598,222)	(277,545)	(366,709)	(644,254)
	653,630	1,686,405	2,340,035	637,098	1,825,660	2,462,758
<u>Less</u> Allowance for expected credit loss	(73,640)	(189,996)	(263,636)	(109,304)	(313,220)	(422,524)
Hire-purchase and accrued interest receivable - net	579,990	1,496,409	2,076,399	527,794	1,512,440	2,040,234
<b>Loans receivable</b>						
Loans and accrued interest receivable	43,882,307	-	43,882,307	44,363,688	-	44,363,688
<u>Less</u> Allowance for expected credit loss	(5,697,631)	-	(5,697,631)	(5,733,592)	-	(5,733,592)
Loans and accrued interest receivable - net	38,184,676	-	38,184,676	38,630,096	-	38,630,096
<b>Credit card receivable</b>						
Credit card and accrued interest receivable	42,569,573	-	42,569,573	38,539,555	-	38,539,555
<u>Less</u> Allowance for expected credit loss	(3,569,275)	-	(3,569,275)	(3,816,854)	-	(3,816,854)
Credit card and accrued interest receivable - net	39,000,298	-	39,000,298	34,722,701	-	34,722,701
<b>Receivable from insurance broker business</b>	68,623	-	68,623	101,689	-	101,689
<b>Total trade receivables</b>	<u>77,833,587</u>	<u>1,496,409</u>	<u>79,329,996</u>	<u>73,982,280</u>	<u>1,512,440</u>	<u>75,494,720</u>

## 5.2 Quality of assets

Staging analysis for trade receivables as at February 28, 2023 and 2022 are as follows:

CONSOLIDATED FINANCIAL STATEMENTS			
As at February 28, 2023			
Trade receivables	Allowance for expected credit loss	Total trade receivables	
Baht '000	Baht '000	Baht '000	
Low credit risk receivables (Stage 1)	85,031,652	(4,397,716)	80,633,936
Significant increase in credit risk receivables (Stage 2)	3,564,992	(1,658,080)	1,906,912
Default receivables in credit risk (Stage 3)	5,340,335	(4,069,462)	1,270,873
<b>Total</b>	<b>93,936,979</b>	<b>(10,125,258)</b>	<b>83,811,721</b>

CONSOLIDATED FINANCIAL STATEMENTS			
As at February 28, 2022			
Trade receivables	Allowance for expected credit loss	Total trade receivables	
Baht '000	Baht '000	Baht '000	
Low credit risk receivables (Stage 1)	82,898,746	(5,563,984)	77,334,762
Significant increase in credit risk receivables (Stage 2)	3,701,623	(1,917,326)	1,784,297
Default receivables in credit risk (Stage 3)	4,427,486	(3,470,145)	957,341
<b>Total</b>	<b>91,027,855</b>	<b>(10,951,455)</b>	<b>80,076,400</b>

SEPARATE FINANCIAL STATEMENTS			
As at February 28, 2023			
Trade receivables	Allowance for expected credit loss	Total trade receivables	
Baht '000	Baht '000	Baht '000	
Low credit risk receivables (Stage 1)	80,649,277	(4,291,875)	76,357,402
Significant increase in credit risk receivables (Stage 2)	3,379,367	(1,590,702)	1,788,665
Default receivables in credit risk (Stage 3)	4,831,894	(3,647,965)	1,183,929
<b>Total</b>	<b>88,860,538</b>	<b>(9,530,542)</b>	<b>79,329,996</b>

SEPARATE FINANCIAL STATEMENTS			
As at February 28, 2022			
Trade receivables	Allowance for expected credit loss	Total trade receivables	
Baht '000	Baht '000	Baht '000	
Low credit risk receivables (Stage 1)	78,540,851	(5,440,033)	73,100,818
Significant increase in credit risk receivables (Stage 2)	3,348,067	(1,768,513)	1,579,554
Default receivables in credit risk (Stage 3)	3,578,772	(2,764,424)	814,348
<b>Total</b>	<b>85,467,690</b>	<b>(9,972,970)</b>	<b>75,494,720</b>

Trade receivables as at February 28, 2023 and 2022 classified by aging are as follows:

CONSOLIDATED FINANCIAL STATEMENTS			
	As at February 28, 2023 Baht '000	As at February 28, 2022 Baht '000	
Less than 3 months	88,798,527	86,925,982	
3 months up	5,138,452	4,101,873	
Total	93,936,979	91,027,855	
<u>Less</u> Allowance for expected credit loss	(10,125,258)	(10,951,455)	
<b>Total trade receivables</b>	<b>83,811,721</b>	<b>80,076,400</b>	

SEPARATE FINANCIAL STATEMENTS			
	As at February 28, 2023 Baht '000	As at February 28, 2022 Baht '000	
Less than 3 months	84,230,528	82,214,531	
3 months up	4,630,010	3,253,159	
Total	88,860,538	85,467,690	
<u>Less</u> Allowance for expected credit loss	(9,530,542)	(9,972,970)	
<b>Total trade receivables</b>	<b>79,329,996</b>	<b>75,494,720</b>	

### 5.3 Troubled debt restructuring

For the years ended February 28, 2023 and 2022, the Company had recognized interest income on restructured debts totaling Baht 68.59 million and Baht 120.74 million, respectively.

The Group and the Company had outstanding balances of credit card receivable, hire-purchase receivable and loans receivable as at February 28, 2023 and 2022, as follows:

CONSOLIDATED FINANCIAL STATEMENTS				
	As at February 28, 2023		As at February 28, 2022	
	Number of debtors	Amount Baht '000	Number of debtors	Amount Baht '000
Restructured trade receivables	14,696	557,681	21,160	801,805
Non-restructured trade receivables	3,631,664	93,306,041	3,697,818	90,108,709
Total	3,646,360	93,863,722	3,718,978	90,910,514

SEPARATE FINANCIAL STATEMENTS				
	As at February 28, 2023		As at February 28, 2022	
	Number of debtors	Amount Baht '000	Number of debtors	Amount Baht '000
Restructured trade receivables	14,629	556,753	21,142	801,309
Non-restructured trade receivables	2,549,101	88,235,162	2,622,002	84,564,692
Total	2,563,730	88,791,915	2,643,144	85,366,001

As at February 28, 2023 and 2022, the Company had no commitment to provide additional loans to its restructured debtors after debt restructuring.



#### 5.4 Allowance for expected credit loss

Allowance for expected credit loss as at February 28, 2023 and 2022, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	Allowance for expected credit loss			Total
	Low credit risk receivables (Stage 1)	Significant increase in credit risk receivables (Stage 2)	Default receivables in credit risk (Stage 3)	
	Baht '000	Baht '000	Baht '000	Baht '000
Balance as at March 1, 2022	5,563,984	1,917,326	3,470,145	10,951,455
Changes in staging*	2,175,679	(6,674,830)	4,499,151	-
Changes in risk parameters	(3,496,897)	6,555,176	4,464,121	7,522,400
New financial assets originated or purchased	340,102	8,452	401,377	749,931
Financial assets derecognized	(159,470)	(149,973)	(201,418)	(510,861)
Written-off bad debts	-	-	(8,582,931)	(8,582,931)
Foreign exchange rate differences	(25,682)	1,929	19,017	(4,736)
Balance as at February 28, 2023	4,397,716	1,658,080	4,069,462	10,125,258

	CONSOLIDATED FINANCIAL STATEMENTS			
	Allowance for expected credit loss			Total
	Low credit risk receivables (Stage 1)	Significant increase in credit risk receivables (Stage 2)	Default receivables in credit risk (Stage 3)	
	Baht '000	Baht '000	Baht '000	Baht '000
Balance as at March 1, 2021	5,969,416	1,578,830	4,044,973	11,593,219
Changes in staging*	1,864,836	(4,848,856)	2,984,020	-
Changes in risk parameters	(2,415,347)	5,150,009	3,312,959	6,047,621
New financial assets originated or purchased	395,135	35,497	517,737	948,369
Financial assets derecognized	(255,682)	(4,575)	257,097	(3,160)
Written-off bad debts	-	-	(7,648,916)	(7,648,916)
Foreign exchange rate differences	5,626	6,421	2,275	14,322
Balance as at February 28, 2022	5,563,984	1,917,326	3,470,145	10,951,455

\* The Group and the Company have adhered to the Accounting Treatment Guidance on “Guidelines for supporting debtors affected by COVID-19” in staging (see Note 2.6).

	SEPARATE FINANCIAL STATEMENTS			Total
	Allowance for expected credit loss			
	Low credit risk	Significant increase in	Default receivables in	
	receivables	credit risk receivables	credit risk	
	(Stage 1)	(Stage 2)	(Stage 3)	
	Baht '000	Baht '000	Baht '000	Baht '000
Balance as at March 1, 2022	5,440,033	1,768,513	2,764,424	9,972,970
Changes in staging*	2,167,632	(6,628,316)	4,460,684	-
Changes in risk parameters	(3,496,896)	6,555,176	4,464,121	7,522,401
New financial assets originated or purchased	346,273	-	275,297	621,570
Financial assets derecognized	(165,167)	(104,671)	(143,601)	(413,439)
Written-off bad debts	-	-	(8,172,960)	(8,172,960)
Balance as at February 28, 2023	4,291,875	1,590,702	3,647,965	9,530,542

	SEPARATE FINANCIAL STATEMENTS			Total
	Allowance for expected credit loss			
	Low credit risk receivables (Stage 1)	Significant increase in credit risk receivables (Stage 2)	Default receivables in credit risk (Stage 3)	
	Baht '000	Baht '000	Baht '000	
	Baht '000	Baht '000	Baht '000	
Balance as at March 1, 2021	5,813,007	1,489,812	3,588,984	10,891,803
Changes in staging*	1,870,437	(4,791,585)	2,921,148	-
Changes in risk parameters	(2,354,321)	5,126,038	3,118,297	5,890,014
New financial assets originated or purchased	359,716	-	326,194	685,910
Financial assets derecognized	(248,806)	(55,752)	56,848	(247,710)
Written-off bad debts	-	-	(7,247,047)	(7,247,047)
Balance as at February 28, 2022	5,440,033	1,768,513	2,764,424	9,972,970

\* The Group and the Company have adhered to the Accounting Treatment Guidance on “Guidelines for supporting debtors affected by COVID-19” in staging (see Note 2.6).

## 5.5 Transfers of financial assets

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

Details of aforementioned sales of receivables are summarized as follows:

		<b>ATS Rabbit*</b>
Approved date of the securitization project by the SEC		October 2, 2015
Initial selling date		October 29, 2015
Type of transferred receivables		Loans receivable
Revolving period		October 2015 - October 2025 (approximately)
<b>Initial sale of receivables</b>		
Net book value of initial receivables	Baht	456,076,200
Proceeds from transfer of the rights in receivables	Baht	433,272,390
Subordinated lendings	Baht	50,081,313
Minimum seller loans - pari passu with debentures	Baht	None
Number of contracts		49,225
Average principal amount outstanding	Baht	9,265
Interest rate		25% p.a.

\* ATS Rabbit Special Purpose Vehicle Company Limited (Subsidiary)

The Company does not recognize other assets obtained in the transfer of financial assets including retained interests 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 as follows:

	<b>ATS Rabbit*</b>	
	<b>As at</b>	<b>As at</b>
	<b>February 28,</b>	<b>February 28,</b>
	<b>2023</b>	<b>2022</b>
	<b>Baht '000</b>	<b>Baht '000</b>
<b>Statements of financial position</b>		
Total assets	2,020,410	2,011,344
Total liabilities	2,020,366	2,011,300
Total shareholders' equity	44	44
<b>For the years ended</b>		
	<b>February 28,</b>	<b>February 28,</b>
	<b>2023</b>	<b>2022</b>
	<b>Baht '000</b>	<b>Baht '000</b>
<b>Statements of profit or loss</b>		
Total revenues	348,025	368,573
Bad debts and doubtful accounts	152,567	144,060
Other operating expenses	92,634	98,949
Interest expenses	95,959	82,040
Income tax expense	1,373	8,729
Net profit	5,492	34,795

\* ATS Rabbit Special Purpose Vehicle Company Limited (ATS Rabbit) is the Company's subsidiary (see Note 2.4 and Note 10).

For the years ended February 28, 2023 and 2022, transactions relating to the transfers of financial assets under the securitization projects are summarized as follows:

	<b>For the years ended</b>	
	<b>February 28,</b>	<b>February 28,</b>
	<b>2023</b>	<b>2022</b>
	<b>Million</b>	<b>Million</b>
	<b>Baht</b>	<b>Baht</b>
Transfers of future receivables and additional receivables (at book value)		
- Loans receivable (ATS Rabbit)	576	548
	<u>576</u>	<u>548</u>
Cash collection on behalf of Special Purpose Vehicles		
- Loans receivable (ATS Rabbit)	923	857
	<u>923</u>	<u>857</u>
Servicing income on cash collection from Special Purpose Vehicles		
- Loans receivable (ATS Rabbit)	73	78
	<u>73</u>	<u>78</u>

## 6. OTHER RECEIVABLES

Other receivables as at February 28, 2023 and 2022 consist of the following:

CONSOLIDATED FINANCIAL STATEMENTS						
	As at February 28, 2023			As at February 28, 2022		
	Due within	More than	Total	Due within	More than	Total
	the year	1 year		the year	1 year	
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Other receivables - related companies (see Note 38.2.1)	4,367	-	4,367	6,022	-	6,022
Other receivables - other companies	262,544	74,041	336,585	174,869	-	174,869
Prepaid expenses	167,446	-	167,446	252,290	-	252,290
Advance payment	49,074	-	49,074	47,923	-	47,923
Accrued income	19,228	-	19,228	21,251	-	21,251
Refundable corporate income tax	15,745	-	15,745	15,745	-	15,745
<b>Total</b>	<b>518,404</b>	<b>74,041</b>	<b>592,445</b>	<b>518,100</b>	<b>-</b>	<b>518,100</b>

SEPERATE FINANCIAL STATEMENTS						
	As at February 28, 2023			As at February 28, 2022		
	Due within	More than	Total	Due within	More than	Total
	the year	1 year		the year	1 year	
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Other receivables - related companies (see Note 38.2.1)	72,766	-	72,766	59,236	-	59,236
Other receivables - other companies	204,022	74,041	278,063	145,767	-	145,767
Prepaid expenses	137,240	-	137,240	207,357	-	207,357
Advance payment	680	-	680	413	-	413
Accrued income	-	-	-	-	-	-
Refundable corporate income tax	-	-	-	-	-	-
<b>Total</b>	<b>414,708</b>	<b>74,041</b>	<b>488,749</b>	<b>412,773</b>	<b>-</b>	<b>412,773</b>

## 7. FIXED DEPOSITS AT BANKS UNDER OBLIGATIONS

As at February 28, 2023 and 2022, 3 subsidiaries have fixed deposits at banks under obligations as follows:

CONSOLIDATED FINANCIAL STATEMENTS	
As at February 28, 2023 Baht '000	As at February 28, 2022 Baht '000
<b>Due within 1 year</b>	
Reserve in accordance with insurance regulations	- 3,000
<b>Due after 1 year</b>	
Pledge as collateral for bank's letters of guarantee issued for debt collection service	3,875 3,925
Legal reserve of the foreign subsidiaries	140,341 37,408
<b>Total fixed deposits at banks under obligations</b>	<b>144,216 41,333</b>

## 8. LONG-TERM LOAN TO A SUBSIDIARY

As at February 28, 2023 and 2022, the Company has long-term loan to a subsidiary (see Note 38.2.1) in the separate financial statements as follows:

			SEPARATE FINANCIAL STATEMENTS “Unaudited”	
			As at February 28, 2023	As at February 28, 2022
	Due within the year	Interest rate p.a. (%)	Foreign currency Million	
			Baht equivalent Baht '000	Baht equivalent Baht '000
Loans in USD currency	2022 - 2026	8.50	3.20	111,960
<u>Less</u> Long-term loan to a subsidiary due within 1 year			(27,990)	-
Total long-term loan to a subsidiary			<u>83,970</u>	<u>130,244</u>

Such long-term loan to a subsidiary is unsecured.

## 9. LOANS FROM PURCHASE OF ACCOUNTS RECEIVABLE

As at February 28, 2023, loans from purchase of accounts are as follows:

		CONSOLIDATED FINANCIAL STATEMENTS As at February 28, 2023 Baht '000
Hire-purchase receivables		11,293
<u>Add</u> Accrued Interest		<u>1,330</u>
		12,623
<u>Less</u> Loans receivable due within 1 year from purchase of accounts receivable		<u>(490)</u>
<b>Loans receivable from purchase of accounts receivable - net of current portion</b>		<u><b>12,133</b></u>

On May 24, 2022, ACS Servicing (Thailand) Co., Ltd. (“the Subsidiary”) bought written-off receivables under hire-purchase agreements by a bidding process from an unrelated local company (“the seller”) with the selling price of Baht 11.41 million. On the same date, the Subsidiary entered into the Asset Sale and Purchase Agreement with the seller and already paid the payment in full to the seller. The agreement set out the conditions and terms in respect of the sales, assignment and conveyance of the subsidiary’s rights, title, claim, obligation, liability and interest in the written-off receivables under hire-purchase agreements.

## 10. INVESTMENTS IN SUBSIDIARIES

As at February 28, 2023 and 2022, the Company had investments in subsidiaries (see Note 38.1) which are accounted for using the cost method in the separate financial statements as follows:

	SEPARATE FINANCIAL STATEMENTS			
	As at February 28, 2023		As at February 28, 2022	
	Ownership %	Cost Baht '000	Ownership %	Cost Baht '000
ACS Servicing (Thailand) Co., Ltd.	100.00	175,349.1	100.00	175,349.1
ACSI (Thailand) Co., Ltd.	100.00	149,224.3	100.00	149,224.3
AEON Specialized Bank (Cambodia) Plc.	50.00	323,580.0	50.00	323,580.0
AEON Microfinance (Myanmar) Company Limited	100.00	455,403.3	100.00	455,403.3
AEON Leasing Service (Lao) Company Limited	96.29	107,333.1	96.29	107,333.1
ATS Rabbit Special Purpose Vehicle Company Limited	48.75	19.5	48.75	19.5
AEON Asset Management (Thailand) Company Limited	98.00	24,499.7	-	-
<b>Total</b>		<u>1,235,409.0</u>		<u>1,210,909.3</u>

On April 11, 2022, the Board of Directors' Meeting of ACSI (Thailand) Co., Ltd. (the "Subsidiary") had a special resolution to approve the Subsidiary's dissolution. Subsequently, on April 28, 2022, the Annual General Meeting of Shareholders of the Subsidiary had the resolutions to approve the Subsidiary's dissolution. The Subsidiary has registered the dissolution with the Department of Business Development, Ministry of Commerce on June 30, 2022. As at February 28, 2023, the Subsidiary is in process of liquidation.

On August 2, 2022, the Company has established a new subsidiary under the name "AEON Asset Management (Thailand) Company Limited" (the "Subsidiary"), whereas the Company holds 98% of the shares. The initial registered capital is Baht 25 million, which were fully paid. The objective of the Subsidiary is to purchase and manage non-performing assets.

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

Investments in equity securities designated at fair value through profit or loss as at February 28, 2023 and 2022 consist of the following:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	As at February 28, 2023		As at February 28, 2022	
	Ownership %	Fair Value Baht '000	Ownership %	Fair Value Baht '000
AEON (Thailand) Co., Ltd. <sup>(1)</sup>	3.82	-	3.82	-
PT. AEON Credit Service Indonesia <sup>(2)</sup>	2.59	5,062	2.59	5,062
ACS Trading Vietnam Company Limited	1.59	-	3.03	-
<b>Total</b>		<u>5,062</u>		<u>5,062</u>

<sup>(1)</sup> 340,000 shares of Baht 100 each, Baht 25 called up

<sup>(2)</sup> 173 shares of IDR 30 million each, par value of IDR 30 million, fully paid

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

On December 27, 2022, the Board of Directors' Meeting of ACS Trading Vietnam Co., Ltd. ("ACS Trading Vietnam") had a resolution to approve the increase of authorized share capital from VND 330,000 million to VND 630,000 million. ACS Trading Vietnam registered its increased share capital on March 3, 2023. However, the Company waived the rights to purchase the increased share capital. As a result, the Company's proportion of shareholding in ACS Trading Vietnam decreased from 3.03% to 1.59%.

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

Investment in equity securities designated at fair value through other comprehensive income as at February 28, 2023 and 2022 consist of the following:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	As at February 28, 2023		As at February 28, 2022	
	Ownership %	Fair Value Baht '000	Ownership %	Fair Value Baht '000
Rabbit Cash Co., Ltd. <sup>(1)</sup>	18.00	144,000	18.00	144,000
<b>Total</b>		<u>144,000</u>		<u>144,000</u>

<sup>(1)</sup> 1,440,000 shares of Baht 100 each, fully paid

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

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

## 13. SELLER LOAN IN SPECIAL PURPOSE VEHICLE FOR SECURITIZATION

Seller loan in Special Purpose Vehicle for securitization as at February 28, 2023 and 2022, are as follows:

	SEPARATE FINANCIAL STATEMENTS	
	As at February 28, 2023	As at February 28, 2022
	Baht '000	Baht '000
Seller loan in Special Purpose Vehicle for securitization (see Note 38.2.1)		
ATS Rabbit Special Purpose Vehicle Company Limited (ATS Rabbit)	287,621	275,773
<b>Total Seller loan in Special Purpose Vehicle for securitization</b>	<u>287,621</u>	<u>275,773</u>

Subsequent to the sale of the rights in initial loans receivable under securitization project, the Company received partial payments from ATS Rabbit with Seller Loan Account under securitization project for sales of the rights in loans receivable to ATS Rabbit during the sales period of the rights in additional receivables or repurchase period of the rights in loans receivable. Such Seller Loan Account will decrease from cash repayment when the outstanding amount reaches or exceeds 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.



