



Aeon Thana Sinsap (Thailand) Public Company Limited

Annual Registration Statement / Annual Report

Form 56-1 ONE REPORT

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FY2020 Highlights

Customer Base		Member and Branch Network
Credit Card	2.95 million cards	103 branches nationwide
Member Card	6.24 million cards	411 ATMs
Total Card	9.19 million cards	More than 6,463 dealer shops

Fiscal Year	2561/2018	2562/2019	2563/2020
	As of February 28, 2019	As of February 29, 2020	As of February 28, 2021
Financial Status (Million Baht)			
Total assets	87,121	95,396	87,389
Accounts receivable	82,512	90,232	87,433
Allowance for doubtful accounts	2,880	3,962	11,593
Total liabilities	68,733	74,271	70,009
Borrowings and debentures	63,741	69,437	62,710
Total shareholders' equity	18,388	21,125	17,380
Financial Results (Million Baht)			
Total revenues	20,642	23,301	21,302
Operating and administrative expense	8,521	9,091	8,144
Directors and managements' remuneration	182	172	159
Expected credit loss	5,285	6,646	6,210
Finance cost	2,175	2,209	2,096
Other expenses	50	26	46
Operating income	4,434	5,144	4,647
Net income	3,506	3,975	3,690
Non-controlling interest	60	145	(10)
Financial Ratios			
Book value per share (Baht)	72.2	82.9	68.2
Net income per share (Baht)	14.03	15.9	14.76
Return on assets	4.2%	4.4%	4.0%
Return on equity	20.8%	20.5%	19.5%
Dividend Payout Ratio	33.5%	31.4%	30.5%

Milestone over the Year

March 2020

The Company has cooperated with new business partners, namely Shopee and Grab Food which are the leader in online platform with high potential, together with many other leading brands such as Café Amazon, MacDonald's, Maxvalu Supermarket, Maxvalu Tanjai and AEON Pet Shop through the "AEON 365 Days privileges" campaign, the customers are 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 2020

The Company has cooperated with Big C Supercenter Public Company Limited launched the Big C World Mastercard credit card. The new card offers privileges up to 10% discount on online shopping and 7% discount on offline shopping under the concept "The best credit card @ Big C". This privileges also the electrical appliances department at Big C stores.

October 2020

The Company has cooperated with Bangkok Smartcard System Company Limited (BSS), launched the AEON Rabbit Platinum Credit Card, offering the privileges under the concept "The Credit Card for Digital Life" which combines 2 privileges from AEON and Rabbit in one card. The card solution for new normal lifestyle for the urban, especially online shopping, travel by BTS in one card and also receive 5% cash back credit from top up money to Rabbit Wallet (Auto Top-up), or payment through Rabbit Line Pay receive 3% cash back credit when shopping online with the card of 1,000 baht or more per receipt.

October 2020

The Company expanded the cash withdrawal service "Cardless Cash Advance" in order to facilitate customers, whereby they can use " AEON THAI MOBILE Application" then scan QR Code at AEONTS ATMs or KBank ATMs to withdraw cash.

November 2020

The Company launched Digital YourCash - A, new type of personal loan cardless service, which is a credit in type of Virtual Account for customers earning 30,000 baht/month, interest rate 22% per year, whereby the customers are able to withdraw cash through "AEON THAI MOBILE Application" then scan QR Code at AEON ATMs and KBank ATMs, or purchasing with an installment plan at AEON merchants by scanning QR code.

December 2020

The Company has cooperated with UnionPay International Company Limited launched a new credit card "AEON-UnionPay Platinum", offering privileges to customers by receive 3% cash back when spending in China / Hong Kong / Macau / Taiwan, as well as receive 1% cash back spending in Thailand. The customers are able to withdraw by cardless cash advance at AEON ATMs. In addition, to making purchases at merchants that carry the UnionPay symbol.

February 2021

The Company expanded the cash withdrawal service "Cardless Cash Advance" in order to facilitate customers by making a transaction through IVR system to receive the OTP via SMS, then be able to present at the Counter Service in 7-eleven, inserting their ID card, press the code and receive money with 7-eleven staff.

Message to Shareholders

The year 2020 has been another challenging one for all of us, with global economic uncertainties brought about by the trade war between the United States and China that has continued from the previous year as well as the coronavirus outbreak (COVID-19) in the early part of 2020. These factors have impacted the global economy including Thailand, particularly in the export sector, the tourism sector, and private consumption as well as causing a slowdown in investments. Other factors include the Baht appreciation and high level of household debts that resulted in the Thai economy in the 2020 fiscal year contracting by 6.1% compared to the 2.3% increase as seen in the previous year.

For the second half of 2020, the COVID-19 situation showed a tendency to improve due to the easing of lockdown measures coupled with the implementation of government relief payments that resulted in a recovery of Thai economic conditions. Unfortunately, the economy struggled amid the second and third wave of COVID-19 during the high seasonal New Year period and the first quarter of 2021, resulting in a slow-down of domestic consumption that has prolonged the Thai economic recovery we expected to see in 2021.

However, the company is aware of those impacts that occurred and has adjusted its business strategies to cope with new changes of consumer behavior among various groups as well as to facilitate its customers in the new normal trends.

