

(Translation)

No. 29/2018

October 5, 2018

President

The Stock Exchange of Thailand

Re: Notification of the Resolution of the Board of Directors' Meeting No. 10/2018

We, AEON Thana Sinsap (Thailand) Public Company Limited (“Company”), hereby reported the resolutions passed at the meeting of the Board of Directors No. 10/2018, held on October 5, 2018, from 10.00 a.m. as follows:

1. Unanimously acknowledged the Company’s performance for the first half year ended August 31, 2018;
2. Unanimously approved the consolidated reviewed 2nd quarter financial statements and six-month period of the Company ended August 31, 2018;
3. Unanimously approved interim dividend payment for the first-half of fiscal year 2018 (March 1, 2018 - August 31, 2018). The dividends will be paid at the rate of 2.35 baht per share, totaling 587,500,000 baht or 32.83% payout ratio. The shareholder register book for the right to receive dividends shall be recorded on October 19, 2018. The Company will pay dividend on November 1, 2018.
4. Unanimously approved the related transactions with the related companies (Details as attachment)

Please be informed accordingly

Yours sincerely,

Kiyoyasu Asanuma
Managing Director

Connected transactions

The Board of Director's meeting of AEON Thana Sinsap (Thailand) Plc. No.10/2018 held on October 5, 2018 had a resolution of the connected transaction as follows:

- Date of agreement between AEON Thanasinsap (Thailand) PCL and AEON Specialized Bank (Cambodia) Plc ("ASB Cambodia") with AEON Credit Service Systems (Philippines) Inc ("AEON Systems"):

Company	Transactions	Date of agreement
1.1) AEON Systems with AEONTS	ACE Plus Annual Fee	Agreement period is 1 year from December 2018 to November 2019
1.2) AEON Systems with ASB Cambodia	3D Secure System	Agreement period is two months from October 8 th 2018 to December 7 th 2018.
1.3) AEON Systems with ASB Cambodia	payWave System	Agreement period is four months from October 8 th 2018 to February 7 th 2019.

- Date of waiver transaction of the preemptive right to subscribe to the additional shares:

Completion date of Capital Injection Payment for PT AEON Credit Service Indonesia ("ACSI") is within the end of October, 2018.

Contractual parties with AEONTS and its subsidiaries companies:

Company	Business	Relationship with AEONTS
AEON Financial Service Co., Ltd. ("AFS")	Finance	-Major shareholder of AEONTS, holding 35.12% of AEONTS' s shares
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
PT AEON Credit Service Indonesia ("ACSI")	Finance	- ACSI is 74.6% owned by AFS - ACSI is 5.2% owned by AEONTS

AEONTS's subsidiaries

Company	Business	Relationship with AEONTS
AEON Specialized Bank (Cambodia) Plc ("ASB Cambodia")	Retail Finance	- ASB Cambodia is 50% owned by AFS - ASB Cambodia is 50% owned by AEONTS

General characteristics of transactions:

1. With reference to the resolution of the Board of Directors Meeting No.8/2013 on December 24, 2013, AEONTS entered a System Implementation Agreement for the ACE Plus System (Fraud Detection System) with AEON Systems. AEONTS has utilized such system since November 2014 and continue operating this system. Therefore, AEONTS is required to pay the Annual System Fee of JPY 8,040,000 or 2,307,786 baht to AEON Systems, which is the same amount of the previous year.
2. As ASB Cambodia recognizes the importance of secured online shopping transactions, the 3D-Secure aims to greatly reduce risk of fraud and chargebacks. Therefore, ASB Cambodia is required to pay the development fee of 734,461 baht to AEON Systems.
3. ASB Cambodia would like AEON Systems to modify the current FEP system to support payWave for both Issuing and Acquiring transaction for VISA. Therefore, ASB Cambodia is required to pay the development fee of 1,977,662 baht to AEON Systems.

AEON Systems provides the system development to the AFS group, and has been successful in implementing the Hire Purchase System as well as the Credit Card system to ASB Cambodia.

4. In order to comply with the regulation of Otoritas Jasa Keuangan (“OJK”) (Indonesian Financial Service Authority) that ACSI is required to have local shareholders not less than 15% of the total shares. However, ACSI would like to increase capital registered from IDR 100,200 million to IDR 200,400 million in order to expand its business in Indonesia.

Existing shareholders including AEONTS have pre-emptive rights to subscribe the additional issuance of new common shares in proportion of 5.2% which is existing shares in ACSI.

The Board of Director’s meeting of AEONTS held on October 5, 2018, had resolution to waive the right to subscribe the increasing shares of ACSI totally amount approximately 11.9 million baht as ACSI has operating losses for last several years.

Value of consideration:

- Total pre-emptive rights of the additional shares subscription are 173 shares; amounting to total value of IDR 5,190 million (Par value of the share issued is IDR 30,000,000)

- The new shareholder structure will be changed as follow;

Shareholders	Current			Proposed Capital Injection			After Injection		
	No. of Shares	Amount (IDR million)	%	No. of Shares	Amount (IDR million)	%	No. of Shares	Amount (IDR million)	%
AEON Financial Service Co., Ltd.	2,493	74,790	74.6%	2,493	74,790	74.6%	4,986	149,580	74.6%
PT Centra Prima Lestari	298	8,940	8.9%	-	-	0.0%	298	8,940	4.5%
AEON Credit Service(Asia) Co., Ltd.	173	5,190	5.2%	-	-	0.0%	173	5,190	2.6%
AEON Thana Sinsap (Thailand) PCL	173	5,190	5.2%	-	-	0.0%	173	5,190	2.6%
AEON Credit Service (Malaysia) Berhad	-	-	0.0%	346	10,380	10.4%	346	10,380	5.2%
PT Taman Wisata Matahari	124	3,720	3.7%	-	-	0.0%	-	-	0.0%
PT AEON Indonesia	79	2,370	2.4%	-	-	0.0%	-	-	0.0%
PT Sentra Cakrawala Pusaka	-	-	0.0%	501	15,030	15.0%	704	21,120	10.5%
Total	3,340	100,200	100%	3,340	100,200	100%	6,680	200,400	100%

Unit : Baht

Related company name	Amount
AEONTS pays for ACE Plus Annual Fee to AEON Systems	2,307,786
ASB Cambodia pays Development Fee for 3D Secure to AEON Systems	734,461
ASB Cambodia pays Development Fee for payWave to AEON Systems	1,977,662
ACSI waives the right to subscribe the increasing shares of ACSI	11,875,758
Total	16,895,667

*Exchange rate as of 1 Oct, 2018: 1JPY=0.2870 baht, 1PHP=0.6091 baht, 1IDR=0.0022882 baht

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*	-	-
AEON Systems	300 Million Peso/ 3,000,000 shares	Mr. Junichi Iwakami**	1 share	-
ASB Cambodia	20 Million USD/ 20,000,000 shares	Mr. Masanori Kosaka***	-	0.04%

*Mr. Hideki Wakabayashi is the Chairman of Board of Directors of AEONTS and the Director of AFS

** Mr. Junichi Iwakami is Senior Executive Vice President of AEONTS and Non-Executive Director of AEON Systems

*** Mr. Masanori Kosaka is the Executive Director of AEONTS and the Chairman of Board of Directors of ASB Cambodia

The measurement of total transactions

By measurement in percentage of the Company Net Tangible Assets (NTA), total transaction is 16.9 million baht or 0.10% which is more than 0.03% but less than 3.00% of NTA of the Company. So this transaction is the connected transaction pursuant to the Notifications which shall be approved by the 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. 5/2018 held on May 22, 2018 approved the transaction with AEON Credit Service Systems (Philippines) Inc, which AEON Systems provide outsourcing service in the system development to AEON Specialized Bank (Cambodia) Plc in total amount of 9.3 million baht or 0.06% of the Company NTA.
- Board of Director's meeting no.7/2018 held on July 11, 2018 approved management support agreement in terms of business management and operation by AEON Financial Service, in amounting to 95.7 million baht or 0.59% of the company NTA.

Therefore, the total connected transaction amount in the last six month period including this time would be 121.9 million baht or 0.75% which more than 0.03% but less than 3% of NTA of the Company.

Opinion of the Audit Committee:

The Audit Committee has considered the transactions are reasonable and be proposed to the Board of Directors for further approval.

Opinion of the Board of Director:

The Board of Directors has considered the transactions are necessary and reasonable.