## 14. SUBORDINATED LENDINGS AND SUBORDINATED BORROWINGS

- 14.1 Subordinated lendings to Special Purpose Vehicle as at February 28, 2023 and 2022, are as follows:

	SEPARATE FINANCIAL STATEMENTS	
	As at	As at
	February 28, 2023	February 28, 2022
	Baht '000	Baht '000
Subordinated lendings (see Note 38.2.1)		
ATS Rabbit Special Purpose Vehicle Company Limited (ATS Rabbit)	84,074	84,074
<b>Total subordinated lendings</b>	<b>84,074</b>	<b>84,074</b>

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 receivables.

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.

- 14.2 Subordinated borrowings of Special Purpose Vehicle as at February 28, 2023 and 2022, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	As at	As at
	February 28, 2023	February 28, 2022
	Baht '000	Baht '000
Subordinated borrowings		
ATS Rabbit Special Purpose Vehicle Company Limited (ATS Rabbit)	84,074	84,074
<b>Total subordinated borrowings</b>	<b>84,074</b>	<b>84,074</b>

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.

## 15. LEASEHOLD IMPROVEMENT AND EQUIPMENT

Leasehold improvement and equipment as at February 28, 2023 and 2022 consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at February 28, 2023 Baht '000	As at February 28, 2022 Baht '000	As at February 28, 2023 Baht '000	As at February 28, 2022 Baht '000
Cost	3,851,583	3,969,403	3,146,352	3,253,824
<u>Less</u> Accumulated depreciation	<u>(3,328,438)</u>	<u>(3,346,469)</u>	<u>(2,699,135)</u>	<u>(2,724,979)</u>
<b>Total leasehold improvement and equipment</b>	<b><u>523,145</u></b>	<b><u>622,934</u></b>	<b><u>447,217</u></b>	<b><u>528,845</u></b>

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

	CONSOLIDATED FINANCIAL STATEMENTS					
	Beginning balance as at March 1, 2022 Baht '000	Additions Baht '000	Disposals/ Write-off Baht '000	Transfer in (out) Baht '000	Exchange differences on translating financial statements Baht '000	Ending balance as at February 28, 2023 Baht '000
<b>Cost</b>						
Leasehold improvement	1,109,546	14,815	(113,318)	59,948	(1,131)	1,069,860
Furniture and office equipment	2,845,680	59,995	(102,007)	(55,880)	(5,832)	2,741,956
Vehicle	-	65	-	-	(14)	51
Assets under installation	14,177	111,087	-	(85,469)	(79)	39,716
<b>Total</b>	<b><u>3,969,403</u></b>	<b><u>185,962</u></b>	<b><u>(215,325)</u></b>	<b><u>(81,401)</u></b>	<b><u>(7,056)</u></b>	<b><u>3,851,583</u></b>
<b>Accumulated depreciation</b>						
Leasehold improvement	(962,868)	(71,491)	110,725	(4,971)	(236)	(928,841)
Furniture and office equipment	(2,383,601)	(204,621)	100,972	83,483	4,173	(2,399,594)
Vehicle	-	(4)	-	-	1	(3)
<b>Total</b>	<b><u>(3,346,469)</u></b>	<b><u>(276,116)</u></b>	<b><u>211,697</u></b>	<b><u>78,512</u></b>	<b><u>3,938</u></b>	<b><u>(3,328,438)</u></b>
<b>Total leasehold improvement and equipment</b>	<b><u>622,934</u></b>					<b><u>523,145</u></b>

	CONSOLIDATED FINANCIAL STATEMENTS					
	Beginning balance as at March 1, 2021 Baht '000	Additions Baht '000	Disposals/ Write-off Baht '000	Transfer in (out) Baht '000	Exchange differences on translating financial statements Baht '000	Ending balance as at February 28, 2022 Baht '000
<b>Cost</b>						
Leasehold improvement	1,209,098	39,914	(157,007)	14,781	2,760	1,109,546
Furniture and office equipment	2,718,689	127,885	(83,571)	78,426	4,251	2,845,680
Assets under installation	68,183	39,362	(161)	(93,207)	-	14,177
<b>Total</b>	<b><u>3,995,970</u></b>	<b><u>207,161</u></b>	<b><u>(240,739)</u></b>	<b><u>-</u></b>	<b><u>7,011</u></b>	<b><u>3,969,403</u></b>
<b>Accumulated depreciation</b>						
Leasehold improvement	(977,254)	(118,659)	134,996	-	(1,951)	(962,868)
Furniture and office equipment	(2,225,261)	(229,057)	74,249	-	(3,532)	(2,383,601)
<b>Total</b>	<b><u>(3,202,515)</u></b>	<b><u>(347,716)</u></b>	<b><u>209,245</u></b>	<b><u>-</u></b>	<b><u>(5,483)</u></b>	<b><u>(3,346,469)</u></b>
<b>Total leasehold improvement and equipment</b>	<b><u>793,455</u></b>					<b><u>622,934</u></b>

	SEPARATE FINANCIAL STATEMENTS				
	Beginning balance as at March 1, 2022	Additions	Disposals/ Write-off	Transfer in (out)	Ending balance as at February 28, 2023
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
<b>Cost</b>					
Leasehold improvement	913,875	1,505	(90,345)	59,686	884,721
Furniture and office equipment	2,325,772	36,411	(87,258)	(52,042)	2,222,883
Assets under installation	14,177	109,788	-	(85,217)	38,748
Total	<u>3,253,824</u>	<u>147,704</u>	<u>(177,603)</u>	<u>(77,573)</u>	<u>3,146,352</u>
<b>Accumulated depreciation</b>					
Leasehold improvement	(795,374)	(58,861)	88,598	(4,959)	(770,596)
Furniture and office equipment	(1,929,605)	(167,972)	86,506	82,532	(1,928,539)
Total	<u>(2,724,979)</u>	<u>(226,833)</u>	<u>175,104</u>	<u>77,573</u>	<u>(2,699,135)</u>
<b>Total leasehold improvement and equipment</b>	<u>528,845</u>				<u>447,217</u>

	SEPARATE FINANCIAL STATEMENTS				
	Beginning balance as at March 1, 2021	Additions	Disposals/ Write-off	Transfer in (out)	Ending balance as at February 28, 2022
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
<b>Cost</b>					
Leasehold improvement	989,237	30,925	(120,984)	14,697	913,875
Furniture and office equipment	2,170,300	103,892	(26,846)	78,426	2,325,772
Assets under installation	68,182	39,279	(161)	(93,123)	14,177
Total	<u>3,227,719</u>	<u>174,096</u>	<u>(147,991)</u>	<u>-</u>	<u>3,253,824</u>
<b>Accumulated depreciation</b>					
Leasehold improvement	(812,476)	(94,110)	111,212	-	(795,374)
Furniture and office equipment	(1,771,460)	(183,526)	25,381	-	(1,929,605)
Total	<u>(2,583,936)</u>	<u>(277,636)</u>	<u>136,593</u>	<u>-</u>	<u>(2,724,979)</u>
<b>Total leasehold improvement and equipment</b>	<u>643,783</u>				<u>528,845</u>

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended February 28, 2023		For the years ended February 28, 2022	
	Baht '000	Baht '000	Baht '000	Baht '000
<b>Depreciation</b>	<u>276,116</u>	<u>347,716</u>	<u>226,833</u>	<u>277,636</u>

As at February 28, 2023 and 2022, costs of fully depreciated leasehold improvement and equipment still in use are as follows:

	As at February 28, 2023	As at February 28, 2022
	Baht '000	Baht '000
Consolidated financial statements	<u>2,365,274</u>	<u>2,331,598</u>
Separate financial statements	<u>2,159,858</u>	<u>2,125,054</u>

## 16. RIGHT-OF-USE ASSETS

Right-of-use assets as at February 28, 2023 and 2022 consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at February 28, 2023 Baht '000	As at February 28, 2022 Baht '000	As at February 28, 2023 Baht '000	As at February 28, 2022 Baht '000
Cost	1,511,379	1,370,284	1,233,224	1,123,434
<u>Less Accumulated depreciation</u>	<u>(618,820)</u>	<u>(759,215)</u>	<u>(456,539)</u>	<u>(585,078)</u>
<b>Total right-of-use assets</b>	<b>892,559</b>	<b>611,069</b>	<b>776,685</b>	<b>538,356</b>

The movements of right-of-use assets during the years are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	Beginning balance as at March 1, 2022 Baht '000	Additions Baht '000	Disposal Baht '000	Exchange difference on translating financial statements Baht '000
<b>Cost</b>				
Buildings	1,175,105	761,663	(642,671)	4,403
Office equipment	116,422	70,394	(44,423)	-
Vehicles	78,757	5,702	(13,973)	-
<b>Total</b>	<b>1,370,284</b>	<b>837,759</b>	<b>(701,067)</b>	<b>4,403</b>
<b>Accumulated depreciation</b>				
Buildings	(671,120)	(450,268)	620,611	(2,803)
Office equipment	(57,236)	(57,754)	42,595	-
Vehicles	(30,859)	(25,959)	13,973	-
<b>Total</b>	<b>(759,215)</b>	<b>(533,981)</b>	<b>677,179</b>	<b>(2,803)</b>
<b>Total right-of-use assets</b>	<b>611,069</b>			<b>892,559</b>

	CONSOLIDATED FINANCIAL STATEMENTS			
	Beginning balance as at March 1, 2021 Baht '000	Additions Baht '000	Disposal Baht '000	Exchange difference on translating financial statements Baht '000
<b>Cost</b>				
Buildings	1,322,808	439,698	(602,879)	15,478
Office equipment	166,657	49,199	(99,434)	-
Vehicles	61,735	49,994	(32,972)	-
<b>Total</b>	<b>1,551,200</b>	<b>538,891</b>	<b>(735,285)</b>	<b>15,478</b>
<b>Accumulated depreciation</b>				
Buildings	(749,818)	(467,526)	554,573	(8,349)
Office equipment	(102,027)	(53,391)	98,182	-
Vehicles	(33,607)	(28,448)	31,196	-
<b>Total</b>	<b>(885,452)</b>	<b>(549,365)</b>	<b>683,951</b>	<b>(8,349)</b>
<b>Total right-of-use assets</b>	<b>665,748</b>			<b>611,069</b>

SEPARATE FINANCIAL STATEMENTS				
	Beginning balance as at March 1, 2022 Baht '000	Additions Baht '000	Disposal Baht '000	Ending balance as at February 28, 2023 Baht '000
<b>Cost</b>				
Buildings	940,455	657,579	(567,787)	1,030,247
Office equipment	107,628	68,786	(41,911)	134,503
Vehicles	75,351	5,702	(12,579)	68,474
Total	1,123,434	732,067	(622,277)	1,233,224
<b>Accumulated depreciation</b>				
Buildings	(502,495)	(390,453)	545,728	(347,220)
Office equipment	(54,064)	(54,455)	40,404	(68,115)
Vehicles	(28,519)	(25,264)	12,579	(41,204)
Total	(585,078)	(470,172)	598,711	(456,539)
<b>Total right-of-use assets</b>	<b>538,356</b>			<b>776,685</b>

SEPARATE FINANCIAL STATEMENTS				
	Beginning balance as at March 1, 2021 Baht '000	Additions Baht '000	Disposal Baht '000	Ending balance as at February 28, 2022 Baht '000
<b>Cost</b>				
Buildings	1,055,161	422,174	(536,880)	940,455
Office equipment	156,506	42,911	(91,789)	107,628
Vehicles	53,081	49,952	(27,682)	75,351
Total	1,264,748	515,037	(656,351)	1,123,434
<b>Accumulated depreciation</b>				
Buildings	(603,712)	(403,859)	505,076	(502,495)
Office equipment	(95,544)	(49,679)	91,159	(54,064)
Vehicles	(29,310)	(26,432)	27,223	(28,519)
Total	(728,566)	(479,970)	623,458	(585,078)
<b>Total right-of-use assets</b>	<b>536,182</b>			<b>538,356</b>

For consolidated and separate financial statements, the Group and the Company entered into several lease agreements, including buildings, office equipment and vehicles, for periods from less than one year to five years.

The maturity analysis of lease liabilities is presented in Note 22.

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the year ended		For the year ended	
	February 28, 2023	February 28, 2022	February 28, 2023	February 28, 2022
	Baht '000	Baht '000	Baht '000	Baht '000
<b>Amounts recognized in profit or loss</b>				
Depreciation on right-of-use assets	533,981	548,395	470,172	478,070
Interest expense on lease liabilities	35,576	20,484	29,940	14,861
Gain on discount received from lease agreements	-	(11,833)	-	(11,833)
Gain on cancellation of lease agreements	(334)	(1,399)	(330)	(724)

For the year ended February 28, 2023, the total cash outflow for leases amount to Baht 558.10 million and Baht 488.33 million in consolidated and separate financial statements, respectively.

For the year ended February 28, 2022, the total cash outflow for leases amount to Baht 564.34 million and Baht 488.72 million in consolidated and separate financial statements, respectively.

## 17. INTANGIBLE ASSETS OTHER THAN GOODWILL

Intangible assets other than goodwill as at February 28, 2023 and 2022 consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	February 28, 2023	February 28, 2022	February 28, 2023	February 28, 2022
	Baht '000	Baht '000	Baht '000	Baht '000
Cost	5,171,889	4,759,712	4,612,451	4,236,912
Less Accumulated amortization	(4,152,986)	(3,839,326)	(3,733,702)	(3,459,055)
Less Allowance for impairment	(95,497)	-	(95,497)	-
<b>Total intangible assets other than goodwill</b>	<b>923,406</b>	<b>920,386</b>	<b>783,252</b>	<b>777,857</b>

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

	CONSOLIDATED FINANCIAL STATEMENTS					
	Beginning balance as at March 1, 2022 Baht '000	Additions Baht '000	Disposals/ Write-off Baht '000	Transfer in (out) Baht '000	Exchange differences on translating financial statements Baht '000	Ending balance as at February 28, 2023 Baht '000
<b>Cost</b>						
Computer software	4,509,982	118,431	(3,738)	188,685	(8,315)	4,805,045
Computer software under installation	249,730	224,457	-	(107,284)	(59)	366,844
<b>Total</b>	<b>4,759,712</b>	<b>342,888</b>	<b>(3,738)</b>	<b>81,401</b>	<b>(8,374)</b>	<b>5,171,889</b>
<b>Accumulated amortization</b>						
Computer software	(3,839,326)	(241,503)	2,570	(78,512)	3,785	(4,152,986)
<b>Allowance for impairment</b>						
Computer software under installation	-	(95,497)	-	-	-	(95,497)
<b>Total intangible assets other than goodwill</b>	<b>920,386</b>					<b>923,406</b>

	CONSOLIDATED FINANCIAL STATEMENTS					
	Beginning balance as at March 1, 2021 Baht '000	Additions Baht '000	Disposals/ Write-off Baht '000	Transfer in (out) Baht '000	Exchange differences on translating financial statements Baht '000	Ending balance as at February 28, 2022 Baht '000
<b>Cost</b>						
Computer software	4,276,039	164,358	(38,630)	96,548	11,667	4,509,982
Computer software under installation	86,506	259,772	-	(96,548)	-	249,730
<b>Total</b>	<b>4,362,545</b>	<b>424,130</b>	<b>(38,630)</b>	<b>-</b>	<b>11,667</b>	<b>4,759,712</b>
<b>Accumulated amortization</b>						
Computer software	(3,665,989)	(202,899)	37,371	-	(7,809)	(3,839,326)
<b>Total intangible assets other than goodwill</b>	<b>696,556</b>					<b>920,386</b>

	SEPARATE FINANCIAL STATEMENTS				
	Beginning balance as at March 1, 2022 Baht '000	Additions Baht '000	Disposals/ Write-off Baht '000	Transfer in (out) Baht '000	Ending balance as at February 28, 2023 Baht '000
<b>Cost</b>					
Computer software	3,988,202	79,505	-	178,455	4,246,162
Computer software under installation	248,710	218,461	-	(100,882)	366,289
<b>Total</b>	<b>4,236,912</b>	<b>297,966</b>	<b>-</b>	<b>77,573</b>	<b>4,612,451</b>
<b>Accumulated amortization</b>					
Computer software	(3,459,055)	(197,074)	-	(77,573)	(3,733,702)
<b>Allowance for impairment</b>					
Computer software under installation	-	(95,497)	-	-	(95,497)
<b>Total intangible assets other than goodwill</b>	<b>777,857</b>				<b>783,252</b>

	SEPARATE FINANCIAL STATEMENTS				
	Beginning	Additions	Disposals/	Transfer	Ending
	balance		Write-off	in (out)	balance
	as at				as at
	March 1,				February 28,
	2021				2022
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
<b>Cost</b>					
Computer software	3,741,837	151,833	-	94,532	3,988,202
Computer software under installation	86,927	256,315	-	(94,532)	248,710
Total	3,828,764	408,148	-	-	4,236,912
<b>Accumulated amortization</b>					
Computer software	(3,298,384)	(160,671)	-	-	(3,459,055)
<b>Total intangible assets other than goodwill</b>	<u>530,380</u>				<u>777,857</u>

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	February 28,	February 28,	February 28,	February 28,
	2023	2022	2023	2022
	Baht '000	Baht '000	Baht '000	Baht '000
<b>Amortization</b>	<u>241,503</u>	<u>202,899</u>	<u>197,074</u>	<u>160,671</u>

As at February 28, 2023 and 2022, costs of fully amortized computer software still in use are as follows:

	As at	As at
	February 28,	February 28,
	2023	2022
	Baht '000	Baht '000
Consolidated financial statements	<u>3,436,444</u>	<u>3,246,967</u>
Separate financial statements	<u>3,224,395</u>	<u>3,038,464</u>



## 18. DEFERRED TAX ASSETS

Deferred tax assets as at February 28, 2023 and 2022 consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at February 28, 2023 Baht '000	As at February 28, 2022 Baht '000	As at February 28, 2023 Baht '000	As at February 28, 2022 Baht '000
<b>Deferred tax assets</b>				
Allowance for expected credit loss	1,956,008	2,076,888	1,906,108	1,994,594
Cumulative loss from fair value measurement investments in equity securities	4,502	4,502	7,866	7,866
Allowance for impairment of investment and assets	21,300	8,579	19,099	6,800
Provisions for employee benefit	88,052	90,248	81,866	83,826
Deferred revenue from customer loyalty programs	72,678	97,898	72,678	97,898
Lease agreements	18,016	15,255	16,482	13,880
Derivatives	147,856	304,803	147,856	304,803
Others	42,075	26,619	16,893	15,306
	<u>2,350,487</u>	<u>2,624,792</u>	<u>2,268,848</u>	<u>2,524,973</u>
<b>Deferred tax liabilities</b>				
Lease agreements	518	310	-	-
Others	9,047	-	-	-
	<u>9,565</u>	<u>310</u>	<u>-</u>	<u>-</u>
<b>Deferred tax assets</b>	<u>2,340,922</u>	<u>2,624,482</u>	<u>2,268,848</u>	<u>2,524,973</u>

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

	CONSOLIDATED FINANCIAL STATEMENTS			
	Beginning balance as at March 1, 2022 Baht '000	Items as recognized in profit or loss Baht '000	Items as recognized in other comprehensive income Baht '000	Ending balance as at February 28, 2023 Baht '000
<b>Deferred tax assets</b>				
Allowance for expected credit loss	2,076,888	(120,880)	-	1,956,008
Cumulative loss from fair value measurement of investments in equity securities	4,502	-	-	4,502
Allowance for impairment of investment and assets	8,579	12,721	-	21,300
Provisions for employee benefit	90,248	12,357	(14,553)	88,052
Deferred revenue from customer loyalty programs	97,898	(25,220)	-	72,678
Lease agreements	15,255	2,761	-	18,016
Derivatives	304,803	(72,500)	(84,447)	147,856
Others	23,199	18,876	-	42,075
	<u>2,621,372</u>	<u>(171,885)</u>	<u>(99,000)</u>	<u>2,350,487</u>
<b>Deferred tax liabilities</b>				
Lease agreements	310	208	-	518
Others	(3,420)	12,467	-	9,047
	<u>(3,110)</u>	<u>12,675</u>	<u>-</u>	<u>9,565</u>
<b>Deferred tax assets</b>	<u>2,624,482</u>	<u>(184,560)</u>	<u>(99,000)</u>	<u>2,340,922</u>

## CONSOLIDATED FINANCIAL STATEMENTS

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

## SEPARATE FINANCIAL STATEMENTS

	Beginning balance as at March 1, 2022 Baht '000	Items as recognized in profit or loss Baht '000	Items as recognized in other comprehensive income Baht '000	Ending balance as at February 28, 2023 Baht '000
<b>Deferred tax assets</b>				
Allowance for expected credit loss	1,994,594	(88,486)	-	1,906,108
Cumulative loss from fair value measurement of investments in equity securities	7,866	-	-	7,866
Allowance for impairment of investment and assets	6,800	12,299	-	19,099
Provisions for employee benefit	83,826	11,354	(13,314)	81,866
Deferred revenue from customer loyalty programs	97,898	(25,220)	-	72,678
Lease agreements	13,880	2,602	-	16,482
Derivatives	304,803	(72,500)	(84,447)	147,856
Others	15,306	1,587	-	16,893
	<u>2,524,973</u>	<u>(158,364)</u>	<u>(97,761)</u>	<u>2,268,848</u>
<b>Deferred tax assets</b>	<u>2,524,973</u>	<u>(158,364)</u>	<u>(97,761)</u>	<u>2,268,848</u>

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

## 19. OTHER NON-CURRENT ASSETS

Other non-current assets as at February 28, 2023 and 2022 consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at February 28, 2023 Baht '000	As at February 28, 2022 Baht '000	As at February 28, 2023 Baht '000	As at February 28, 2022 Baht '000
Deposits	165,501	181,687	146,184	167,847
Total	<u>165,501</u>	<u>181,687</u>	<u>146,184</u>	<u>167,847</u>

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

Bank overdrafts and short-term borrowings from financial institutions as at February 28, 2023 and 2022, consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS			
	As at February 28, 2023		As at February 28, 2022	
	Interest rate p.a. (%)	Baht '000	Interest rate p.a. (%)	Baht '000
Overdrafts in THB currency	1.85	-	0.75	1,240
Short-term borrowings in THB currency	1.69 - 1.76	3,440,000	0.69 - 1.05	7,940,000
Short-term borrowings in USD currency	5.49 - 6.70	627,261	0.88 - 6.50	652,016
Short-term borrowings in LAK currency	6.62	282,076	6.13 - 6.60	302,751
Short-term borrowings in MMK currency	10.00 - 13.00	136,087	10.00 - 13.00	275,897
Total		<u>4,485,424</u>		<u>9,171,904</u>

## SEPARATE FINANCIAL STATEMENTS

	As at February 28, 2023		As at February 28, 2022	
	Interest rate		Interest rate	
	p.a. (%)	Baht '000	p.a. (%)	Baht '000
Overdrafts in THB currency	1.85	-	0.75	1,240
Short-term borrowings in THB currency	1.69 - 1.76	3,440,000	0.69 - 1.05	7,940,000
Total		<u>3,440,000</u>		<u>7,941,240</u>

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

## 21. OTHER PAYABLES

Other payables as at February 28, 2023 and 2022 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at February 28, 2023	As at February 28, 2022	As at February 28, 2023	As at February 28, 2022
	Baht '000	Baht '000	Baht '000	Baht '000
Other payable - related companies (see Note 38.2.1)	65,253	63,118	160,714	158,247
Other payable - other companies	482,305	430,304	330,396	284,424
Deferred revenue from customer loyalty programs	369,164	494,702	363,388	489,490
Interest payable	382,622	209,175	366,602	194,197
Accrued expenses	330,115	430,721	311,229	423,958
Total	<u>1,629,459</u>	<u>1,628,020</u>	<u>1,532,329</u>	<u>1,550,316</u>

## 22. LEASE LIABILITIES

Lease liabilities as at February 28, 2023 and 2022 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at February 28, 2023	As at February 28, 2022	As at February 28, 2023	As at February 28, 2022
	Baht '000	Baht '000	Baht '000	Baht '000
<b>Maturity analysis:</b>				
Year 1	475,687	369,421	416,696	322,587
Year 2	310,471	268,831	264,685	245,106
Year 3	121,807	4,954	109,252	-
Year 4	64,534	1,035	59,553	-
Year 5	1,419	-	-	-
	<u>973,918</u>	<u>644,241</u>	<u>850,186</u>	<u>567,693</u>
Less Deferred interest	(56,250)	(19,263)	(47,982)	(15,268)
<b>Total</b>	<u>917,668</u>	<u>624,978</u>	<u>802,204</u>	<u>552,425</u>
<b>Classification analysis:</b>				
Current	444,127	356,328	389,924	312,304
Non-current	473,541	268,650	412,280	240,121
<b>Total</b>	<u>917,668</u>	<u>624,978</u>	<u>802,204</u>	<u>552,425</u>

## 23. LONG-TERM BORROWINGS

As at February 28, 2023 and 2022, the Company entered into various long-term borrowings agreements in THB and foreign currencies as follows:

CONSOLIDATED FINANCIAL STATEMENTS				
As at February 28, 2023				
	Due within the year	Interest rate p.a. (%)	Foreign currency Million	Baht equivalent Baht '000
Borrowings in JPY currency	2023 - 2027	1.90 - 3.33	23,145.24	6,053,822
Borrowings in USD currency	2023 - 2027	1.85 - 8.50	723.10	25,488,914
Borrowings in THB currency	2023 - 2026	2.01 - 3.69	20,500.00	20,500,000
<u>Less</u> Borrowings issuance cost				(53,251)
				51,989,485
<u>Less</u> Current portion of long-term borrowings				(12,836,551)
Total long-term borrowings				39,152,934

CONSOLIDATED FINANCIAL STATEMENTS				
As at February 28, 2022				
	Due within the year	Interest rate p.a. (%)	Foreign currency Million	Baht equivalent Baht '000
Borrowings in JPY currency	2022 - 2027	1.90 - 3.33	25,645.24	7,363,132
Borrowings in USD currency	2022 - 2027	1.85 - 8.50	656.30	21,651,334
Borrowings in THB currency	2022 - 2026	1.54 - 3.29	19,000.00	19,000,000
<u>Less</u> Borrowings issuance cost				(27,804)
				47,986,662
<u>Less</u> Current portion of long-term borrowings				(17,090,217)
Total long-term borrowings				30,896,445

SEPARATE FINANCIAL STATEMENTS				
As at February 28, 2023				
	Due within the year	Interest rate p.a. (%)	Foreign currency Million	Baht equivalent Baht '000
Borrowings in JPY currency	2023 - 2027	1.90 - 3.33	23,145.24	6,053,822
Borrowings in USD currency	2023 - 2027	1.85 - 3.49	641.10	22,640,767
Borrowings in THB currency	2023 - 2026	2.01 - 3.69	20,500.00	20,500,000
<u>Less</u> Borrowings issuance cost				(53,251)
				49,141,338
<u>Less</u> Current portion of long-term borrowings				(11,273,543)
Total long-term borrowings				37,867,795

SEPARATE FINANCIAL STATEMENTS				
As at February 28, 2022				
	Due within the year	Interest rate p.a. (%)	Foreign currency Million	Baht equivalent Baht '000
Borrowings in JPY currency	2022 - 2027	1.90 - 3.33	25,645.24	7,363,132
Borrowings in USD currency	2022 - 2025	1.85 - 3.38	564.30	18,560,787
Borrowings in THB currency	2022 - 2026	1.54 - 3.29	19,000.00	19,000,000
<u>Less</u> Borrowings issuance cost				(27,804)
				44,896,115
<u>Less</u> Current portion of long-term borrowings				(16,317,580)
Total long-term borrowings				28,578,535

As at February 28, 2023 and 2022, the Company can maintain financial ratios and other requirements according to the conditions as specified in the agreement.

## 24. LONG-TERM BORROWINGS UNDER SECURITIZATION PROJECT

As at February 28, 2023 and 2022, the Company recognized the cash received and the settlement by the Seller Loan Account of ATS Rabbit Special Purpose Vehicle Company Limited 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 1,260.99 million and Baht 1,401.71 million, respectively.

## 25. LONG-TERM DEBENTURES

Long-term debentures, representing unsubordinated and unsecured debentures, as at February 28, 2023 and 2022, 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, 2023 Baht '000	As at February 28, 2022 Baht '000
<b>Company</b>									
15/12/2017	15/12/2022	1,000,000	THB	1,000	1,000,000,000	2.93	Semi-annual	-	1,000,000
15/11/2019	15/11/2022	2,800,000	THB	1,000	2,800,000,000	2.27	Semi-annual	-	2,800,000
15/11/2019	15/11/2024	1,000,000	THB	1,000	1,000,000,000	2.57	Semi-annual	1,000,000	1,000,000
29/12/2021	29/12/2026	70	JPY	100,000,000	7,000,000,000	0.65	Semi-annual	1,830,906	2,009,805
29/11/2022	28/11/2025	100	JPY	100,000,000	10,000,000,000	0.69	Semi-annual	2,615,580	-
24/02/2023	24/02/2025	1,000,000	THB	1,000	1,000,000,000	2.99	Semi-annual	1,000,000	-
24/02/2023	24/02/2026	1,700,000	THB	1,000	1,700,000,000	3.18	Semi-annual	1,700,000	-
								8,146,486	6,809,805
<u>Less</u> Debentures issuance cost								(39,426)	(23,333)
								8,107,060	6,786,472
<u>Less</u> Current portion of long-term debentures								-	(3,798,878)
<b>Total long-term debentures in separate financial statements</b>								8,107,060	2,987,594
<b>ATS Rabbit Special Purpose Vehicle Company Limited</b>									
29/09/2018	28/10/2025	1,473,082	THB	1,000	1,473,082,000	2.84	Monthly	1,473,082	1,473,082
<b>Total long-term debentures in consolidated financial statements</b>								9,580,142	4,460,676

- (1) 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 were 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 were 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 were 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 were 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 were 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 were 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 were 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 were 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 were 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.

- (2) 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 were due on November 15, 2020.

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

On November 15, 2019, the Company issued and offered debentures amounting to Baht 2,800 million to institutional in Thailand with interest rate of 2.27% per annum, payable on a semi-annual basis, and were due on November 15, 2022.

On November 15, 2019, the Company issued and offered debentures amounting to Baht 1,000 million to institutional in Thailand with interest rate of 2.57% per annum, payable on a semi-annual basis, and will be due on November 15, 2024.

On December 29, 2021, the Company issued and offered debentures amounting to JPY 7,000 million to a bank in Japan with interest rate of 0.65% per annum, payable on a semi-annual basis, and will be due on December 29, 2026. Such debentures are guaranteed by same bank.

- (3) On June 24, 2022, the Company's Annual General Meeting of shareholders of 2022 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 29, 2022, the Company issued and offered debentures amounting to JPY 10,000 million to a bank in Japan with interest rate of 0.69% per annum, payable on a semi-annual basis, and will be due on November 28, 2025. Such debentures are guaranteed by the same bank.

On February 24, 2023, 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 2.99% per annum, payable on a semi-annual basis, and will be due on February 24, 2025.

On February 24, 2023, the Company issued and offered debentures amounting to Baht 1,700 million to institutional and high net worth investors in Thailand with interest rate of 3.18% per annum, payable on a semi-annual basis, and will be due on February 24, 2026.

- (4) 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, 2023 and 2022, the subsidiary issued and offered the long-term refinanced debentures which are unsubordinated and unsecured of Baht 1,473.08 million 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 years 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. As at February 28, 2023, the subsidiary is in the process of considering the redemption plan of debentures. Therefore, the Group has classified such debentures as non-current liabilities.

As at February 28, 2023 and 2022, the Company can maintain financial ratios and other requirements according to the conditions as specified in the agreement.

## 26. DERIVATIVE FINANCIAL INSTRUMENTS

The fair values and notional amounts of derivative instruments as at February 28, 2023 and 2022 are as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS					
	As at February 28, 2023			As at February 28, 2022		
	Fair value		Notional	Fair value		Notional
	Assets	Liabilities	amount	Assets	Liabilities	amount
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Derivatives designated as cash flow hedges						
Cross currency swaps	1,701,619	1,380,412	33,141,075	376,175	685,049	27,933,724
Interest rate swaps	30,466	58,491	5,000,000	-	182,677	9,000,000
	<u>1,732,085</u>	<u>1,438,903</u>	<u>38,141,075</u>	<u>376,175</u>	<u>867,726</u>	<u>36,933,724</u>
Less Current portion of derivative assets / liabilities	<u>(1,047,431)</u>	<u>(562,743)</u>	<u>(10,473,815)</u>	<u>(82,380)</u>	<u>(654,801)</u>	<u>(10,819,198)</u>
<b>Total derivative assets / liabilities</b>	<u><b>684,654</b></u>	<u><b>876,160</b></u>	<u><b>27,667,260</b></u>	<u><b>293,795</b></u>	<u><b>212,925</b></u>	<u><b>26,114,526</b></u>

## 27. 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, 2023 and 2022, amounts recognized in the statements of profit or loss in respect of the post-employment benefit plans are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	February 28, 2023	February 28, 2022	February 28, 2023	February 28, 2022
	Baht '000	Baht '000	Baht '000	Baht '000
Past service cost (reversal)				
- For employees transferred within the Group	(13,343)	4,810	(5,113)	4,810
Current service cost	62,878	78,392	55,491	71,737
Interest cost	11,579	7,849	10,801	7,216
Loss on settlement	<u>15,401</u>	<u>20,781</u>	<u>9,158</u>	<u>14,476</u>
Total	<u><b>76,515</b></u>	<u><b>111,832</b></u>	<u><b>70,337</b></u>	<u><b>98,239</b></u>

For the years ended February 28, 2023 and 2022, amounts recognized in other comprehensive income in respect of the post-employment benefit plans are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	February 28, 2023	February 28, 2022	February 28, 2023	February 28, 2022
	Baht '000	Baht '000	Baht '000	Baht '000
(Gain) loss on remeasurements of defined benefit plans				
- From financial assumptions changes	(18,373)	(66,744)	(14,426)	(62,355)
- From demographic assumptions changes	(27,410)	7,287	(27,823)	4,147
- From experience adjustments	(26,977)	(30,130)	(24,321)	(25,600)
Total	<u>(72,760)</u>	<u>(89,587)</u>	<u>(66,570)</u>	<u>(83,808)</u>

Movements in the present value of the provisions for post-employment benefits for the years ended February 28, 2023 and 2022 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	February 28, 2023	February 28, 2022	February 28, 2023	February 28, 2022
	Baht '000	Baht '000	Baht '000	Baht '000
Beginning balance	463,335	478,346	419,132	431,606
Past service cost (reversal)				
- For employees transferred within the Group	(13,343)	4,810	(5,113)	4,810
Current service cost	62,878	78,392	55,491	71,737
Interest cost	11,579	7,849	10,801	7,216
Loss on settlement	15,401	20,781	9,158	14,476
Gain on remeasurements of defined benefit plans	(72,760)	(89,587)	(66,570)	(83,808)
Benefits paid	(22,713)	(37,256)	(13,916)	(28,578)
Increase (decrease) of liabilities from transfer of employees within the Group	-	-	(3,353)	1,673
Ending balance	<u>444,377</u>	<u>463,335</u>	<u>405,630</u>	<u>419,132</u>

The significant actuarial assumptions used to calculate the provisions for post-employment benefits as at February 28, 2023 and 2022, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	As at February 28, 2023	As at February 28, 2022
	% per annum	% per annum
Financial assumptions		
Discount rate	0.84 - 3.15	0.84 - 2.60
Expected rate of salary increase	5.0	5.0
Demographic assumptions		
Turnover rate		
Monthly staff	0.0 - 27.0	0.0 - 27.0
Subject to range of age of employees		
Daily & Temporary staff	0.0 - 54.0	0.0 - 51.0
Subject to range of age of employees		

	SEPARATE FINANCIAL STATEMENTS	
	As at February 28, 2023	As at February 28, 2022
	% per annum	% per annum
Financial assumptions		
Discount rate	2.85	2.60
Expected rate of salary increase	5.0	5.0
Demographic assumptions		
Turnover rate		
Monthly staff	0.0 - 21.0	0.0 - 17.0
	Subject to range of age of employees	Subject to range of age of employees
Daily staff	0.0 - 54.0	0.0 - 51.0
	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 without discounting to present value as at February 28, 2023 and 2022, as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at February 28, 2023 Baht '000	As at February 28, 2022 Baht '000	As at February 28, 2023 Baht '000	As at February 28, 2022 Baht '000
Financial assumptions				
Discount rate				
- 1% increase	(56,381)	(61,892)	(51,755)	(56,479)
- 1% decrease	67,338	74,442	61,796	67,988
Expected rate of salary increase				
- 1% increase	60,611	68,367	55,718	62,586
- 1% decrease	(51,729)	(57,821)	(47,567)	(52,903)
Demographic assumptions				
Turnover rate				
- 1% increase	(60,107)	(65,605)	(55,082)	(59,784)
- 1% decrease	29,504	35,836	25,981	31,721

## 28. EMPLOYEE JOINT INVESTMENT PROGRAM

On August 9, 2022, the Company's Board of Directors' meeting had the resolution to approve the Employee Joint Investment Program ("EJIP"), which has started on September 1, 2022. The details of the program are as follows:

EJIP Period	Program period: 5 years (September 1, 2022 to August 31, 2027) Program contribution period: 3 years (September 1, 2022 to August 31, 2025)
Eligible employees under EJIP	Permanent employees of the Company at Assistant Manager level or higher and Executive Director level or higher with at least 3 years of service, on a voluntary basis
EJIP Arrangement	Money paid by employees to participate in the project: 3 - 5 percent of salary Money paid by executives to participate in the project: 3 - 9 percent of salary Contributions made by the Company to join the program: Equivalent amount paid by employees or executives into the program, with 3% additional contribution of the base salary for Talent Employee according to the terms and conditions set by the Company
EJIP Buying Schedule	Monthly
Conditions for holding the securities	Sell of shares during year 1 - 3 is not allowed. All accumulated shares in the first year of the Program are allowed to be sold after the end of the third year of the Program All accumulated shares in the second year of the Program are allowed to be sold after the end of the fourth year of the Program All accumulated shares in the third year of the Program are allowed to be sold after the end of the fifth year of the Program
EJIP Manager	Phillip Securities (Thailand) Public Company Limited

Movement of the employee joint investment program for the year ended February 28, 2023 is as follows:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS As at February 28, 2023 Baht '000	
Balance as at March 1, 2022	-
Change during the year	
- Employee joint investment program expense	14,426
- Cash paid for employee joint investment program	(5,161)
Balance as at February 28, 2023	<u>9,265</u>

For the year ended February 28, 2023, amounts recognized in the statement of profit or loss in respect of the employee joint investment program are as follows:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS For the years ended February 28, 2023 Baht '000	
Operating and administrative expenses	9,703
Directors and managements' remuneration	4,723
	<u>14,426</u>

## 29. SHAREHOLDERS' EQUITY

- 29.1 On June 24, 2021, the Annual General Meeting of Shareholders had the resolutions to approve the declaration of final dividends for the year ended February 28, 2021 at the rate of Baht 2.65 per share, totaling Baht 662.50 million. The aforementioned shareholders included 4,410 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 662.50 million on July 20, 2021 in addition to the interim dividends which had been paid to all shareholders at Baht 1.85 per share, totaling Baht 462.50 million on November 5, 2020.
- 29.2 On October 4, 2021, the Company's Board of Directors' meeting passed the resolution to declare interim dividends for the year ended February 28, 2022 at the rate of Baht 2.50 per share to shareholders, totaling Baht 625.00 million. The aforementioned shareholders included 1,700 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 625.00 million on November 2, 2021.
- 29.3 On June 24, 2022, the Annual General Meeting of Shareholders had the resolutions to approve the declaration of final dividends for the year ended February 28, 2022 at the rate of Baht 2.65 per share, totaling Baht 662.50 million. The aforementioned shareholders included 1,300 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 662.50 million on July 20, 2022 in addition to the interim dividends which had been paid to all shareholders at Baht 2.50 per share, totaling Baht 625.00 million on November 2, 2021.
- 29.4 On October 4, 2022, the Company's Board of Directors' meeting passed the resolution to declare interim dividends for the year ended February 28, 2023 at the rate of Baht 2.55 per share to shareholders, totaling Baht 637.50 million. The aforementioned shareholders included 1,400 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 637.50 million on November 2, 2022.
- 29.5 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.

### 30. 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, 2023 and 2022, the Company's legal reserve equals to 10% of the registered share capital.

### 31. 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.

### 32. OTHER COMPONENTS OF SHAREHOLDERS' EQUITY

Other components of shareholders' equity as at February 28, 2023 and 2022 are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	February 28,	February 28,	February 28,	February 28,
	2023	2022	2023	2022
	Baht '000	Baht '000	Baht '000	Baht '000
Beginning balance	(523,149)	(1,016,800)	(427,341)	(895,575)
Exchange differences on translating financial statements of foreign operations	12,354	25,417	-	-
Gain on cash flow hedges	337,790	468,234	337,790	468,234
Ending balance	<u>(173,005)</u>	<u>(523,149)</u>	<u>(89,551)</u>	<u>(427,341)</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.

Cumulative loss on cash flow hedges in shareholders' equity consists of the effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges against foreign exchange risk.

### 33. REVENUES RELATING TO SECURITIZATION TRANSACTION

For the years ended February 28, 2023 and 2022, the details of revenues from securitization transaction incurred from sales of rights in loans receivable to ATS Rabbit Special Purpose Vehicle Company Limited are included in Loan income for presentation as follows:

	SEPARATE FINANCIAL STATEMENTS	
	For the years ended	
	February 28, 2023	February 28, 2022
	Baht '000	Baht '000
Loan income (see Note 38.2.2)		
Interest income from subordinated lendings	10,089	10,089
Revenue from seller loan in Special Purpose Vehicle	35,337	28,646
Dividend from investment in Special Purpose Vehicle	2,746	17,398
Collection servicing income	73,410	78,278
Total	<u>121,582</u>	<u>134,411</u>

### 34. DIRECTORS AND MANAGERMENTS' REMUNERATION

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

For the years ended February 28, 2023 and 2022, directors and managements' remuneration are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	February 28, 2023	February 28, 2022	February 28, 2023	February 28, 2022
	Baht '000	Baht '000	Baht '000	Baht '000
Short-term employee benefits				
Directors' remuneration	14,863	28,979	5,507	21,985
Managements' remuneration	134,070	127,305	94,762	78,483
Post-employment benefits	5,627	4,835	4,156	3,596
Total	<u>154,560</u>	<u>161,119</u>	<u>104,425</u>	<u>104,064</u>

For the years ended February 28, 2023 and 2022, directors' remunerations which were included in short-term employee benefits were approved by the Annual General Meeting of shareholders of the Company held on June 24, 2022 and June 24, 2021, respectively.

### 35. 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, 2023 and 2022, the Company contributed to the provident fund and recorded as expenses, as follows:

	CONSOLIDATED FINANCIAL STATEMENTS For the years ended		SEPARATE FINANCIAL STATEMENTS For the years ended	
	February 28, 2023 Baht '000	February 28, 2022 Baht '000	February 28, 2023 Baht '000	February 28, 2022 Baht '000
Contributory provident fund	65,415	65,384	57,608	56,293

### 36. EXPENSES BY NATURE

Total expenses for the years ended February 28, 2023 and 2022 comprised of the following:

	CONSOLIDATED FINANCIAL STATEMENTS For the years ended		SEPARATE FINANCIAL STATEMENTS For the years ended	
	February 28, 2023 Baht '000	February 28, 2022 Baht '000	February 28, 2023 Baht '000	February 28, 2022 Baht '000
Staff costs	2,602,515	2,589,464	1,909,180	1,927,830
Marketing expenses	1,459,289	1,321,721	1,448,566	1,254,582
Equipment expenses	694,015	619,911	554,275	494,489
Depreciation and amortization	1,051,601	1,099,011	894,079	916,377
Communication expenses	211,248	243,283	177,794	205,932
Premises' expenses	186,851	203,542	156,039	166,619
Outsource collection expenses	634,979	474,344	1,130,187	957,164
Special business tax and duty stamp	563,317	519,329	548,380	504,034
Printing material expenses	115,772	147,429	106,572	137,065
Transportation expenses	112,401	103,267	67,212	64,333
Fees and commissions	188,804	236,804	148,432	208,056
Directors and managements' remuneration	154,560	161,119	104,425	104,064
Loss on impairment of assets	95,497	-	95,497	-
Loss on sale and write-off of leasehold improvement and equipment, and intangible assets other than goodwill	2,627	11,099	1,041	9,710
Other expenses	141,657	113,263	142,195	88,134
Total Expenses	8,215,133	7,843,586	7,483,874	7,038,389



### 37. 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, 2023 and 2022.

The foreign subsidiaries used tax rate of 20% - 25% for corporate income tax and deferred tax calculations for the years ended February 28, 2022. For the years ended February 28, 2023, the foreign subsidiaries used tax rate of 20% - 22% for corporate income tax and deferred tax calculations.

Income tax expenses of the Company and its subsidiaries are 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, 2023 and 2022, income tax expenses consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	February 28, 2023	February 28, 2022	February 28, 2023	February 28, 2022
	Baht '000	Baht '000	Baht '000	Baht '000
Current tax expense for the years	811,258	430,250	722,363	376,458
Deferred income tax expense	184,560	569,630	158,364	570,935
Income tax expenses per statements of profit or loss	<u>995,818</u>	<u>999,880</u>	<u>880,727</u>	<u>947,393</u>

Reconciliations of effective tax rates for the years ended February 28, 2023 and 2022 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	February 28, 2023	February 28, 2022	February 28, 2023	February 28, 2022
	Baht '000	Baht '000	Baht '000	Baht '000
Accounting profit before income tax	4,949,963	4,573,774	4,591,454	5,080,584
Permanent differences	(195,081)	64,225	17,926	8,178
Temporary differences	(1,054,405)	(2,683,485)	(791,817)	(2,854,673)
Income exempt from tax	-	-	(205,746)	(351,798)
Taxable profit	<u>3,700,477</u>	<u>1,954,514</u>	<u>3,611,817</u>	<u>1,882,291</u>
Normal income tax rate (%)	20.00 - 22.00	20.00 - 25.00	20.00	20.00
Income tax for the year currently payable	811,258	430,250	722,363	376,458
Deferred tax from temporary differences	184,560	569,630	158,364	570,935
Income tax expenses per statements of profit or loss	<u>995,818</u>	<u>999,880</u>	<u>880,727</u>	<u>947,393</u>
Effective tax rate (%)	20.12	21.86	19.18	18.65

### 38. TRANSACTIONS WITH RELATED PARTIES

The consolidated and separate financial statements include certain transactions with the subsidiaries and related parties. The relationship may be by shareholding or the companies may have the same group of shareholders or directors. The consolidated and separate financial statements reflect the effects of these transactions on the basis determined by the Company, the subsidiaries and the related parties which are as follows:

38.1 Investments in subsidiaries (see Note 10) as at February 28, 2023 and 2022 are as follows:

SEPARATE FINANCIAL STATEMENTS							
Related parties	Relationship	As at February 28, 2023			As at February 28, 2022		
		Ownership	Paid-up	Cost	Ownership	Paid-up	Cost
			capital	method		capital	method
		%	Baht ' 000	Baht '000	%	Baht' 000	Baht '000
ACS Servicing (Thailand) Company Limited	Subsidiary	100.00	175,349.1	175,349.1	100.00	175,349.1	175,349.1
ACSI (Thailand) Co., Ltd.	Subsidiary	100.00	149,224.3	149,224.3	100.00	149,224.3	149,224.3
AEON Specialized Bank (Cambodia) Plc.	Subsidiary	50.00	643,720.4	323,580.0	50.00	643,720.4	323,580.0
AEON Microfinance (Myanmar) Company Limited	Subsidiary	100.00	455,403.3	455,403.3	100.00	455,403.3	455,403.3
AEON Leasing Service (Lao) Company Limited	Subsidiary	96.29	111,402.9	107,333.1	96.29	111,402.9	107,333.1
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	48.75	40.0	19.5	48.75	40.0	19.5
AEON Asset Management (Thailand) Company Limited	Subsidiary	98.00	24,499.7	24,499.7	-	-	-
<b>Total</b>				<u>1,235,409.0</u>			<u>1,210,909.3</u>

## 38.2 Business transactions with related parties

### 38.2.1 Balances with related parties as at February 28, 2023 and 2022, are as follows:

Related parties	Relationship	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		February 28, 2023 Baht '000	February 28, 2022 Baht '000	February 28, 2023 Baht '000	February 28, 2022 Baht '000
<b>Other receivables</b> (see Note 6)					
ACSI (Thailand) Co., Ltd.	Subsidiary	-	-	28	110
ACS Servicing (Thailand) Co., Ltd.	Subsidiary	-	-	4,412	3,069
AEON Asset Management (Thailand) Company Limited	Subsidiary	-	-	805	-
AEON Financial Service Co., Ltd.	Major shareholder	3,072	128	2,971	128
AEON Credit Service Company Limited	Common ultimate holding company	540	646	-	-
ACS Capital Corporation Limited	Shareholder and one common director	421	596	156	450
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	51,621	49,049
AEON Specialized Bank (Cambodia) Plc.	Subsidiary	-	-	1,812	1,835
AEON (Cambodia) Company Limited	Common ultimate holding company	-	57	-	-
AEON Leasing Service (Lao) Co., Ltd.	Subsidiary	-	-	2,820	-
AEON Microfinance Myanmar Company Limited	Subsidiary	-	-	7,807	-
ACS Trading Vietnam Co., Ltd.	Common ultimate holding company	334	-	334	-
AEON (Thailand) Co., Ltd.	Common ultimate holding company	-	4,595	-	4,595
		<u>4,367</u>	<u>6,022</u>	<u>72,766</u>	<u>59,236</u>
<b>Long-term loan to a subsidiary</b> (see Note 8)					
AEON Specialized Bank (Cambodia) Plc.	Subsidiary	-	-	111,960	130,244
<b>Seller loan in Special Purpose Vehicle for securitization</b> (see Note 13)					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	287,621	275,773
<b>Subordinated lendings</b> (see Note 14.1)					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	84,074	84,074
<b>Other payables</b> (see Note 21)					
ACSI (Thailand) Co., Ltd.	Subsidiary	-	-	-	56
ACS Servicing (Thailand) Co., Ltd.	Subsidiary	-	-	75,134	55,814
AEON (Thailand) Co., Ltd.	Common ultimate holding company	960	1,076	960	1,076
AEON Financial Service Co., Ltd.	Major shareholder	60,797	57,387	48,871	51,597
AEON Credit Service Company Limited	Common ultimate holding company	2,560	3,561	866	2,415
AEON Bank Ltd.	Common ultimate holding company	936	1,094	884	1,094
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	33,999	46,195
		<u>65,253</u>	<u>63,118</u>	<u>160,714</u>	<u>158,247</u>
<b>Long-term borrowing under securitization project</b> (see Note 24)					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	1,260,991	1,401,709
<b>Deposit received</b>					
ACS Servicing (Thailand) Co., Ltd.	Subsidiary	-	-	-	4,163
<b>Deferred revenue</b>					
ACS Servicing (Thailand) Co., Ltd.	Subsidiary	-	-	81,131	77,928
ACS Capital Corporation Limited	Shareholder and one common director	5,197	-	5,197	-
		<u>5,197</u>	<u>-</u>	<u>86,328</u>	<u>77,928</u>

38.2.2 Transactions with related parties for the years ended February 28, 2023 and 2022, are as follows:

Related parties	Relationship	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		For the years ended		For the years ended	
		February 28, 2023	February 28, 2022	February 28, 2023	February 28, 2022
		Baht '000	Baht '000	Baht '000	Baht '000
<b>Sale promotion income</b>					
ACSI (Thailand) Co., Ltd.	Subsidiary	-	-	-	731
<b>Credit card income</b>					
ACSI (Thailand) Co., Ltd.	Subsidiary	-	-	-	28,332
<b>Revenues relating to securitization transaction</b>					
(included in loan income) (see Note 33)					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	121,582	134,411
<b>Collection income</b>					
ACS Capital Corporation Limited	Shareholder and one common director	280	71	-	-
<b>Dividend income</b>					
ACSI (Thailand) Co., Ltd.	Subsidiary	-	-	55,000	290,000
ACS Servicing (Thailand) Co., Ltd.	Subsidiary	-	-	148,000	44,400
		<u>-</u>	<u>-</u>	<u>203,000</u>	<u>334,400</u>
<b>Other income</b>					
ACSI (Thailand) Co., Ltd.	Subsidiary	-	-	520	11,620
ACS Servicing (Thailand) Co., Ltd.	Subsidiary	-	-	27,230	21,092
ACS Capital Corporation Limited	Shareholder and one common director	5,843	12,606	2,787	3,621
AEON Specialized Bank (Cambodia) Plc.	Subsidiary	-	-	19,836	11,247
AEON Asset Management (Thailand) Company Limited	Subsidiary	-	-	811	-
AEON Leasing Service (Lao) Co., Ltd.	Subsidiary	-	-	5,637	-
AEON Microfinance Myanmar Company Limited	Subsidiary	-	-	7,807	-
ACS Trading Vietnam Co., Ltd.	Common ultimate holding company	9,151	-	9,151	-
		<u>14,994</u>	<u>12,606</u>	<u>73,779</u>	<u>47,580</u>
<b>Operating and administrative expenses</b>					
<b>Collection service fee</b>					
ACS Servicing (Thailand) Co., Ltd.	Subsidiary	-	-	540,557	495,993
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	3,510	4,502
		<u>-</u>	<u>-</u>	<u>544,067</u>	<u>500,495</u>

Related parties	Relationship	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		For the years ended		For the years ended	
		February 28, 2023	February 28, 2022	February 28, 2023	February 28, 2022
		Baht '000	Baht '000	Baht '000	Baht '000
<b>Others</b>					
AEON Financial Service Co., Ltd.	Major shareholder	166,871	187,857	113,132	114,398
AEON Credit Service Company Limited	Common ultimate holding company	23,802	11,522	5,613	4,420
AEON Bank Ltd.	Common ultimate holding company	9,604	16,428	7,343	6,367
AEON (Thailand) Company Limited	Common ultimate holding company	12,592	16,460	12,592	16,460
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	42,954	32,837
AEON Leasing Service (Lao) Company Limited	Subsidiary	-	-	-	-
ACS Capital Corporation Limited	Shareholder and one common director	-	60	-	-
AEON Insurance Service Company Limited (JP)	Common ultimate holding company	-	1,321	-	-
ACS Servicing (Thailand) Co., Ltd.	Subsidiary	-	-	1,375	100
ACSI (Thailand) Co., Ltd.	Subsidiary	-	-	-	75
AEON Credit Service (Malaysia) BHD.	Common ultimate holding company	461	-	439	-
ACS Credit Management Co., Ltd.	Common ultimate holding company	860	-	-	-
		<u>214,190</u>	<u>233,648</u>	<u>183,448</u>	<u>174,657</u>
<b>Finance costs</b>					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	299,947	330,997
AEON Bank Ltd.	Common ultimate holding company	7,646	7,290	-	2,575
AEON Financial Service Co., Ltd.	Major shareholder	12,525	16,101	-	-
		<u>20,171</u>	<u>23,391</u>	<u>299,947</u>	<u>333,572</u>
<b>Dividend paid</b>					
ACS Capital Corporation Limited	Shareholder and one common director	249,600	247,200	249,600	247,200
AEON Financial Service Co., Ltd.	Major shareholder	456,560	452,170	456,560	452,170
AEON Holding (Thailand) Limited	Common ultimate holding company	114,400	113,300	114,400	113,300
		<u>820,560</u>	<u>812,670</u>	<u>820,560</u>	<u>812,670</u>

- Other income for the years ended February 28, 2023 and 2022 includes computer fee and Finance and Accounting operation services fee charged to ACS Capital Corporation Limited, ACSI (Thailand) Co., Ltd. and ACS Servicing (Thailand) Company Limited. Details are as follows:

(1) Computer fee

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

The service fees are determined on a cost-plus basis.

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

From August 2022 onwards, the computer fee is charged to AEON Asset Management (Thailand) Company Limited at the rate of Baht 40,000 per month.

The service fees are determined on general market price and in the normal course of business.

(2) Finance and Accounting operation services fee

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

From January 2022 onwards, Finance and Accounting operation services fee is charged to ACSI (Thailand) Co., Ltd. and ACS Servicing (Thailand) Co., Ltd. at the rate of Baht 50,000 per month and Baht 730,000 per month, respectively.

From July 2022 onwards, Finance and Accounting operation services fee is charged to ACS Servicing (Thailand) Co., Ltd. at the rate of Baht 731,000 per month.

From August 2022 onwards, Finance and Accounting operation services fee is charged to AEON Asset Management (Thailand) Company Limited at the rate of Baht 20,000 per month.

From July 2022 onwards, implementation cost of Finance and Accounting system is charged to ACS Capital Corporation Limited and ACS Servicing (Thailand) Co., Ltd. at the rate of Baht 50,000 per month and Baht 46,725 per month, respectively.

From July 2022 onwards, maintenance fee of Finance and Accounting system is charged to ACS Capital Corporation Limited and ACS Servicing (Thailand) Co., Ltd. at the rate of Baht 3,500 per month and Baht 83,000 per month, respectively.

All service fees are determined on a cost-plus basis.

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

### 39. 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:

#### 39.1 Operating result classified by business for the years ended February 28, 2023 and 2022 are as follows:

CONSOLIDATED FINANCIAL STATEMENTS					
For the year ended February 28, 2023					
	Retail finance services		Other businesses	Elimination	Total
	Domestic	Foreign	Domestic		
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Revenues					
Revenue from external customers	19,918,684	1,318,034	1,094,947	-	22,331,665
Inter - segment revenues	388,571	11,967	389,349	(789,887)	-
	<u>20,307,255</u>	<u>1,330,001</u>	<u>1,484,296</u>	<u>(789,887)</u>	<u>22,331,665</u>
Expenses					
Operating and administrative expenses	7,255,670	696,119	582,668	(572,008)	7,962,449
Directors and managements' remuneration	104,424	25,967	24,169	-	154,560
Loss on impairment of asset	95,497	-	-	-	95,497
Loss on sale and write-off of leasehold improvement and equipment and intangible assets other than goodwill	1,041	1,135	451	-	2,627
Total expenses	<u>7,456,632</u>	<u>723,221</u>	<u>607,288</u>	<u>(572,008)</u>	<u>8,215,133</u>
Finance costs	1,720,897	190,251	1,734	(9,041)	1,903,841
Expected credit loss	7,223,037	39,798	(107)	-	7,262,728
Profit before income tax	3,906,689	376,731	875,381	(208,838)	4,949,963
Income tax expenses	882,100	71,751	41,967	-	995,818
Profit for the year	<u>3,024,589</u>	<u>304,980</u>	<u>833,414</u>	<u>(208,838)</u>	<u>3,954,145</u>

## CONSOLIDATED FINANCIAL STATEMENTS

For the year ended February 28, 2022

	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	19,084,390	1,263,720	443,312	-	20,791,422
Inter - segment revenues	498,077	16,879	498,129	(1,013,085)	-
	<u>19,582,467</u>	<u>1,280,599</u>	<u>941,441</u>	<u>(1,013,085)</u>	<u>20,791,422</u>
Expenses					
Operating and administrative expenses	6,907,947	648,362	772,900	(657,841)	7,671,368
Directors and managements' remuneration	104,064	30,986	26,069	-	161,119
Loss on sale and write-off of leasehold improvement and equipment and intangible assets other than goodwill	9,710	1,000	389	-	11,099
Total expenses	<u>7,021,721</u>	<u>680,348</u>	<u>799,358</u>	<u>(657,841)</u>	<u>7,843,586</u>
Finance costs	1,538,790	214,243	1,726	(10,094)	1,744,665
Expected credit loss	5,915,244	713,855	298	-	6,629,397
Profit (loss) before income tax	5,106,712	(327,847)	140,059	(345,150)	4,573,774
Income tax expenses	956,122	8,904	34,854	-	999,880
Profit (loss) for the year	<u>4,150,590</u>	<u>(336,751)</u>	<u>105,205</u>	<u>(345,150)</u>	<u>3,573,894</u>

39.2 Financial position classified by business as at February 28, 2023 and 2022 are as follows:

## CONSOLIDATED FINANCIAL STATEMENTS

As at February 28, 2023

	Retail finance services		Other business	Elimination	Total
	Domestic	Foreign	Domestic		
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Trade and other receivables	79,698,518	4,577,732	299,428	(171,512)	84,404,166
Leasehold improvement and equipment and intangible assets other than goodwill	1,230,470	153,603	69,420	(6,942)	1,446,551
Other assets	9,348,397	694,129	664,385	(1,350,942)	9,355,969
Total assets	<u>90,277,385</u>	<u>5,425,464</u>	<u>1,033,233</u>	<u>(1,529,396)</u>	<u>95,206,686</u>
Total liabilities	<u>67,655,525</u>	<u>4,313,027</u>	<u>153,765</u>	<u>(263,711)</u>	<u>71,858,606</u>

## CONSOLIDATED FINANCIAL STATEMENTS

As at February 28, 2022

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



## 40. DISCLOSURE OF INFORMATION RELATING TO FINANCIAL INSTRUMENTS

### 40.1 Financial risk management objectives

The Group's and the Company's Treasury function provides services to the Group and the Company in coordinating access to domestic and international financial markets, monitoring and managing the financial risks relating to the operations of the Group and the Company through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Group and the Company seek to minimize the effects of these risks by using derivative financial instruments to hedge these risk exposures. The use of financial derivatives is governed by the Group's and the Company's policies approved by the Board of Directors of the Group and the Company, which provide written principles on foreign currency risk, interest rate risk, credit risk and the use of financial derivatives and non-derivative financial instruments. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group and the Company do not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Group's and the Company's Treasury function reports quarterly to the Group's and the Company's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

### 40.2 Market risk

The Group's and the Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates (see below). The Group and the Company enter into a variety of derivative financial instruments to manage its exposure to foreign currency and interest rate risk, including:

- Cross currency swap to hedge the fluctuation exchange rate arising on translation of the Group's and the Company's borrowings and debentures; and
- Interest rate swaps to mitigate the risk of rising interest rates.

#### 40.2.1 Foreign currency risk management

The Group and the Company have liabilities in foreign currencies, which are different from their functional currencies. Foreign exchange rate exposures are managed within approved policy utilizing cross currency swap contracts.

##### Foreign currency sensitivity analysis

The Group and the Company enter into cross currency swap contracts for all borrowings and debentures denominated in different currencies from functional currencies. Consequently, the Group and the Company do not expose risks from the sensitivity of foreign currency.

### Cross currency swap contracts

It is the policy of the Group and the Company to enter into cross currency swap contracts to manage the foreign exchange rate risk associated with borrowings and debentures.

In the current year, the Group and the Company have designated all cross currency swap contracts as a hedge of their foreign currency borrowings and debentures. Regarding the review on the Group's and the Company's policy and due to the increased volatility in foreign exchange rate, it was decided that 100% of foreign currency borrowings and debentures be hedged.

The information of cross currency swap contracts outstanding at the end of the reporting period, as well as information regarding their related hedged items, are presented together with the information of interest rate swap contracts (see Note 40.2.2). Cross currency swap contracts assets and liabilities are presented in "Derivative assets" and "Derivative liabilities" within the statement of financial position (see Note 26 for further details).

### 40.2.2 Interest rate risk management

The Group and the Company are exposed to interest rate risk because borrowings and debentures carry floating interest rates. The Group and the Company, therefore, manage interest rate risk by the use of interest rate swap contracts to ensure that the Group and the Company do not expose risks from the fluctuation of interest rate.

The Group's and the Company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this Note to the financial statements.

#### Interest rate sensitivity analysis

The Group and the Company enter into interest rate swap contracts for all borrowings and debentures carrying floating interest rate, hence, the Group and the Company do not expose to risks from the sensitivity of interest rate.

#### Interest rate swap contracts

Under interest rate swap contracts, the Group and the Company agree to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group and the Company to mitigate the risk of changing interest rates. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows at the reporting date and the credit risk inherent in the contract.

The following tables are the information regarding cross currency and interest rate swap contracts and interest rate swap contracts as at February 28, 2023 and 2022, and their related hedged items.

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

As at February 28, 2023

Hedge instruments	Contract interest rate	Notional principal value		Change in fair value used for calculating hedge ineffectiveness	Carrying amount of the hedging instrument assets/(liabilities)
	% per annum	Foreign currency Million	Functional currency Baht '000	Baht '000	Baht '000
<b>Cash flow hedges</b>					
Cross currency and interest rate swap contracts					
JPY currency					
Less than 1 year	0.40	11,242.05	2,940,447	-	(350,209)
1 to 5 years	0.40 - 0.85	28,903.19	7,559,861	-	(514,373)
			<u>10,500,308</u>	<u>-</u>	<u>(864,582)</u>
USD currency					
Less than 1 year	4.74 - 6.32	185.00	6,533,367	-	488,797
1 to 5 years	5.39 - 6.15	456.10	16,107,400	-	696,991
			<u>22,640,767</u>	<u>-</u>	<u>1,185,788</u>
Interest rate swap contracts					
THB currency					
Less than 1 year	2.17 - 2.23	-	1,000,000	-	(11,288)
1 to 5 years	1.73 - 2.56	-	4,000,000	-	(16,737)
			<u>5,000,000</u>	<u>-</u>	<u>(28,025)</u>
			<u>38,141,075</u>	<u>-</u>	<u>293,181</u>

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

As at February 28, 2022

Hedge instruments	Contract interest rate	Notional principal value		Change in fair value used for calculating hedge ineffectiveness	Carrying amount of the hedging instrument assets
	% per annum	Foreign currency Million	Functional currency Baht '000	Baht '000	Baht '000
<b>Cash flow hedges</b>					
Cross currency and interest rate swap contracts					
JPY currency					
Less than 1 year	0.40	2,500.00	717,788	-	(65,651)
1 to 5 years	0.37 - 0.85	30,145.24	8,655,150	-	(248,790)
			<u>9,372,938</u>	<u>-</u>	<u>(314,441)</u>
USD currency					
Less than 1 year	0.96 - 1.68	185.50	6,101,410	-	(90,481)
1 to 5 years	0.85 - 1.83	378.80	12,459,376	-	96,047
			<u>18,560,786</u>	<u>-</u>	<u>5,566</u>
Interest rate swap contracts					
THB currency					
Less than 1 year	0.92 - 1.22	-	4,000,000	-	(49,506)
1 to 5 years	0.83 - 1.24	-	5,000,000	-	(133,170)
			<u>9,000,000</u>	<u>-</u>	<u>(182,676)</u>
			<u>36,933,724</u>	<u>-</u>	<u>(491,551)</u>

The following table details the effectiveness of the hedging relationships and the amounts reclassified from hedging reserve to profit or loss:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS						
For the year ended February 28, 2023						
	Change in the fair value of hedging instrument recognized in OCI	Hedge ineffectiveness recognized in profit or loss	Line item in profit or loss in which hedge ineffectiveness is included	Amount reclassified from cash flow hedge reserve due to hedged item affecting profit or loss	Amount reclassified from cost of hedging reserve to profit or loss	Line item in profit or loss affected by the reclassification
	Baht '000	Baht '000		Baht '000	Baht '000	
<b>Cash flow hedges</b>						
Cross currency and interest rate swap contracts						
JPY currency	(550,141)	-	-	11,107 642,629	13,409 -	Finance costs Other income
USD currency	1,180,222	-	-	(137,071) (834,844)	(6,847) -	Finance costs Other income
Interest rate swap contracts						
THB currency	154,653	-	-	(38,594)	-	Finance costs
Total	<u>784,734</u>	<u>-</u>		<u>(356,773)</u>	<u>6,562</u>	

## CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended February 28, 2022

	Change in the fair value of hedging instrument recognized in OCI	Hedge ineffectiveness recognized in profit or loss	Line item in profit or loss in which hedge ineffectiveness is included	Amount reclassified from cash flow hedge reserve due to hedged item affecting profit or loss	Amount reclassified from cost of hedging reserve to profit or loss	Line item in profit or loss affected by the reclassification
	Baht '000	Baht '000		Baht '000	Baht '000	
<b>Cash flow hedges</b>						
Cross currency and interest rate swap contracts						
JPY currency	184,707	-	-	7,387 (97,998)	10,212 -	Finance costs Other income
USD currency	2,287,195	-	-	(5,393) (1,968,160)	2,075 -	Finance costs Other income
Interest rate swap contracts						
THB currency	182,052	-	-	874	-	Finance costs
Total	<u>2,653,954</u>	<u>-</u>		<u>(2,063,290)</u>	<u>12,287</u>	

### 40.3 Credit risk management

Note 5.4 and Note 3.2.2 detail the Group's and the Company's maximum exposure to credit risk and the measurement bases used to determine expected credit loss, respectively.

Before accepting any new customer, dedicated teams of the Group and the Company responsible for the determination of credit limits use an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed and approved twice a year by the risk management committee.

Credit approvals and other monitoring procedures are also in place to ensure that follow-up action is taken to recover overdue debts. Furthermore, the Group and the Company review the recoverable amount of each trade receivables on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts. In this regard, the directors of the Group and the Company consider that the Group's and the Company's credit risk are significantly reduced. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of trade receivables.

#### 40.3.1 Overview of the Group's and the Company's exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. As at February 28, 2023 and 2022, the Group's and the Company's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group and the Company due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group and the Company arise from the carrying amount of the respective recognized financial assets as stated in the consolidated and separate statement of financial position.

The Group's and the Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognizing expected credit losses
Low credit risk receivables (Stage 1)	The counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
Significant increase in credit risk receivables (Stage 2)	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
Default receivables in credit risk (Stage 3)	Amount is > 90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written-off

The tables below detail the credit quality of the Group's and the Company's financial assets, as well as the Group's and the Company's maximum exposure to credit risk by credit risk rating grades:

CONSOLIDATED FINANCIAL STATEMENTS						
As at February 28, 2023						
	Notes	External credit rating	12-month or lifetime ECL	Gross carrying amount Baht '000	Allowance for ECL Baht '000	Net carrying amount Baht '000
Trade receivables	5	N/A	12-month ECL	85,031,652	(4,397,716)	80,633,936
			Lifetime ECL	8,905,327	(5,727,542)	3,177,785
Fixed deposits at banks under obligations	7	N/A	12-month ECL	144,216	-	144,216
				<u>94,081,195</u>	<u>(10,125,258)</u>	<u>83,955,937</u>
CONSOLIDATED FINANCIAL STATEMENTS						
As at February 28, 2022						
	Notes	External credit rating	12-month or lifetime ECL	Gross carrying amount Baht '000	Allowance for ECL Baht '000	Net carrying amount Baht '000
Trade receivables	5	N/A	12-month ECL	82,898,746	(5,563,984)	77,334,762
			Lifetime ECL	8,129,109	(5,387,471)	2,741,638
Fixed deposits at banks under obligations	7	N/A	12-month ECL	44,333	-	44,333
				<u>91,072,188</u>	<u>(10,951,455)</u>	<u>80,120,733</u>

SEPARATE FINANCIAL STATEMENTS						
As at February 28, 2023						
	Notes	External credit rating	12-month or lifetime ECL	Gross carrying amount Baht '000	Allowance for ECL Baht '000	Net carrying amount Baht '000
Trade receivables	5	N/A	12-month ECL	80,649,277	(4,291,875)	76,357,402
			Lifetime ECL	8,211,261	(5,238,667)	2,972,594
Long-term loan to a subsidiary	8	N/A	12-month ECL	111,960	-	111,960
				88,972,498	(9,530,542)	79,441,956

SEPARATE FINANCIAL STATEMENTS						
As at February 28, 2022						
	Notes	External credit rating	12-month or lifetime ECL	Gross carrying amount Baht '000	Allowance for ECL Baht '000	Net carrying amount Baht '000
Trade receivables	5	N/A	12-month ECL	78,540,851	(5,440,033)	73,100,818
			Lifetime ECL	6,926,839	(4,532,937)	2,393,902
Long-term loan to a subsidiary	8	N/A	12-month ECL	130,244	-	130,244
				85,597,934	(9,972,970)	75,624,964



#### 40.4 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors of the Group and the Company, which have established an appropriate liquidity risk management framework for management of the short, medium and long-term funding and liquidity management requirements. The Group and the Company manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Details of undrawn facilities that the Group and the Company have to further reduce liquidity risk are disclosed in Note 41.

##### 40.4.1 Liquidity and interest risk tables

The following tables detail the Group's and the Company's remaining contractual maturity for their non-derivative financial assets and financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The table includes both interest and principal cash flows. To the extent that interest cash flows are floating rate, the undiscounted amount is derived from interest rate curves at the reporting date.

The contractual maturity is based on the earliest date on which the Group and the Company may be required to pay.

As at February 28, 2023 and 2022, financial assets and liabilities of the Group and the Company are classified based on contractual maturities as follows:

	CONSOLIDATED FINANCIAL STATEMENTS					
	As at February 28, 2023					
	At call	Less than 1 year	1 - 5 years	More than 5 years	No maturity	Total
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
<b>Financial assets</b>						
Cash and cash equivalents	3,816,356	-	-	-	-	3,816,356
Trade receivables	-	80,667,069	3,144,652	-	-	83,811,721
Other receivables	-	518,404	74,041	-	-	592,445
Fixed deposits at banks under obligations	-	-	144,216	-	-	144,216
Loans from purchase of accounts receivable	-	490	12,133	-	-	12,623
Derivative assets	-	1,047,431	684,654	-	-	1,732,085
Investment in equity securities designated at fair value through profit or loss	-	-	-	-	5,062	5,062
Investment in equity securities designated at fair value through other comprehensive income	-	-	-	-	144,000	144,000
<b>Total financial assets</b>	<b>3,816,356</b>	<b>82,233,394</b>	<b>4,059,696</b>	<b>-</b>	<b>149,062</b>	<b>90,258,508</b>

## CONSOLIDATED FINANCIAL STATEMENTS

As at February 28, 2023

	At call	Less than 1 year	1 - 5 years	More than 5 years	No maturiy	Total
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
<b>Financial liabilities</b>						
Bank overdrafts and short-term borrowings from financial institutions	-	4,485,424	-	-	-	4,485,424
Trade payables	-	220,728	-	-	-	220,728
Other payables	-	1,246,837	-	-	-	1,246,837
Interest payable	-	382,622	-	-	-	382,622
Long-term borrowings	-	12,836,551	39,152,934	-	-	51,989,485
Long-term debentures	-	-	9,580,142	-	-	9,580,142
Derivative liabilities	-	562,743	876,160	-	-	1,438,903
Lease liabilities	-	444,127	473,541	-	-	917,668
Subordinated borrowings	-	-	84,074	-	-	84,074
Total financial liabilities	-	20,179,032	50,166,851	-	-	70,345,883

## CONSOLIDATED FINANCIAL STATEMENTS

As at February 28, 2022

	At call	Less than 1 year	1 - 5 years	More than 5 years	No maturiy	Total
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
<b>Financial assets</b>						
Cash and cash equivalents	4,235,603	-	-	-	-	4,235,603
Trade receivables	-	76,839,427	3,236,973	-	-	80,076,400
Other receivables	-	525,905	-	-	-	525,905
Fixed deposits at banks under obligations	-	3,000	41,333	-	-	44,333
Investment in equity securities designated at fair value through profit or loss	-	-	-	-	5,062	5,062
Investment in equity securities designated at fair value through other comprehensive income	-	-	-	-	144,000	144,000
Total financial assets	4,235,603	77,368,332	3,278,306	-	149,062	85,031,303

**Financial liabilities**

Bank overdrafts and short-term borrowings from financial institutions	-	9,171,904	-	-	-	9,171,904
Trade payables	-	269,599	-	-	-	269,599
Other payables	-	1,418,845	-	-	-	1,418,845
Interest payable	-	209,175	-	-	-	209,175
Long-term borrowings	-	17,090,217	30,762,073	134,372	-	47,986,662
Long-term debentures	-	3,798,878	4,460,676	-	-	8,259,554
Derivative liabilities	-	654,801	212,925	-	-	867,726
Lease liabilities	-	356,328	268,650	-	-	624,978
Subordinated borrowings	-	-	84,074	-	-	84,074
Total financial liabilities	-	32,969,747	35,788,398	134,372	-	68,892,517

## SEPARATE FINANCIAL STATEMENTS

	As at February 28, 2023					Total Baht '000
	At call	Less than 1 year	1 - 5 years	More than 5 years	No maturity	
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	
<b>Financial assets</b>						
Cash and cash equivalents	2,159,810	-	-	-	-	2,159,810
Trade receivables	-	77,833,587	1,496,409	-	-	79,329,996
Other receivables	-	414,708	74,041	-	-	488,749
Long-term loan to a subsidiary	-	27,990	83,970	-	-	111,960
Seller loan in Special Purpose Vehicle for securitization	-	287,621	-	-	-	287,621
Derivative Assets	-	1,047,431	684,654	-	-	1,732,085
Investment in equity securities designated at fair value through profit or loss	-	-	-	-	5,062	5,062
Investment in equity securities designated at fair value through other comprehensive income	-	-	-	-	144,000	144,000
Subordinated lendings	-	-	84,074	-	-	84,074
Total financial assets	<u>2,159,810</u>	<u>79,611,337</u>	<u>2,423,148</u>	<u>-</u>	<u>149,062</u>	<u>84,343,357</u>
<b>Financial liabilities</b>						
Bank overdrafts and short-term borrowings from financial institutions	-	3,440,000	-	-	-	3,440,000
Trade payables	-	200,448	-	-	-	200,448
Other payables	-	1,165,727	-	-	-	1,165,727
Interest payable	-	366,602	-	-	-	366,602
Long-term borrowings	-	11,273,543	37,867,795	-	-	49,141,338
Long-term borrowings under securitization project	-	-	1,260,991	-	-	1,260,991
Long-term debentures	-	-	8,107,060	-	-	8,107,060
Derivative liabilities	-	562,743	876,160	-	-	1,438,903
Lease liabilities	-	389,924	412,280	-	-	802,204
Total financial liabilities	<u>-</u>	<u>17,398,987</u>	<u>48,524,286</u>	<u>-</u>	<u>-</u>	<u>65,923,273</u>

SEPARATE FINANCIAL STATEMENTS						
As at February 28, 2022						
	At call	Less than 1	1 - 5 years	More than	No maturity	Total
		year		5 years		
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
<b>Financial assets</b>						
Cash and cash equivalents	2,639,136	-	-	-	-	2,639,136
Trade receivables	-	73,982,280	1,512,440	-	-	75,494,720
Other receivables	-	412,773	-	-	-	412,773
Long-term loan to a subsidiary	-	-	130,244	-	-	130,244
Seller loan in Special Purpose Vehicle for securitization	-	275,773	-	-	-	275,773
Derivative Assets	-	82,380	293,795	-	-	376,175
Investment in equity securities designated at fair value through profit or loss	-	-	-	-	5,062	5,062
Investment in equity securities designated at fair value through other comprehensive income	-	-	-	-	144,000	144,000
Subordinated lendings	-	-	84,074	-	-	84,074
<b>Total financial assets</b>	<b>2,639,136</b>	<b>74,753,206</b>	<b>2,020,553</b>	<b>-</b>	<b>149,062</b>	<b>79,561,957</b>
<b>Financial liabilities</b>						
Bank overdrafts and short-term borrowings from financial institutions	-	7,941,240	-	-	-	7,941,240
Trade payables	-	248,207	-	-	-	248,207
Other payables	-	1,356,119	-	-	-	1,356,119
Interest payable	-	194,197	-	-	-	194,197
Long-term borrowings	-	16,317,580	28,578,535	-	-	44,896,115
Long-term borrowings under securitization project	-	-	1,401,709	-	-	1,401,709
Long-term debentures	-	3,798,878	2,987,593	-	-	6,786,471
Derivative liabilities	-	654,801	212,925	-	-	867,726
Lease liabilities	-	312,304	240,121	-	-	552,425
<b>Total financial liabilities</b>	<b>-</b>	<b>30,823,326</b>	<b>33,420,883</b>	<b>-</b>	<b>-</b>	<b>64,244,209</b>

#### 40.5 Capital risk management

The Group and the Company manage their capital to ensure that the Group and the Company will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Group and the Company consists of short-term and long-term borrowings in Note 20, Note 23 and Note 24, long-term debentures in Note 25, lease liabilities in Note 22 and shareholders' equity of the Group and the Company consist of issued share capital, reserves, unappropriated retained earnings and non-controlling interests disclosed in Note 29.

The Group's and the Company's risk management committee review the capital structure on a quarterly basis. As part of this review, the committee of the Group and the Company consider the cost of capital and the risks associated with each class of capital. The Group and the Company are not subject to any externally imposed capital requirements.

## Gearing ratio

The gearing ratio as at February 28, 2023 and 2022 is as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at February 28, 2023 Baht '000	As at February 28, 2022 Baht '000	As at February 28, 2023 Baht '000	As at February 28, 2022 Baht '000
Debt	71,858,606	70,205,425	67,353,464	65,474,417
Cash and cash equivalents	(3,816,356)	(4,235,603)	(2,159,810)	(2,639,136)
<b>Net debt</b>	<u>68,042,250</u>	<u>65,969,822</u>	<u>65,193,654</u>	<u>62,835,281</u>
<b>Equity</b>	<u>22,821,480</u>	<u>19,888,711</u>	<u>22,690,443</u>	<u>19,879,398</u>
Net debt to equity ratio	2.98	3.32	2.87	3.16

Debt consists of short-term and long-term borrowings in Note 20, Note 23 and Note 24, long-term debentures in Note 25 and lease liabilities in Note 22.

Equity includes all capital and reserves of the Group and the Company that are managed as capital.

### 40.6 Fair value measurements

The Group's and the Company's accounting policies and disclosures require the determination of fair value, for both financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset and liability.

Valuation techniques and key inputs used in fair value measurements

- Trade receivables: fair value is subjected to discounted cash flows net of allowance for expected credit loss.
- Long-term loan to a subsidiary: fair value is estimated based on the discounted cash flows using market interest rate.
- Investment in equity securities designated at fair value through profit or loss: fair value is calculated based on the discounted cash flows using weighted average cost of capital.
- Investment in equity securities designated at fair value through other comprehensive income: fair value is calculated based on the discounted cash flows using weighted average cost of capital.
- Long-term borrowings and debentures: fair value are estimated based on the discounted cash flows using average current interest rate over the remaining period to maturity.