In the fiscal year of 2020, the Company's consolidated revenue was 21,302 million baht, decreasing by 9% from the previous year. This came as a result of the COVID-19 pandemic situation, economic slowdown and a higher level of household debts. In addition, the Bank of Thailand cut the ceiling rates of interest rates on credit cards from 18% to 16% per annum and personal loans from 28% to 25% per annum, effective from August 1, 2020 onward. In 2020, the net profit of the Company and its subsidiaries was recorded at 3,690 million baht, decreasing by 7% from the previous year accounting for the earning per share of 14.76 baht. However, the increase of bad debt recovery to 18% from last year, along with the Company's efficient control of operating expenses which was down to 39% of the total revenue, together with a decrease of the average financial cost to 2.57%, resulted in a return on equities at 19.5% and return on assets at 4.0%.

In 2020, the Company adopted its new Financial Reporting Standards (TFRS 9), which has affected the classification and measurement of financial assets and financial liabilities and leases standard (TFRS 16). The company also set additional management overlay for customers in the special COVID-19 relief program together with the Thailand Personal Data Protection Act (PDPA), as well as the rapid change of digital technology in the financial business sector.

In 2020, the Company improved its internal workflow in the development of two new departments. In September 2020, the Customer Behavior Analysis department was established with the task of analyzing the customer database more efficiently through AI mechanisms. The Digital Marketing department was also established to support marketing through online platforms via AEON THAI MOBILE Application.

In the midst of today's advanced technologies and the changes in tastes and lifestyles, the Company has kept abreast with consumer behaviors in the digital era. Its business operations have adhered to the policy of offering a variety of products and services that are easily accessible to consumers and in tune with the customers' daily living with details enumerated as follows:

The Company has expanded its customer base to all target groups in 2020. Regarding collaboration with our business partners, the company cooperated with Big C Supercenter Public Company Limited to launch Big C World MasterCard, which offers special privileges under the concept "The best credit card @Big C" through Big C shopping online. In addition, the company

cooperated with the BTS Group to issue AEON Rabbit Platinum Card, which offers many privileges in order to stimulate spending. Also, the company has joined hands with Shopee and Grab Food, to increase business opportunities via online channels and also offered more convenience to its customers. On the other hand, the company also launched Digital YourCash-A which enables you to enjoy cashless cashing and installment loans (Happy pay). For greater efficiency, the company also launched a cardless cash advance service from AEON credit cards that enables customers to make cash withdrawals through the AEON THAI MOBILE Application and scan a QR code at KBank ATM machines. As of February 28, 2021, the Company's total cards reached 9.19 million cards, increasing by 2% from the previous year

The Company has maintained its focus and support for the expansion of its businesses in the Mekong Region which show high economic growth potential. In the fiscal year of 2020, the total revenue of its overseas subsidiaries was 1,568 million baht, representing 7% of the Company's total revenue.

The plans for business operations of its overseas subsidiaries in 2021 are as follow:

1. For the business in Cambodia, we are planning to expand the portfolio of products to further expand our customer base. We will also develop and enhance digital functions such as Mobile app, Web, etc. to provide the services through digital technology in order to improve productivity.
2. In Myanmar, the political situation has become unstable and the business environment is highly volatile. We will keep monitoring the situation and pay attention to the safety of our customers and employees.
3. In Lao PDR, there are plans to improve its operations through the utilization of AI and systematization of credit control and collection in order to reduce the process involved and speed up procedures.

Business Plan for 2021

For the year 2021, the company is facing new challenges resulting from factors both internal and external. The economic growth has still been downsized by yet a new wave of the COVID-19 pandemic making the prospects of economic recovery uncertain. However, the company has plans to overcome the challenge factors in the fiscal year 2021 with the following strategies:

- Revising its business model through innovation and development of new products. The E-Service will be implemented by adding the electronic know-your-customer (eKYC) function via the AEON Thai Mobile Application and at its branches to facilitate all customers. The Company is also collaborating with current and new business partners by offering more benefits through its cards and expanding its customer-base.
- Starting to digitalize the platform of life and non-life insurance brokerage business to be in line with customer's lifestyle, increase efficiency and reduce operation costs.
- With its commitment to sustainable business development, the Company recognizes the significance of ethical business operations and responsibilities to the society and the environment. The Board of Directors annually reviews its corporate governance principles and has put in place a corruption prevention policy, a no gift policy, and an anti-money laundering and counter financing of terrorism policy. These policies have been communicated across the board, from directors to management and general staff levels. Our emphasis is based firmly on integrity, business ethics and transparency in our business operations in order to achieve long term and sustainable growth.

Finally, AEON Thana Sinsap (Thailand) Public Company Limited wishes to offer its sincere thanks and appreciation to its shareholders, customers, business partners, employees and all stakeholders for their continued support. Rest assured that the Company is determined to carry out its business operations by working to the best of its ability, with transparency and commitment to corporate governance in order to achieve sustainable growth this year and in the years to come.

Board of Directors**Mr. Hideki Wakabayashi**

Chairman of the Board

**Mr. Tsutomu Omodera**Vice Chairman of the Board and
Managing Director**Mrs. