

(Translation)

No.10/2017

May 24, 2017

President

The Stock Exchange of Thailand

Re: Notification of the Resolution of the Board of Directors' Meeting No. 5/2017

We, AEON Thana Sinsap (Thailand) Public Company Limited ("Company"), hereby report the resolutions passed at the meeting of the Board of Directors No. 5/2017, held on May 24, 2017 from 11:00 a.m. as follows:

1. Approved the appointment of the Audit Committee Members for the year ended February 28, 2018. The Audit Committee Members will consist of the following persons:
 - (1) Mr. Noppun Muangkote
 - (2) Mr. Dej Bulsuk
 - (3) Dr. Sucharit Koontanakulvong

2. Approved the connected transaction with the related companies. (Details as attachment)

Please be informed accordingly

Yours sincerely,

Kiyoyasu Asanuma

Managing Director

Disclosure of Connected transactions

The Board of Director's meeting of AEON Thana Sinsap (Thailand) Plc. No. 5/2017 held on May 24, 2017 had a resolution of the connected transaction as follows:

Date of agreement:

Agreement with AEON Credit Service Systems (Philippines) Inc. is within May 2017.

Contractual parties with AEONTS and its subsidiaries companies:

Company	Business	Relationship with AEONTS
AEON Credit Service Systems (Philippines) Inc. ("AEON Systems")	System Development	-AEON Systems is 90% owned by AFS* -AEON Systems is 3.3% owned by AEONTS

*AEON Financial Service Co., Ltd. ("AFS") - Major shareholder of AEONTS, holding 35.12% of AEONTS's shares
- Major shareholder of AEON Systems

AEONTS' s subsidiaries:

Company	Business	% of shares held by AEONTS
AEON Specialized bank (Cambodia) Private Company Limited ("ASB Cambodia")	Retail Finance	80%

General characteristics of transactions:

AEON Systems provides outsourcing service in the system development to ASB Cambodia with cost of 31,912,000 baht

- ASB Cambodia is planning to further expand their Credit Card business in the Cambodia market, which was launched in April 2016. ASB Cambodia will start issuing MasterCard branded Credit Cards, as well as enhance their EDC terminals to accept both On-U's and Acquiring transactions for VISA and MasterCard brands. In addition, ASB Cambodia will also launch a service through the mobile application to provide more convenient payment methods to its customers. The system will widen and strengthen the service line-up of credit card business of ASB Cambodia.

Value of consideration:

Project	Investment Item	THB
1. Mobile Application	1. Requirement Definition	2,728,000
	2. Detail Design & Development	9,673,300
	3. Testing (System Testing/System Integration Testing) to verify the interactions between the modules of a software system	5,418,700
	4. User Acceptance Test (UAT)	3,140,800
	Software Total	20,960,800
2. Enhance EDC terminals to accept both On-Us and Acquiring transactions for VISA and MasterCard brands	1. Requirement Definition	751,900
	2. Detail Design & Development	3,448,900
	3. Testing (System Testing/System Integration Testing) to verify the interactions between the modules of a software system	3,290,200
	4. User Acceptance Test (UAT)	1,271,800
	Software Total	8,762,800
3. MasterCard Issuing	1. Requirement Definition	133,300
	2. Detail Design & Development	695,100
	3. Testing (System Testing/System Integration Testing) to verify the interactions between the modules of a software system	856,600
	4. User Acceptance Test (UAT)	503,400
	Software Total	2,188,400
Grand Total		31,912,000

Name, position and shareholding proportion of the connected persons

Related company name	Paid Up Capital No. of shares	Name of connected persons	Share (s) in related company	% of share in AEONTS
AFS	45,698,196,100 JPY/ 225,510,128 shares	Mr. Hideki Wakabayashi ¹	-	-
AEON Systems	270 Million Peso/ 2,700,000 shares	Mr. Junichi Iwakami ²	1 share	-

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

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

The measurement of total transactions

By measurement in percentage of the Company Net Tangible Assets (NTA), total transaction is 31.91 million baht or 0.24% which more than 0.03% but less than 3% of NTA of the Company. So this transaction is the connected transaction pursuant to the Notifications which shall be approved by Audit Committee and Board of Director as well as disclose to the Stock Exchange of Thailand.

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

- Board of Director's meeting No. 9/2016 held on 24th November, 2016, approved the transaction with AEON Financial Service Co., Ltd. for Business Administration Agreement in total amount of 108,824,834 baht or 0.89% of NTA of the Company and approved pay the Annual System License Fee to AEON Credit Service Systems (Philippines) Inc. with total amount of 2,760,936 baht or 0.02% of NTA of the Company.
- Board of Director's meeting No. 3/2017 held on 17th March, 2017, approved the transaction with AEON Capital Corporation Limited for supporting on the business operation including marketing research and support as well as system support in total amount of 14,400,000 baht or 0.12% of NTA of the Company and approved the transaction with AEON Credit Service Systems (Philippines) Inc. for Outsourcing Service Agreement in total amount of 33,552,000 baht or 0.27% of NTA of the Company.

Therefore, the total connected transaction approved by the Board of Directors' meeting in the last six months period including this time was 191.45 million baht or 1.54% which more than 0.03% of the Company NTA but less than 3% of NTA of the Company.

Opinion of the Audit Committee:

The Audit Committee has considered the purpose of transactions is supporting normal business transaction of the Company with fair and reasonable transactions.

Opinion of the Board of Director:

The Board of Directors has considered the agreement and has opinion that the transaction is necessary and reasonable.

Form to Report on Names of Members and Scope of Work of the Audit Committee

The Board of Directors meeting of AEON Thana Sinsap (Thailand) Public Company Limited No. 5/2017 held on 24 May 2017 resolved the meeting's resolutions in the following manners:

- Appointment of the audit committee/Renewal for the term of audit committee:
 - Chairman of the audit committee Member of the audit committee

Namely:

Dr. Sucharit Koontanakulvong, the appointment of which shall take an effect as of 24 May 2017

- Determination/Change in the scope of duties and responsibilities of the audit committee with the following details:

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 , the determination/change of which shall take an effect as of(date).....

The audit committee is consisted of:

1. Chairman of the audit committee Mr. Noppun Muangkote remaining term in office 1 year(s)
2. Member of the audit committee Mr. Dej Bulsuk remaining term in office 1 year(s)
3. Member of the audit committee Dr. Sucharit Koontanakulvong remaining term in office 1 year(s)

Secretary of the audit committee Ms. Kajohnporn Kittisobhone

Enclosed hereto is 1 copies of the certificate and biography of the audit committee. The audit committee number(s)1-3 has/have adequate expertise and experience to review creditability of the financial reports.

The audit committee of the company has the scope of duties and responsibilities to the Board of Director on the following matters:

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

The company hereby certifies that

1. The qualifications of the aforementioned members meet all the requirements of the Stock Exchange of Thailand; and

2. The scope of duties and responsibilities of the audit committee as stated above meet all the requirements of the Stock Exchange of Thailand

SignedManaging Director

(Mr. Kiyoyasu Asanuma)

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