#### 1) Fair value

The following tables present the analysis of financial assets and financial liabilities which are measured at fair value and their fair value hierarchy level classification as at February 28, 2023 and 2022:

## CONSOLIDATED FINANCIAL STATEMENTS

As at February 28, 2023

	Carrying amount				Fair value	
	FVTPL - derivatives designated in hedge relationships	FVTOCI	FVTPL - designated	Amortized cost	Fair value hierarchy	
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	
<b>Financial assets</b>						
Cash and cash equivalents	-	-	-	3,816,356	3,816,356	Level 2
Trade receivables	-	-	-	83,811,721	83,811,721	Level 3
Other receivables	-	-	-	592,445	592,445	Level 3
Fixed deposits at banks under obligations	-	-	-	144,216	144,216	Level 3
Loans from purchase of accounts receivable	-	-	-	12,623	12,623	Level 3
Derivative assets	1,732,085	-	-	-	1,732,085	Level 2
Investment in equity securities designated at fair value through profit or loss	-	-	5,062	-	5,062	Level 3
Investment in equity securities designated at fair value through other comprehensive income	-	144,000	-	-	144,000	Level 3
Total financial assets	1,732,085	144,000	5,062	88,377,361	90,258,508	
<b>Financial liabilities</b>						
Bank overdrafts and short-term borrowings from financial institutions	-	-	-	4,485,424	4,485,424	Level 2
Trade payables	-	-	-	220,728	220,728	Level 3
Other payables	-	-	-	1,246,837	1,246,837	Level 3
Interest payable	-	-	-	382,622	382,622	Level 3
Long-term borrowings	-	-	-	51,989,485	51,838,176	Level 2
Long-term debentures	-	-	-	9,580,142	9,570,608	Level 2
Derivative liabilities	1,438,903	-	-	-	1,438,903	Level 2
Lease liabilities	-	-	-	917,668	917,668	Level 3
Subordinated borrowings	-	-	-	84,074	84,074	Level 3
Total financial liabilities	1,438,903	-	-	68,906,980	70,185,040	

## CONSOLIDATED FINANCIAL STATEMENTS

As at February 28, 2022

	Carrying amount				Fair value	
	FVTPL - derivatives designated in hedge relationships	FVTOCI	FVTPL - designated	Amortized cost	Fair value hierarchy	
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	
<b>Financial assets</b>						
Cash and cash equivalents	-	-	-	4,235,603	4,235,603	Level 2
Trade receivables	-	-	-	80,076,400	80,076,400	Level 3
Other receivables	-	-	-	525,905	525,905	Level 3
Fixed deposits at banks under obligations	-	-	-	44,333	44,333	Level 3
Derivative assets	376,175	-	-	-	376,175	Level 2
Investment in equity securities designated at fair value through profit or loss	-	-	5,062	-	5,062	Level 3
Investment in equity securities designated at fair value through other comprehensive income	-	144,000	-	-	144,000	Level 3
Total financial assets	376,175	144,000	5,062	84,882,241	85,407,478	
<b>Financial liabilities</b>						
Bank overdrafts and short-term borrowings from financial institutions	-	-	-	9,171,904	9,171,904	Level 2
Trade payables	-	-	-	269,599	269,599	Level 3
Other payables	-	-	-	1,628,020	1,628,020	Level 3
Interest payable	-	-	-	209,175	209,175	Level 3
Long-term borrowings	-	-	-	47,986,662	47,974,780	Level 2
Long-term debentures	-	-	-	8,259,554	8,301,937	Level 2
Derivative liabilities	867,726	-	-	-	867,726	Level 2
Lease liabilities	-	-	-	624,978	624,978	Level 3
Subordinated borrowings	-	-	-	84,074	84,074	Level 3
Total financial liabilities	867,726	-	-	68,233,966	69,132,193	

## SEPARATE FINANCIAL STATEMENTS

As at February 28, 2023

	Carrying amount				Fair value	
	FVTPL - derivatives designated in hedge relationships	FVTOCI	FVTPL - designated	Amortized cost	Fair value hierarchy	
	Baht '000	Baht '000	Baht '000	Baht '000		
<b>Financial assets</b>						
Cash and cash equivalents	-	-	-	2,159,810	2,159,810	Level 2
Trade receivables	-	-	-	79,329,996	79,329,996	Level 3
Other receivables	-	-	-	488,749	488,749	Level 3
Seller loan in Special Purpose Vehicle for securitization	-	-	-	287,621	287,621	Level 3
Long-term loan to a subsidiary	-	-	-	111,960	110,357	Level 2
Derivative assets	1,732,085	-	-	-	1,732,085	Level 2
Investment in equity securities designated at fair value through profit or loss	-	-	5,062	-	5,062	Level 3
Investment in equity securities designated at fair value through other comprehensive income	-	144,000	-	-	144,000	Level 3
Subordinated lendings	-	-	-	84,074	84,074	Level 3
Total financial assets	<u>1,732,085</u>	<u>144,000</u>	<u>5,062</u>	<u>82,462,210</u>	<u>84,341,754</u>	
<b>Financial liabilities</b>						
Bank overdrafts and short-term borrowings from financial institutions	-	-	-	3,440,000	3,440,000	Level 2
Trade payables	-	-	-	200,448	200,448	Level 3
Other payables	-	-	-	1,165,727	1,165,727	Level 3
Interest payable	-	-	-	366,602	366,602	Level 3
Long-term borrowings	-	-	-	49,141,338	48,990,029	Level 2
Long-term borrowings under securitization project	-	-	-	1,260,991	1,260,991	Level 3
Long-term debentures	-	-	-	8,107,060	8,097,526	Level 2
Derivative liabilities	1,438,903	-	-	-	1,438,903	Level 2
Lease liabilities	-	-	-	802,204	802,204	Level 3
Total financial liabilities	<u>1,438,903</u>	<u>-</u>	<u>-</u>	<u>64,484,370</u>	<u>65,762,430</u>	



## SEPARATE FINANCIAL STATEMENTS

As at February 28, 2022

	Carrying amount				Fair value	
	FVTPL - derivatives designated in hedge relationships	FVTOCI	FVTPL - designated	Amortized cost		Fair value hierarchy
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	
<b>Financial assets</b>						
Cash and cash equivalents	-	-	-	2,639,136	2,639,136	Level 2
Trade receivables	-	-	-	75,494,720	75,494,720	Level 3
Other receivables	-	-	-	412,773	412,773	Level 3
Seller loan in Special Purpose Vehicle for securitization	-	-	-	275,773	275,773	Level 3
Long-term loan to a subsidiary	-	-	-	130,244	128,020	Level 2
Derivative assets	376,175	-	-	-	376,175	Level 2
Investment in equity securities designated at fair value through profit or loss	-	-	5,062	-	5,062	Level 3
Investment in equity securities designated at fair value through other comprehensive income	-	144,000	-	-	144,000	Level 3
Subordinated lendings	-	-	-	84,074	84,074	Level 3
Total financial assets	<u>376,175</u>	<u>144,000</u>	<u>5,062</u>	<u>79,036,720</u>	<u>79,559,733</u>	
<b>Financial liabilities</b>						
Bank overdrafts and short-term borrowings from financial institutions	-	-	-	7,941,240	7,941,240	Level 2
Trade payables	-	-	-	248,207	248,207	Level 3
Other payables	-	-	-	1,356,119	1,356,119	Level 3
Interest payable	-	-	-	194,197	194,197	Level 3
Long-term borrowings	-	-	-	44,896,115	44,884,233	Level 2
Long-term borrowings under securitization project	-	-	-	1,401,709	1,401,709	Level 3
Long-term debentures	-	-	-	6,786,471	6,828,855	Level 2
Derivative liabilities	867,726	-	-	-	867,726	Level 2
Lease liabilities	-	-	-	552,425	552,425	Level 3
Total financial liabilities	<u>867,726</u>	<u>-</u>	<u>-</u>	<u>63,376,483</u>	<u>64,274,711</u>	

#### **41. CREDIT FACILITIES AND LETTERS OF GUARANTEE**

- 41.1 As at February 28, 2023 and 2022, the Company has unused committed and unsecured revolving credit facility agreements with various financial institutions totaling Baht 3,000 million.
- 41.2 As at February 28, 2023 and 2022, the Company has unused overdraft facilities with various banks totaling Baht 3,090 million and Baht 3,089 million, respectively. Such overdraft facilities are unsecured.
- 41.3 As at February 28, 2023 and 2022, the Company has a bank's letter of guarantee issued to suppliers for guarantee payment of Baht 0.50 million. Such letter of guarantee is unsecured.
- 41.4 As at February 28, 2022, a foreign subsidiary has unused overdraft facilities with a local bank in the amount of Baht 30.03 million. Such overdraft facilities are unsecured. (As at February 28, 2023 : None.)
- 41.5 As at February 28, 2023 and 2022, a subsidiary has letters of guarantee issued by banks in the amounts of Baht 1.78 million and Baht 1.63 million, respectively.

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

- 42.1 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.
- 42.2 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. Moreover, 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.
- 42.3 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.

### 43. SALE OF WRITTEN-OFF RECEIVABLES

- 43.1 On June 28, 2018, the Company sold written-off receivables under loan agreements and credit card agreements to ACS Servicing (Thailand) Company Limited (the “buyer”), a subsidiary, with the purchase price of Baht 31.52 million. On the same date, the Company entered into the “Asset Sale and Purchase Agreement” with the buyer. The agreement sets out the conditions and terms in respect of the sales, assignment and conveyance of the Company’s rights, title, claim, obligation, liability and interest in the written-off receivables under loan agreements and credit card agreements. On June 28, 2018, which is the closing date as specified in the agreement, the Company received the payment in full from the buyer. However, the Group has retained substantially all of the risks and rewards of the assets transferred to the buyer which is the subsidiary. Consequently, the Company recorded cash received from the buyer as deferred revenue which will be recognized as revenue when the buyer can collect from debtors. The Company has already recognized revenue of Baht 0.44 million and Baht 0.97 million as bad debt recovery in the consolidated and separate statements of profit or loss for the years ended February 28, 2023 and 2022, respectively, and recorded outstanding deferred revenue of Baht 21.32 million and Baht 21.76 million as other current liabilities in the separate statement of financial position as at February 28, 2023 and 2022, respectively.

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.

- 43.2 On October 28, 2019, the Company sold written-off receivables under loan agreements and credit card agreements by a bidding process to ACS Servicing (Thailand) Company Limited (the “buyer”), a subsidiary, with the purchase price of Baht 59.11 million. On the same date, the Company entered into the “Asset Sale and Purchase Agreement” with the buyer. The agreement sets out the conditions and terms in respect of the sales, assignment and conveyance of the Company’s rights, title, claim, obligation, liability and interest in the written-off receivables under loan agreements and credit card agreements. On October 28, 2019, which is the closing date as specified in the agreement, the Company received the payment in full from the buyer. However, the Group has retained substantially all of the risks and rewards of the assets transferred to the buyer which is the subsidiary. Consequently, the Company recorded cash received from the buyer as deferred revenue which will be recognized as revenue when the buyer can collect from debtors. The Company has already recognized revenue of Baht 0.89 million and Baht 1.18 million as bad debt recovery in the consolidated and separate statements of profit or loss for the year ended February 28, 2023 and 2022, respectively, and recorded outstanding deferred revenue of Baht 53.88 million and Baht 54.77 million as other current liabilities in the separate statements of financial position as at February 28, 2023 and 2022, respectively.

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.

- 43.3 On August 31, 2021, the Company sold written-off receivables under loan agreements and credit card agreements by a bidding process to an unrelated local company (the “buyer”) with the purchase price of Baht 319.76 million. On the same date, the Company entered into the “Asset Sale and Purchase Agreement” with the buyer. The agreement set out the conditions and terms in respect of the sales, assignment and conveyance of the Company’s rights, title, claim, obligation, liability and interest in the written-off receivables under loan agreements and credit card agreements. On August 31, 2021, which is the closing date as specified in the agreement, the Company received the payment in full from the buyer. The Company has already recognized gain on sale of written-off receivables totaling Baht 319.76 million in the consolidated and separate statements of profit or loss for the year ended February 28, 2022.
- 43.4 On March 4, 2022, the Company sold written-off receivables under loan agreements and credit card agreements by a bidding process to an unrelated local company (the “buyer”) with the purchase price of Baht 104.98 million. On the same date, the Company entered into the “Asset Sale and Purchase Agreement” with the buyer. The agreement set out the conditions and terms in respect of the sales, assignment and conveyance of the Company’s rights, title, claim, obligation, liability and interest in the written-off receivables under loan agreements and credit card agreements. On March 4, 2022, which is the closing date as specified in the agreement, the Company received the payment in full from the buyer. The Company has already recognized gain on sale of written-off receivables totaling Baht 104.98 million in the consolidated and separate statements of profit or loss for the years ended February 28, 2023.

Under the Asset Sale and Purchase Agreement, the buyer was entitled to claim damages from the Company from sales of loans receivable within a specific period in events the buyer did not have lawful title over loans receivable or loan agreements are not legal as specified in the agreement. However, the Company believed that such damage was not significant, therefore, the Company had not recorded such claim in the financial statements for the years ended February 28, 2023.

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

- 43.5 On October 31, 2022, the Company sold written-off receivables under loan agreements and credit card agreements by a bidding process to an unrelated local company (the “buyer”) with the purchase price of Baht 110.39 million. On the same date, the Company entered into the “Asset Sale and Purchase Agreement” with the buyer. The agreement set out the conditions and terms in respect of the sales, assignment and conveyance of the Company’s rights, title, claim, obligation, liability and interest in the written-off receivables under loan agreements and credit card agreements. On November 29, 2022, which is the closing date as specified in the agreement, the Company received the initial payment of Baht 11.04 million. The buyer has agreed to pay the remaining amount of purchase price amounting to Baht 99.36 million in 8 installments of Baht 12.42 million per each and last installment will be on November 29, 2024. The Company has already recognized gain on sale of written-off receivables totaling Baht 110.40 million in the consolidated and separate statements of profit or loss for the years ended February 28, 2023, and recorded outstanding receivables of Baht 86.93 million as other receivables in the consolidated and separate statements of financial positions as at February 28, 2023.

Under the Asset Sale and Purchase Agreement, the buyer was entitled to claim damages from the Company from sales of loans receivable within a specific period in events the buyer did not have lawful title over loans receivable or loan agreements are not legal as specified in the agreement. However, the Company believed that such damage was not significant, therefore, the Company had not recorded such claim in the financial statements for the years ended February 28, 2023.

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

- 43.6 On October 31, 2022, the Company sold written-off receivables under loan agreements and credit card agreements by a bidding process to an unrelated local company (the “buyer”) with the purchase price of Baht 57.23 million. On the same date, the Company entered into the “Asset Sale and Purchase Agreement” with the buyer. The agreement set out the conditions and terms in respect of the sales, assignment and conveyance of the Company’s rights, title, claim, obligation, liability and interest in the written-off receivables under loan agreements and credit card agreements. On November 29, 2022, which is the closing date as specified in the agreement, the Company received the payment in full from the buyer. The Company has already recognized gain on sale of written-off receivables totaling Baht 57.23 million in the consolidated and separate statements of profit or loss for the years ended February 28, 2023.

Under the Asset Sale and Purchase Agreement, the buyer was entitled to claim damages from the Company from sales of loans receivable within a specific period in events the buyer did not have lawful title over loans receivable or loan agreements are not legal as specified in the agreement. However, the Company believed that such damage was not significant, therefore, the Company had not recorded such claim in the financial statements for the years ended February 28, 2023.

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

- 43.7 On November 29, 2022, the Company sold written-off receivables under loan agreements and credit card agreements by a bidding process to an unrelated local company (the “buyer”) with the purchase price of Baht 108.98 million. On the same date, the Company entered into the “Asset Sale and Purchase Agreement” with the buyer. The agreement set out the conditions and terms in respect of the sales, assignment and conveyance of the Company’s rights, title, claim, obligation, liability and interest in the written-off receivables under loan agreements and credit card agreements. On November 29, 2022, which is the closing date as specified in the agreement, the Company received the initial payment of Baht 10.90 million. The buyer has agreed to pay the remaining amount of purchase price amounting to Baht 98.08 million in 8 installments of Baht 12.26 million per each and last installment will be on November 29, 2024. The Company has already recognized gain on sale of written-off receivables totaling Baht 108.98 million in the consolidated and separate statements of profit or loss for the years ended February 28, 2023, and recorded outstanding receivables of Baht 85.83 million as other receivables in the consolidated and separate statements of financial positions as at February 28, 2023.

Under the Asset Sale and Purchase Agreement, the buyer was entitled to claim damages from the Company from sales of loans receivable within a specific period in events the buyer did not have lawful title over loans receivable or loan agreements are not legal as specified in the agreement. However, the Company believed that such damage was not significant, therefore, the Company had not recorded such claim in the financial statements for the years ended February 28, 2023.

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

- 43.8 On November 29, 2022, the Company sold written-off receivables under loan agreements and credit card agreements by a bidding process to an unrelated local company (the “buyer”) with the purchase price of Baht 22.98 million. On the same date, the Company entered into the “Asset Sale and Purchase Agreement” with the buyer. The agreement set out the conditions and terms in respect of the sales, assignment and conveyance of the Company’s rights, title, claim, obligation, liability and interest in the written-off receivables under loan agreements and credit card agreements. On November 29, 2022, which is the closing date as specified in the agreement, the Company received the initial payment of Baht 6.90 million. The buyer has agreed to pay the remaining amount of purchase price amounting to Baht 16.08 million in 2 installments of Baht 8.04 million per each and last installment will be on January 31, 2023. The Company has already recognized gain on sale of written-off receivables totaling Baht 22.98 million in the consolidated and separate statements of profit or loss for the years ended February 28, 2023, and as at February 28, 2023, the Company has received the full amount of payment under the agreement.

Under the Asset Sale and Purchase Agreement, the buyer was entitled to claim damages from the Company from sales of loans receivable within a specific period in events the buyer did not have lawful title over loans receivable or loan agreements are not legal as specified in the agreement. However, the Company believed that such damage was not significant, therefore, the Company had not recorded such claim in the financial statements for the years ended February 28, 2023.

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

#### **44. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were approved for issue by the Company’s Board of Directors on April 11, 2023.

# 11

## **Attachments**



**Attachment 1:Details of Directors, Executives, Controlling Person, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision, the Company's secretary, and the representative for contact and coordination in case of a foreign company.**

Name – Surname Position	Age (Years)	Education Background	Shareholding (%) (28/02/23)	Family Relationship with Directors and Executives	Working Experience for the last 5 years		
					Time Period	Position	Organization/Company/Type of business
Mr. Mitsugu Tamai <sup>1</sup> Chairman of the Board (Authorized Director) Appointed effective on 24 June 2021	60	Bachelor Degree of Business Administration, Yokohama National University, Japan	None	None	Aeon Group		
					1999		Join to AEON Credit Service Co., Ltd.
					2006-2010	Executive Director	AEON Credit Service Co., Ltd.
					2011	Executive Officer	Related Company Management Department of AEON Credit Service Co., Ltd.
					2012	Group Control and Accounting Officer	AEON Co., Ltd.
					2012	General Manager of Administration Division	AEON Mall Co.,Ltd
					2013	Executive Director	AEON Mall Co.,Ltd
					2019	Managing Director and General Manager of Asean Division	AEON Mall Co.,Ltd
					2021 – Present	Director and Managing Executive Officer	AEON Financial Service Co.,Ltd
					2021 - Present	Chairman	AEON Thana Sinsap (Thailand) PLC / Retail Finance
					Other listed company		
					2021 - Present	Non-Executive Director	AEON Credit Service(M)Berhad.
					Other non-listed company		
					2022-Present	Chairman	ACS Trading Vietnam Co., Ltd.

Name – Surname Position	Age (Years)	Education Background	Shareholding (%) (28/02/23)	Family Relationship with Directors and Executives	Working Experience for the last 5 years		
					Time Period	Position	Organization/Company/Type of business
Mr. Tsutomu Omodera <sup>1</sup> Vice Chairman of the Board and Managing Director (Authorized Director) Appointed effective on 24 June 2020	59	Bachelor Degree of Faculty of Engineering Kobe University Japan	None	None	<b>Aeon Group</b>		
					2006-2013	Executive Officer	AEON Bank, Ltd.
	<b>Training/Seminar</b>  -FY2022 ASEAN “Compliance Training for Executives” -"Digitalization Seminar for Director & Management # 3/2022 : 5 year digital transformation road map by Mastercard" -AEON Code Of Conduct Training FY2022 -Annual Training 2022 [Corporate Compliance] -AFS Training : Risk Management Training 2022 -AFS Training : Anti-Harassment Training 2022 -Executive Coaching				2013-2015	Executive Officer	AEON Credit Service Co., Ltd.
					2015-2019	Director and Executive Officer	AEON Credit Service Co., Ltd.
					2019	Non-Executive Director	AEON Credit Service Co., Ltd.
					2018-2020	Managing Director	ACS Credit Management Co., Ltd (Japan)
					2020-Present	Managing Director	AEON Thana Sinsap (Thailand) PLC / Retail Finance
					2020-Present	Non-Executive Director (Chairman)	ACS Servicing (Thailand) Co., Ltd.
					2020-Present	Chairman	AEON Specialized Bank (Cambodia) PLC
					<b>Other listed company</b>		
					None		
					<b>Other non-listed company</b>		
					2021-Present	Non-Executive Director	Rabbit Cash Company Limited

Name – Surname Position	Age (Years)	Education Background	Shareholding (%) (28/02/23)	Family Relationship with Directors and Executives	Working Experience for the last 5 years		
					Time Period	Position	Organization/Company/Type of business
Ms. Suporn Wattanavekin <sup>1</sup> Director (Authorized Director) Appointed effective on 18 February 2000	59	Master Degree in Business Administration National Institute of Development Administration	0.0800*	None	<b>Aeon Group</b>		
					2000 – Present	Director	AEON Thana Sinsap (Thailand) PLC / Retail Finance
	<b>Training/Seminar</b>	2007 - 2018			Vice Chairman	Aeon Thailand Foundation / Foundation	
		2019 - Present			Chairman of the Board	Aeon Thailand Foundation / Foundation	
		<b>Other listed company</b>					
		2020 - Present			Vice Chairman of the Board	Global Consumer PLC/ Packaging Industry	
	<b>Other non-listed company</b>						
		None					

\* This report excludes Employee Joint Investment Program (EJIP)

Name – Surname Position	Age (Years)	Education Background	Shareholding (%) (28/02/23)	Family Relationship with Directors and Executives	Working Experience for the last 5 years		
					Time Period	Position	Organization/Company/Type of business
Mr. Nuntawat Chotvijit Director - Appointed effective on 12 June 2014	53	Master of Business Administration Griffith University Australia	None	None	Aeon Group		
		2009 – 2010			Senior Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance	
		2011 – 2014			Senior Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance	
	Training/Seminar				2014 – Present	Director	AEON Thana Sinsap (Thailand) PLC / Retail Finance
	- AFS Group Director and Management Training Programme 2021 - Digitalization Seminar for Director and Management. - Legal Training for Directors and Managments. - New Era of Contact Center" for Director and Management seminar. - FY2021 ASEAN “Compliance Training for Executives” (Virtual Learning). - FY2022 ASEAN “Compliance Training for Executives” - Digitalization Seminar for Director & Management # 3/2022 5 year digital transformation road map by Mastercard - Sustainability Training Course FY2022 By AFS - PDPA Awareness Training FY2022 - KPMG PDPA Training - AEON Code Of Conduct Training FY2022. - Annual Training 2022 [Corporate Compliance] - AFS Training: Risk Management Training 2022. - AFS Training: Anti-Harassment Training 2022. - Handling Workplace Harassment for Management level Training.				2015 – 2016	Director	AEON Credit Service (M) Berhad / Retail Finance
					2016 – Present	Chairman of the	AEON Leasing Service (Lao) Company Limited / Leasing
					2018 – Present	Board Director	ACS Trading Vietnam Co., Ltd / Retail Finance
					June 2021 – Present	Chairman of the Board	AEON Microfinance (Myanmar) Company Limited
					2015 - Present	Director	ATS Rabbit Special Purpose Vehicle Company Limited
					Other listed company		
					None		
	Other non-listed company						
	2010 - 2011	Marketing Director			Focus Media Communication Company Limited /CCTV		

Name – Surname Position	Age (Years)	Education Background	Shareholding (%) (28/02/23)	Family Relationship with Directors and Executives	Working Experience for the last 5 years		
					Time Period	Position	Organization/Company/Type of business
Ms. Suriporn Thammawatid Director - Appointed effective on 22 June 2018	54	Master of Management Srinakharinwirot University  - AFS Group Director and Management Training Programme 2020 - Digitalization Seminar for Directors and Management - Legal Training for Directors and Management - "New Era of Contact Center" for Directors and Management seminar - FY2021 ASEN "Compliance Training for Executives" (Virture Learning) - FY2022 ASEAN "Compliance Training for Executives" - Digitalization Seminar for Director & Management # 3/2022 5 year digital transformation road map by Mastercard - Sustainability Training Course FY2022 By AFS - PDPA Awareness Training FY2022 - KPMG PDPA Training - AEON Code Of Conduct Training FY2022 - Annual Training 2022 [Corporate Compliance] - AFS Training : Risk Management Training 2022 - AFS Training : Anti-Harassment Training 2022 - Handling Workplace Harassment for Management level Training - The 2nd Sustainability Training Course FY2022 by AFS - Directors Certification Program (DCP)	None*	None	<b>Aeon Group</b>		
					2007 – Present	Director	ACS Servicing (Thailand) Co., Ltd. / Collection Servicer
					2010 – 2018	Senior Executive Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance
					2018 – Present	Director	AEON Thana Sinsap (Thailand) PLC / Retail Finance
					<b>Other listed company</b>		
					None		
					<b>Other non-listed company</b>		
					None		

\* This report excludes Employee Joint Investment Program (EJIP)

Name – Surname Position	Age (Years)	Education Background	Shareholding (%) (28/02/23)	Family Relationship with Directors and Executives	Working Experience for the last 5 years		
					Time Period	Position	Organization/Company/Type of business
Mr. Kazumasa Oshima Director and Chief Financial Officer (CFO) - Appointed to be CFO effective on 1 December 2018 - Appointed to be Director effective on 21 June 2019	42	Master of Business Administration (Finance) National Institute of Development Administration Bachelor Degree of Sociology Hosei University, Japan	None*	None	Aeon Group		
					2014 - Jun 2018 2016 – 2019	Director Senior Executive Vice President	Aeon Leasing Service (Lao) Company Limited AEON Thana Sinsap (Thailand) PLC / Retail Finance
	2014 – Present 2018 - Jun 2021	Director Corporate Auditor			ACS Capital Corporation Limited/ Leasing Aeon Leasing Service (Lao) Company Limited		
	2018 – Nov 2021	Director			ACS Trading Vietnam Co., Ltd / Retail Finance		
	2018 – Present	Chief Financial Officer			AEON Thana Sinsap (Thailand) PLC / Retail Finance		
	Jun 2019 - Present	Director			AEON Thana Sinsap (Thailand) PLC / Retail Finance		
	Jun 2020 - Present	Non-Executive Director			AEON Microfinance (Myanmar) Co., Ltd		
	2015 - Present	Director			ATS Rabbit Special Purpose Vehicle Company Limited (48.75% of ownership)		
	Other listed company						
	None						
	Other non-listed company						
	None						

\* This report excludes Employee Joint Investment Program (EJIP)

Name – Surname	Age (Years)	Education Background	Shareholding (%) (28/02/23)	Family Relationship with Directors and Executives	Working Experience for the last 5 years		
					Time Period	Position	Organization/Company/Type of business
Mr. Junichi Iwakami Director Information Technology and Service Department - Appointed effective on 24 June 2021	63	Bachelor of Economics, Department of Political Science and Economics, Waseda University Japan	None	None	<b>Aeon Group</b>		
		2016 – Present			Non-Executive Director	AEON Credit Service Systems (Philippines) Inc.	
	2016 - 2021	Senior Executive Vice President			AEON Thana Sinsap (Thailand) PLC / Retail Finance		
	June 2021 - Present	Director			AEON Thana Sinsap (Thailand) PLC / Retail Finance		
	<b>Other listed company</b>						
	None						
	<b>Other non-listed company</b>						
	None						
	<ul style="list-style-type: none"><li>- AFS Group Director-Management Training Programme 2021</li><li>- Digitalization Seminar for Directors and Management</li><li>- Legal Training for Directors and Management</li><li>- "New Era of Contact Center" for Directors and Management seminar</li><li>- FY2021 ASEN "Compliance Training for Executives" (Virture Learning)</li><li>- FY2022 ASEAN “Compliance Training for Executives”</li><li>- Digitalization Seminar for Director &amp; Management # 3/2022 5 year digital transformation road map by Mastercard</li><li>- Sustainability Training Course FY2022 By AFS</li><li>- PDPA Awareness Training FY2022</li><li>- AEON Code Of Conduct Training FY2022</li><li>- Annual Training 2022 [Corporate Compliance]</li><li>- AFS Training : Risk Management Training 2022</li><li>- AFS Training : Anti-Harassment Training 2022</li><li>- The 2nd Sustainability Training Course FY2022 by AFS</li></ul>						

Name – Surname	Age (Years)	Education Background	Shareholding (%) (28/02/23)	Family Relationship with Directors and Executives	Working Experience for the last 5 years		
					Time Period	Position	Organization/Company/Type of business
Mr. Chatchaval Jiaravanon Director - Appointed effective on 18 February 2000	60	Bachelor of Science in Business Administration University of Southern California USA	5.8800	None	Aeon Group		
		2000 – Present			Director	AEON Thana Sinsap (Thailand) PLC / Retail Finance	
		2007 – 2018 2019 - Present			Director Vice Chairman of the Board of Directors and Treasurer	Aeon Thailand Foundation / Foundation	
		Other listed company					
		1993 – 2023			Director and Managing Director	True Corporation PLC / Telecommunication	
		2004 - Present 2003 – Present 2020 - Present			Director Member of Audit Committee Member of Compensation and Nomination Committee	Frasers Property (Thailand) Public Company Limited / Property & Construction	
		2002 – Present 2013 - Present			Director Chairman	Finansia Syrus Securities PLC / Securities Business	
		2014 – Present  2017 - Present			Director/Member of Executive Committee Chairman of Risk Management Committee	WP Energy PLC / Resources	
		2013 – Present 2013 – Present 2016 - Present			Director Independent Director Member of the Nomination and Compensation Committee	SVI PLC / Technology	
		2021 – Present			Director/Chairman of the Board of Directors	Beryl 8 Plus PLC / Technology	
		Other non-listed company					
		2007 – Present			Director/Chairman of the Board of Directors	Charoen Energy and Water Asia Co., Ltd. / Renewable energy	
		1992 – Present 2006 - Present			Director Chairman	Thai Kodama Co.,Ltd. / Energy management	



Name – Surname	Age (Years)	Education Background	Shareholding (%) (28/02/23)	Family Relationship with Directors and Executives	Working Experience for the last 5 years		
					Time Period	Position	Organization/Company/Type of business
Dr. Sucharit Koontanakulvong Independent Director and Chairman of Audit Committee - Appointed to be Independent Director and Audit Committee effective on 17 June 2010 - Appointed to be Independent Director and Chairman of Audit Committee effective on 24 June 2021	67	- Doctor in Agricultural Engineering (Civil) - Master in Agricultural Engineering (Civil) - Bachelor Degree in Chemical Engineering KYOTO University, Japan	None	None	<b>Aeon Group</b>		
		2010 – May 2017			Independent Director	AEON Thana Sinsap (Thailand) PLC / Retail Finance	
		May 2017 – June 2021			Independent Director and Audit Committee Member	AEON Thana Sinsap (Thailand) PLC / Retail Finance	
		June 2021 – Present			Independent Director and Chairman of Audit Committee Member	AEON Thana Sinsap (Thailand) PLC / Retail Finance	
		2022 - Present			Director	Aeon Thailand Foundation / Foundation	
	<b>Training/Seminar</b> - Director Certification Program (DCP) / IOD - Independent Director Forum 2017 Updated COSO Enterprise - Risk Management: Integrating with Strategy and Performance / Thai Institute of Directors Association - Deloitte's Intelligent Automation: Reimagining the organization in the age of with May 27, 2021 - Deloitte Thailand's Macroeconomic Outlook 2021: "Where does Thailand stand in the post- Covid Divergent World?" on Jul 29, 2021in Bangkok - Deloitte's AI Ethics and Governance on August 19, 2021 - Thyse de Lange Limited's seminar on Transfer Pricing Methods in Malaysia - Thailand Sustainable Development :Setting the Scene/SDG move, Ministry of Health			<b>Other listed company</b>			
	2009 - Present	Independent Director & Audit Committee member	Siam Steel Service Center PLC / Steel				
				<b>Other non-listed company</b>			
	1996 – Present	Associate Professor, Faculty of Engineering	Chulalongkorn University / University				
	2022 - Present	Professor	Chulalongkorn University / University				

Name – Surname	Age (Years)	Education Background	Shareholding (%) (28/02/23)	Family Relationship with Directors and Executives	Working Experience for the last 5 years		
					Time Period	Position	Organization/Company/Type of business
Dr. Mongkon Laoworapong Independent Director and Audit Committee member - Appointed effective on 22 June 2018	53	Ph.D. of Business Administration (Accounting) Thammasat University	None	None	<b>Aeon Group</b>		
		Jun 2018 - Jun 2019			Independent Director	AEON Thana Sinsap (Thailand) PLC / Retail Finance	
	Jun 2019 - Present	Independent Director and Audit Committee member			AEON Thana Sinsap (Thailand) PLC / Retail Finance		
	<b>Other listed company</b>						
	2011 - Present	Independent Director and Audit Committee Member and Risk management committee			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		
	<b>Other non-listed company</b>						
	2015 – Present	Independent Director, Audit Committee and Risk Management Committee Member			Charoensin Asset Co., Ltd		
	2021 - Present	Managing Director			Quality Assurance Service Co.,Ltd.		
	2022 - Present	Director and Chairman of Audit Committee & Risk Management Committee			Public Warehouse Organization		
	2022 – Present	Director			Computer Union Co., Ltd.		
	2022 – Present	Director			Union Textile Industries Public Company Limited		
	2022 – Present	Director			Computer Union Systems Co., Ltd.		
	2022 - Present	Independent Director			PAP Exim Co., Ltd.		

Name – Surname	Age (Years)	Education Background	Shareholding (%) (28/02/23)	Family Relationship with Directors and Executives	Working Experience for the last 5 years		
					Time Period	Position	Organization/Company/Type of business
Mr. Ittinant Suwanjutha Independent Director and Audit Committee - Appointed effective on 24 June 2021	47	-Master of Laws, University of Minesota-Twincities, U.S.A -Master of Comparative Law, Indiana University-Bloomington, U.S.A -Bachelor of Laws, Thammasat University, Thailand	None	None	<b>Aeon Group</b>		
					June 2021 - Present	Independent Director and Audit Committee	AEON Thana Sinsap (Thailand) PLC / Retail Finance
		<b>Other listed company</b>					
		Jan 2022 – Present			Independent Director and Audit Committee	Global Consumer Public Company Limited / Food & Beverage	
		2022 - Present			Director Audit Committee Nomination and Remuneration Committee Risk Management Committee	Major Development Pcl	
		<b>Other non-listed company</b>					
		2013-2022			Partner	Blumenthal Richter & Sumet Ltd.	
		2023-Present			Managing Partner	IAS Advisory Co., Ltd.	
Mr. Ryuichi Hasuo Independent Director - Appointed effective on 24 June 2020	70	Master Degree of Department of Physics Faculty of Science, Kyushu University, Japan	None	None	<b>Aeon Group</b>		
					2020 - Present	Independent Director	AEON Thana Sinsap (Thailand) PLC / Retail Finance
		<b>Other listed company</b>					
		2012-2014			Executive Officer	Mitsubishi Motors Corporation (Japan)	
		2015-2017			Adviser	Mitsubishi Motors Corporation (Japan)	
		<b>Other non-listed company</b>					
		2002-2007			Senior Vice- President	Tripetch Isuzu Sales Co.,Ltd. (Thailand)	
		2007-2010			Chief Executive Officer	MC Automobile (Europe) N.V.	
2016-2019	Head of International Relations Officer	National Astronomical Observatory of Japan, National/ Institutes of Natural Sciences					

Name – Surname	Age (Years)	Education Background	Shareholding (%) (28/02/23)	Family Relationship with Directors and Executives	Working Experience for the last 5 years		
					Time Period	Position	Organization/Company/Type of business
Ms. Supanee Asawasuwat Senior Executive Vice President (Company Secretary) - Appointed effective on 21 September 2009	55	- Master of Business Administration Eastern Michigan University - Bachelor Degree of Accounting Assumption University - Certified Public Accountant (CPA)	0.0025*	None	<b>Aeon Group</b>		
		2005 – 2009			Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance	
		2009 – Present			Senior Executive Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance	
		2020 – April 2022			Director	ACS Trading Vietnam Co., Ltd / Retail Finance	
		<b>Other listed company</b>					
		None					
		<b>Other non-listed company</b>					
		1997 - 2001			Senior Analyst	The Stock Exchange of Thailand	
Mr. Witchasorn Suwannakindra Senior Executive Vice President - Business Control Management Department - Appointed effective on 1 March 2013	60	Master's Degree of Public Administration University of New Haven USA	0.00008*	None	<b>Aeon Group</b>		
					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
					2020 – Present	Director	ACS Servicing (Thailand) PLC / Collection Servicer
					<b>Other listed company</b>		
					None		
					<b>Other non-listed company</b>		
					None		

\* This report excludes Employee Joint Investment Program (EJIP)

Name – Surname	Age (Years)	Education Background	Shareholding (%) (28/02/23)	Family Relationship with Directors and Executives	Working Experience for the last 5 years		
					Time Period	Position	Organization/Company/Type of business
Mr. Manavudhi Mingvanich Senior Executive Vice President - System Development Department - Appointed effective on 21 August 2013	55	Bachelor Degree of Computer Science Ramkhamhaeng University	None*	None	<b>Aeon Group</b>		
					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
					<b>Other listed company</b>		
					None		
					<b>Other non-listed company</b>		
					None		
Mr. Somsak Hempiam Senior Executive Vice President - Auto Finance Department - Appointed effective on 1 October 2015	58	Bachelor's degree in Computer Tokyo Computer, Japan	None	None	<b>Aeon Group</b>		
					2015 - Present	Senior Executive Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance
					<b>Other listed company</b>		
					None		
					<b>Other non-listed company</b>		
					2010 - 2015	Senior Vice President	Corporate Planning & Support/Summit Capital Leasing Co., Ltd./Leasing

\* This report excludes Employee Joint Investment Program (EJIP)

Name – Surname	Age (Years)	Education Background	Shareholding (%) (28/02/23)	Family Relationship with Directors and Executives	Working Experience for the last 5 years		
					Time Period	Position	Organization/Company/Type of business
Mr. Tawatchai Peechapat Senior Executive Vice President - I.T. Department - Appointed effective on 1 April 2018	53	Bachelor of Science (Applied Statistics) King Mongkut's Institute of Technology Chaokhunthaharn Ladkrabang Campus	None*	None	<b>Aeon Group</b>		
					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
					<b>Other listed company</b>		
					2015 - 2017	Senior Vice President	Bank of Ayudhya / Bank
					<b>Other non-listed company</b>		
					2017 - 2018	Partner	J Ventures Co., Ltd. / Software development and investment
Mrs. Chittiporn Inoue Senior Executive Vice President Customer Service Department - Appointed effective on 27 August 2020	48	Master of Business Adminisyrative Management (MBA) Srinakharinwirot University	None*	None	<b>Aeon Group</b>		
					2016 – 2017	Vice President	System Development Department / AEONTS / Retail Finance
					2017 – 2018	Vice President	System Planning Section, IT Department / AEONTS / Retail Finance
					2018 – 2020	Executive Vice President	System Planning Department / AEONTS / Retail Finance
					2020 – Present	Senior Executive Vice President	Customer Service Department / AEONTS / Retail Finance
					<b>Other listed company</b>		
					None		
					<b>Other non-listed company</b>		
					None		

\* This report excludes Employee Joint Investment Program (EJIP)

Name – Surname	Age (Years)	Education Background	Shareholding (%) (28/02/23)	Family Relationship with Directors and Executives	Working Experience for the last 5 years		
					Time Period	Position	Organization/Company/Type of business
Ms. Nadanong Chompong Senior Executive Vice President - Legal Office - Appointed effective on 1 September 2021	43	LL.M. (Master of Laws) University of Manchester, UK	0.00004*	None	<b>Aeon Group</b>		
					March 2013 - February 2016	Vice President	AEON Thana Sinsap (Thailand) Public Company Limited.
					March 2016 - August 2021	Executive Vice President	AEON Thana Sinsap (Thailand) Public Company Limited.
					September 2021 - Present	Senior Executive Vice President	AEON Thana Sinsap (Thailand) Public Company Limited.
					<b>Other listed company</b>		
					None		
					<b>Other non-listed company</b>		
Mr. Alongkorn Sattabusaya Senior Executive Vice President - Corporate Governance and Control - Appointed effective on 1 February 2022	53	Master Degree of Finance, The university of Sydney, Australia	None*	None	<b>Aeon Group</b>		
					Jan 2015 - present	Director	ACS Servicing (Thailand) Co., Ltd. / Collection and legal services business.
					<b>Other listed company</b>		
					None		
					<b>Other non-listed company</b>		
					None		
Mr. Amorn Jirachaiprasiti Senior Executive Vice President - Collection Department - Appointed effective on 1 September 2022	49	Master Degree of Economics, Kasetsart University, Thailand	None*	None	<b>Aeon Group</b>		
					2014-2016	Assistant Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance
					2016-2018	Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance
					2018-2022	Executive Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance
					2022-Present	Senior Executive Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance
					<b>Other listed company</b>		
					None		
					<b>Other non-listed company</b>		
					None		

Note:

1The authorized signatory of the Company is Mr. Mitsugu Tamai or Mr. Tsutomu Omodera with affixing the Company's seal. There is no family relationship between each director and the management.

\* This report excludes Employee Joint Investment Program (EJIP)

**Head of Accounting**

Name-Surname Position	Age (Years)	Education Background	Shareholding (%) (28/02/23)	Family Relationship with Directors and Executives	Working Experience for the last 5 years		
					Time-Period	Position	Organization/Company/Type of business
Mr. Sitthipong Kanaraksunti Head of Accounting (Chief Accountant) - Appointed effective on 1 October 2018	51	Master Degree in Accounting, Thammasat University	None*	None	<b>Aeon Group</b>		
	<b>Training/Seminar</b>						
	- Digitalization and challenge to accountant 4.0 - Understanding TFRS for security analytic - Get ready for Robotic Process Automation(RPA) for digital accountant - Financial statement analysis - Tax accounting for accurate closing of accounts - Knowledgeable of Corruption - Accounting review techniques to prepare financial statements efficiently - Insights into NPAEs in terms of income and assets Ready to receive rules and tax benefits - Ethics training project for professional accountants Only Certified Public Accountant Class 4						
	June 2016 - Sep 2018	Vice President			AEON Thana Sinsap (Thailand) PLC / Retail Finance		
	Oct 2018 - Feb 2023	Executive Vice President (Chief Accountant)			AEON Thana Sinsap (Thailand) PLC / Retail Finance		
	Mar 2023 - Present	Senior Executive Vice President (Chief Accountant)			AEON Thana Sinsap (Thailand) PLC / Retail Finance		
	<b>Other listed company</b>						
None							
<b>Other non-listed company</b>							
2013 – May 2016	Manager	Isuzu Motors International Operation (Thailand) Co.,Ltd.					

\* This report excludes Employee Joint Investment Program (EJIP)



**Company Secretary**

Company Secretary

Name-Surname Position	Age (Years)	Education Background	Shareholding (%) (28/02/23)	Family Relationship with Directors and Executives	Working Experience for the last 5 years		
					Time-Period	Position	Organization/Company/Type of business
Ms. Supanee Asawasuwat Senior Executive Vice President (Company Secretary) - Appointed effective on 21 September 2009	55	- Master of Business Administration Eastern Michigan University - Bachelor Degree of Accounting Assumption University - Certified Public Accountant (CPA)	0.0025*	None	<b>Aeon Group</b>		
					2005 – 2009	Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance
					2009 – Present	Senior Executive Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance
					2020 – April2022	Director	ACS Trading Vietnam Co., Ltd / Retail Finance
		<b>Other listed company</b>					
		None					
		<b>Other non-listed company</b>					
		1997 - 2001			Senior Analyst	The Stock Exchange of Thailand	

\* This report excludes Employee Joint Investment Program (EJIP)

**The position information of Directors, Managements and Managerial Authorities of the company, subsidiaries and affiliated companies as of February 28, 2023**

	Mr. Mitsugu Tamai	Mr. Tsutomu Omodera	Ms. Suporn Wattanavekin	Mr. Nuntawat Chotvijit	Ms. Suriporn Thamwattid	Mr. Kazumasa Oshima	Mr. Junichi Iwakami	Mr. Chatchaval Jiaravanon	Dr. Sucharit Koontanakulvong	Dr. Mongkon Laoworapong	Mr. Itinart Suwanjutha	Mr. Ryuichi Hasuo	Mr. Wichasorn Suwannakindra	Mr. Alongkorn Sattabusaya	Ms. Supannee Asawasuan	Ms. Nadanong Chompong	Mr. Sakarabhop Dhivarakara
AEON Financial Service Co., Ltd. / Japan	//																
ACS Capital Corporation Limited / Thailand						X/										/	
AEON Holdings (Thailand) Co., Ltd. / Thailand																	
<b><u>Domestic Subsidiaries</u></b>																	
ATS Rabbit Special Purpose Vehicle Company Limited				/		/											
ACSI (Thailand) Co., Ltd.*																	
ACS Servicing (Thailand) Co., Ltd.		X/			/								/	//			
AEON Asset Management (Thailand) Co., Ltd.															/	/	/
<b><u>International Subsidiaries</u></b>																	
AEON Specialized Bank (Cambodia) PLC		X/															
AEON Microfinance (Myanmar) Company Limited				X/		/											
AEON Leasing Service (Lao) Company Limited				X/													
<b><u>Other Related Companies</u></b>																	
AEON (Thailand) Co., Ltd.																	
PT. AEON Credit Service Indonesia																	
Rabbit Cash Compny Limited		/															
AEON Credit Service (M) Berhad	//																
ACS Trading Vietnam Co., Ltd.	X																

**Note:** \* The company registered the dissolution with the Department of Business Development Ministry of Commerce on June 30, 2022.

/ = Director

X = Chairman of the Board

// = Executive Director

**Attachment 2****Details of the directors of subsidiaries as of February 28, 2023.**

No.	Directors	Subsidiaries						
		ATS Rabbit Special Purpose Vehicle Company Limited	AEON Specialized Bank (Cambodia) Plc.	ACSI (Thailand) Co., Ltd.*	ACS Servicing (Thailand) Co., Ltd.	AEON Microfinance (Myanmar) Co., Ltd.	AEON Leasing Service (Lao) Co., Ltd.	AEON Asset Management (Thailand) Co., Ltd.
1	Mr. Tsutomu Omodera		X/		X/			
2	Mr. Nuntawat Chotvijit	/				X/	X/	
3	Ms. Suriporn Thammawatid				/			
4	Mr. Kazumasa Oshima	/				/		
5	Mr. Junji Noda		//					
6	Mr. Shuji Taniguchi		//					
7	Mr. Masato Anada		/					
8	Mr. Om Seng bora		/					
9	Mrs. Khieu Mealy		/					
10	Mr. Sakarabhop Dhivarakara							//
11	Mr. Alongkorn Sattabusaya				//			
12	Ms. Pawinee Polpiya				//			
13	Mr. Witchasorn Suwannakindra				/			
14	Pol. Maj. Gen. Piboon Noyhoon				/			
15	Mr. Tetsuro Takano				/			
16	Mr. Yuta Nakagawa					//		
17	Ms. Naomi Mikuni					/		
18	Mr. Kunio Kawamura					/	/	
19	Mr. Yoshiaki Takahashi						//	
20	Ms. Supanee Asawasuwon							/
21	Ms. Nadanong Chompong							/

Note: \* The company registered the dissolution with the Department of Business Development Ministry of Commerce on June 30, 2022.

/ = Director

X = Chairman of the Board

// = Executive Director

**Attachment 3****Details of the Heads of the Internal Audit and Compliance Unit**

## Details of the Heads of the Internal Audit

Name-Surname Position	Age (Years)	Education Background	Percentage of shareholding in the company (28-2-23)	Family Relationship with Directors and Executives	Working Experience for the last 5 years		
					Time Period	Position	Organization/Company/Type of business
Kajohnporn Kittisobhone Vice President -Internal Audit Department	49	Master of Business in Finance	None*	None	<b>AEON Group</b>		
					2016 – Present	Vice President – Internal Audit Department	AEON Thana Sinsap (Thailand) PCL/ Retail Finance Service
					<b>Other listed company</b>		
					2014 - 2016	Senior Manager – Internal Audit Department	Siam Makro Plc.
					2013 - 2014	Manager – Portfolio Management Department	Berli Jucker Plc.
					2009 - 2013	Manager – Internal Audit Department	Berli Jucker Plc.
					<b>Other non-listed company</b>		
					None		

\* This report excludes Employee Joint Investment Program (EJIP)

## Details of the Head of the Compliance Unit

Name-Surname Position	Age (Years)	Education Background	Percentage of shareholding in the company (28-2-23)	Family Relationship with Directors and Executives	Working Experience for the last 5 years		
					Time Period	Position	Organization/Company/Type of business
Mr. Alongkorn Sattabusaya Senior Executive Vice President -Corporate Governace and Control	52	Master Degree of Finance, The university of Sydney, Australia	None*	None	<b>AEON Group</b>		
					Jan 2015 - present	Director	ACS Servicing (Thailand) Co., Ltd. / Collection and legal services business.
					<b>Other listed company</b>		
					None		
					<b>Other non-listed company</b>		
					None		

\* This report excludes Employee Joint Investment Program (EJIP)

**Attachment 4****Assets for business undertaking and details of asset appraisal**

-None-

**Attachment 5****Unabridged policy and guidelines on corporate governance and unabridged code of business conduct prepared by the Company in the following matters:**

- (1) Selection and determination of remunerations for directors and executives, independence of the Board of Directors from the Management, director development and evaluation of duty performance of directors including supervision of subsidiaries and associated companies

The details shown on report on key operating results on corporate governance topic (see page 137)

- (2) Protection of shareholders, fair and equitable treatment of shareholders, promotion of exercising of the shareholders' rights, prevention of the use of inside information, prevention of conflicts of interest, responsibility towards stakeholders, compensation in case of right violation, anti-corruption actions, and measures imposed on violators of the policy and guidelines;

The details shown on corporate governance policy topic (see page 101)

- (3) Code of business conduct (if any)

The details shown on Business Ethics topic (see page 110)

**Attachment 6****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, 2023, ten Audit Committee meetings were held. All three Audit Committee members attended in ten 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, 2024, 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, 2023, 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.

(Dr. Sucharit Koontanakulvong)

Chairman of the Audit Committee

**Attachment 7****Report of the Board of Director's Responsibilities for the Financial Statements**

The Board of Director is responsible for the Company's financial statements and the consolidated financial statements that are disclosed in the Annual Report. The financial statements for the year ended February 28, 2023 have been prepared in accordance with Thai Financial Reporting Standards with appropriate accounting policies applied on a conservative and consistent basis. Judgment and estimates were made with reasonable considerations, and adequate disclosures have been made in the notes to the financial statements. Moreover, these financial statements have been audited by Deloitte Touche Tohmatsu Jaiyos Co., Ltd, which is independent certified auditor who had given their unqualified opinions.

The Board of Director has also adopted appropriate and effective systems of risk management. In this regard, the Board of Directors has appointed an Audit Committee, which comprises three independent directors who are responsible for reviewing the quality of financial reporting, the internal control systems as well as complete and appropriate disclosure of connected transactions. The opinion of the Audit Committee with regard to these matters appears in the Report of the Audit Committee which is presented in this 56-1 One Report.

The Board of Director has opinion that the overall internal control system of the Company is adequate and appropriate and can reasonably assure the reliability of the Company's financial statements and the consolidated financial statements for the year ended February 28, 2023.

Mr. Tsutomu Omodera  
Vice Chairman of the Board and Managing Director



**Attachment 8**

**Internal Control Assessment Questionnaire**

**AEON Thana Sinsap (Thailand) Public Company Limited**

**28 February 2023**

## Internal Control Assessment Questionnaire

### **Conceptual and Objectives**

Proper Internal Control system is vital to listed companies as it shall prevent, manage and mitigate risk and loss that could impact the companies and their stakeholders. Therefore, Board of Directors is accountable to oversee that the company have implemented proper internal control system that is sufficient to govern and direct the company to achieve its missions and goals while complying with laws and regulations. Besides, the internal control system should also prevent the company from fraud and physical damage and ensure correct accounting and financial reporting.

The Securities Exchange Commission (SEC), coordinated with the Price Waterhouse Cooper (Thailand), had developed this Internal Control Assessment Questionnaire as a tool for listed companies for their self-assessment.

The questionnaire adopted the internal control concept of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) which was revised on May 2013 and was adjusted to be applicable to Thai listed company. The questionnaire is constructed in 5 key areas including Control Environment, Risk Assessment, Control Activities, Information & Communication, and Monitoring Activities. Besides, aforementioned key areas were extended to 17 principals in order to clearly explain and better understand on each key area.

### **Use of Questionnaire**

The companies should apply this questionnaire as guidance for internal control assessment at least annually and may reassess in case of unexpected event which may impact its operations significantly. The assessment should be reviewed by the Audit Committee and the Board in order to lead to discussion about proper improvement of internal control system.

The assessment should be based on execution of the control. If the assessment reflects insufficient control in some areas, the company should provide with rationale and improvement method.

## Control Environment

### 1. The organization demonstrates a commitment to integrity and ethical value.

Question	Yes	No
<p>1.1 Board of Directors and senior management articulate and demonstrate the importance of integrity and ethical values across the organization. The various forms and mechanisms may include:</p> <p style="padding-left: 40px;">1.1.1 Day-to-day actions and decision making at all levels of the organization that are consistent with the expected standards of conduct.</p> <p style="padding-left: 40px;">1.1.2 Interactions with suppliers, customers, and other external parties.</p>	✓	
<p>1.2 Practice of integrity and ethics is in place which may include:</p> <p style="padding-left: 40px;">1.2.1 Appropriate code of conduct for all employees</p> <p style="padding-left: 40px;">1.2.2 Prohibition of conflict of interest and corruption</p> <p style="padding-left: 40px;">1.2.3 Penalty when employee action deviates from the standard code of conduct</p> <p style="padding-left: 40px;">1.2.4 Communicate the standard code of conducts and penalty when its violated to all level of employees and external parties for adherence.</p>	✓	
<p>1.3 A process of ongoing and separate evaluation of Code of Conduct is in place including;</p> <p style="padding-left: 40px;">1.3.1 Ongoing and separated evaluation by Internal Audit Unit or Compliance Unit</p> <p style="padding-left: 40px;">1.3.2 Employees self-evaluation</p> <p style="padding-left: 40px;">1.3.3 Separate evaluation by independent and external experts</p>	✓	
<p>1.4 Deviations of the expected standard code of conduct are identified and remedied in a timely and consistent manner.</p> <p style="padding-left: 40px;">1.4.1 Having a process to investigate deviations of the expected standard code of conduct.</p> <p style="padding-left: 40px;">1.4.2 Having a process to penalize and conduct an appropriate action taken in timely basis.</p> <p style="padding-left: 40px;">1.4.3 The corrective action should be taken in consistent and timely basis.</p>	✓	

**2. The Board of Directors is independent from the management and is accountable for an oversight of the development and performance of internal control.**

Question	Yes	No
2.1 The board of directors demonstrate independence from management by their roles and responsibilities. The board must therefore retain objectivity in relation to management.	✓	
2.2 The board of directors oversee the business objectives to ensure that they are clearly defined and measurable to be a guidance for management and other employees.	✓	
2.3 The board of directors oversee the clear line of roles and responsibilities of the board committees and senior management and compliance with law and regulations. This includes the roles and responsibilities of audit committee, external auditors, internal auditors and the person with responsibility for financial reporting.	✓	
2.4 The director is competent and has expertise in business or ability to request for the experts when needed.	✓	
2.5 The board of directors consists of sufficient number of independent directors who are knowledgeable and independent.	✓	
2.6 The board of directors oversee the development and execution of internal control system including control environment, risk assessment, control activities, information and communication, and monitoring activities	✓	

**3. With the board oversight, Management establishes structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives.**

Question	Yes	No
3.1 Management establish organization structure which support the organization's goal, which taking into account business, regulation, and effective internal control system e.g. Segregation of duties, the direct reporting line of internal audit to the Audit Committee, clear reporting line etc.	✓	
3.2 Senior management define reporting line which considered appropriate accountabilities, responsibilities and communication channel.	✓	
3.3 Clear and appropriate authority delegation of authority among the board of directors, senior management, management and staff is in place.	✓	

**4. The organization demonstrates a commitment to attract, develop, and retain competent individuals.**

Question	Yes	No
4.1 Policies and practice to attract, develop, and retain competent individuals is in place and is reviewed regularly.	✓	
4.2 The organization has processes of performance evaluation, incentive, reward and penalty. The processes are communicated to all level of management and employees.	✓	
4.3 The organization has a procedure to handle insufficiency of competent staff properly	✓	
4.4 The organization has a human resource management process of recruiting, development, mentoring, coaching, retaining for all level of management and employees	✓	
4.5 The organization has the appropriate succession plan	✓	

**5. The organization assigns roles and responsibility of internal control in the pursuit of objectives.**

Question	Yes	No
5.1 The board of directors and management establish the mechanisms to communicate and enforce accountability for performance of internal control responsibilities across organization and implement corrective action as necessary.	✓	
5.2 The board of directors and management establish proper performance evaluation, incentives, and rewarding system taking into account code of conduct, short-term and long-term business objectives.	✓	
5.3 The board of directors and management align incentives and rewards with the fulfillment of internal control responsibilities in the achievement of objectives.	✓	
5.4 The board of directors and management evaluate and adjust pressures associated with the achievement of objectives as they assign responsibilities.	✓	

## Risk Assessment

**6. Organization specifies objectives with sufficient clarity to enable the identification and assessment of risks relating to objectives.**

Question	Yes	No
6.1 The organization complies with the Generally Accepted Accounting Principles (GAAP) that are appropriate for its business and ensures the existence, completeness, rights and obligation, and valuation.	✓	
6.2 The organization defines financial materiality by assessing factors such as stakeholders, transaction size, and business trends	✓	
6.3 The organization's financial statements reflect actual operational activities.	✓	
6.4 The board of directors or the Risk Management Committee approves and communicates risk management policies to management and employees as part of the organization culture.	✓	

**7. The organization identifies risks to the achievement of its objectives across the entity and analyzes risks as basis for determining how the risks should be managed.**

Question	Yes	No
7.1 The organization identifies comprehensive risk that may affect the operational activities at corporate level, entity level, unit level, and functional level.	✓	
7.2 The organization assess comprehensive risk that may result from internal and external factors, including strategic risk, operational risk, reporting risk, compliance risk, and IT risk.	✓	
7.3 Management of all level participates in risk management	✓	
7.4 The organization prioritize risk through frequency and impact assessment	✓	
7.5 The organization has measures and plans to manage risk through risk acceptance, risk reduction, risk avoidance, or risk sharing.	✓	

**8. The organization considers the potential for fraud in assessment risks to the achievement of objectives.**

Question	Yes	No
8.1 The organization assess fraud risk resulting from falsify reporting, financial loss, corruption, management override of internal controls, misrepresentation of material reports, or embezzlement.	✓	

8.2 The organization reviews its performance measurements through achievement likelihood assessment and reviews incentive program to ensure that it does not encourage misconduct such as unrealistic target to encourage misrepresentation.	✓	
8.3 Audit Committee reviews and inquires management regarding fraud likelihood and fraud preventive and corrective measures.	✓	
8.4 The organization communicates to its employees to ensure that they understand and comply with policies and guidelines.	✓	

**9. The organization identifies and assesses changes that could significantly impact the system of internal control.**

Question	Yes	No
9.1 The organization assess external changes that may affect its operation, internal control, and financial reporting; and defines sufficient measures to respond to those changes.	✓	
9.2 The organization assess changes in business operation that may affect its operation, internal control, and financial reporting; and defines sufficient measures to respond to those changes.	✓	
9.3 The organization assess changes in organization leaders that may affect its operation, internal control, and financial reporting; and defines sufficient measures to respond to those changes.	✓	

### Control Activities

**10. The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.**

Question	Yes	No
10.1 The organization's control measures are appropriate with its organization specific risks such as environmental, operational complexity, functional, operational boundary, and other specifics.	✓	
10.2 The organization has written internal control measures that appropriately covers its activities such as policies and procedures relating to the financial transactions, procurement process and other administrations which includes roles and responsibilities, and clearly indicate level of authority to prevent fraud such as the determination of authority level of the management in each level, capital expenditures approval process, procurement and vendor selection process, transactional recording, approval process, requisition and disbursement process etc. by arranging the processes for the following cases  10.2.1 Collect and regularly update information on major shareholders, Directors, Management, and their related parties to assist in monitoring and reviewing related party transactions or conflict of interest transactions.  10.2.2 In case the organization approves or enters into long-term contract with related party, the organization monitors to ensure compliance throughout the contract duration.	✓	
10.3 Control activities include a range and variety of controls and may include a balance of approaches to mitigate risk, considering both manual and automated controls, and preventive and detective controls.	✓	
10.4 Management considers control activities at various levels in the entity.	✓	
10.5 The organization segregates the following duties:  (1) approval  (2) data entry  (3) custodial	✓	

**11. The organization selects and develops general control activities over technology to support the achievement of objectives.**

Question	Yes	No
11.1 The organization should determines the dependency and linkage between business processes and technology general controls.	✓	



Question	Yes	No
11.2 The organization should have a proper control on IT infrastructure.	✓	
11.3 The organization should have a proper IT security system.	✓	
11.4 The organization should have a proper control on acquisition, development and maintenance of IT system.	✓	

**12. The organization deploys control activities through policies that establish what is expected and in procedure that put policies into action.**

Question	Yes	No
12.1 The organization has a policy that prevents major shareholders, directors, management from trading based on inside information by using approval process guided by regulators.	✓	
12.2 The organization has a policy indicated that transaction approval process has to be executed by an independent without conflict of interest.	✓	
12.3 The organization has a policy indicated that transaction approval processes are based on arm's length principle.	✓	
12.4 The organization has a process to monitor performance and provide directions to its subsidiaries.	✓	
12.5 The organization defines roles and responsibilities for its management and employees to carry out policies and processes.	✓	
12.6 The policies and processes are implemented within the proper time frame by the competent personnel including the comprehensiveness of the incident management process	✓	
12.7 The organization reviews the appropriateness of its policies and processes regularly.	✓	

## Information & Communication

**13. The organization obtains or generates and users relevant, quality information to support the functioning of other components of internal control.**

Question	Yes	No
13.1 A process is in place to identify quality and relevance internal and external information required to achieve the objectives.	✓	
13.2 Information usage costs and benefits are considered. The consideration should include quantity and correctness of information.	✓	
13.3 The board of directors has material information sufficiently to make decision. The information may include detail of the agenda, reason, impact to the organization and optional solution.	✓	
13.4 The organization has processes to schedule the board meeting and provide necessary and sufficient supporting information before a specific time as the requirement by laws or regulation.	✓	
13.5 The organization should document sufficient information in the board of directors' minutes of meeting to ensure appropriateness of directors duties, for examples, memo probing the question to management, comments and reason of disagreement	✓	
13.6 The organization has proper  13.6.1 Document retention process to ensure completeness and filing of all important document.  13.6.2 Control deficiencies and corrective action report from both external and internal auditors.	✓	

**14. The organization internally communicates information, including objectives and responsibilities for internal control, necessary to support the functioning of other components internal control.**

Question	Yes	No
14.1 The organization effectively communicates relevant and timely information regarding internal control and provides appropriate communications channels.	✓	
14.2 The organization reports material information to the board of directors consistently.  Otherwise, the board of directors is enabled to access necessary information regards of their duties or reviews transaction i.e. the directors allows to request information from assigned a contact person, external auditors, internal auditors and they can request for the board meeting and other meeting between directors and senior managements.	✓	

14.3 The organization provides separate communication channels, such as whistle-blower hotlines, are in place and serve as fail-safe mechanisms to enable anonymous or confidential communication from internal parties.	✓	
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**15. The organization communicates with external parties regarding matters affecting the functioning of other components of internal control.**

Question	Yes	No
15.1 The organization effectively communicates relevant and timely information regarding internal control to external parties and provides appropriate communications channels i.e. investor relation and customer complain hotline.	✓	
15.2 The organization provides separate communication channels, such as whistle-blower hotlines, are in place and serve as fail-safe mechanisms to enable anonymous or confidential communication from external parties.	✓	

### Monitoring Activities

**16. The organization selects, develops, and performs ongoing and/ or separate evaluations to ascertain whether the components of internal control are present and functioning.**

Question	Yes	No
16.1 The organization develop the code of ethics and establish conflict of interests ongoing evaluation process i.e. employees perform self-evaluation and report to their supervisor and the internal auditors performs auditing and report to audit committee.	✓	
16.2 Has internal evaluation this may perform by employees' self-evaluation or using internal audit to conduct separate evaluation.	✓	
16.3 Management varies frequency of evaluation depending on changing condition.	✓	
16.4 Evaluators who perform ongoing and separate evaluations have sufficient knowledge to understand what is being evaluated.	✓	
16.5 Internal audit department has direct reporting line to audit committee	✓	
16.6 The organization supports the internal audit activities to comply with International Standards for the Professional Practice of Internal Auditing, IIA.	✓	

- 17. The organization evaluates and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management and the board of directors, as appropriate.**

Question	Yes	No
17.1 The organization evaluates and communicates material internal control deficiencies in a timely manner to those parties responsible for taking corrective action	✓	
<p>17.2 The organization develop policies for reporting the control deficiency including:</p> <p>17.2.1 Management report the facts and circumstances of significant fraudulent act, illegal acts and the other circumstance that impact over reputation and financial reporting to Board of Directors in a timely basis.</p> <p>17.2.2 Report significant control deficiency and propose its corrective action to the board of directors/ audit committee.</p> <p>17.2.3 Report status of remediation plan or corrective action to board of directors/ audit committee.</p>	✓	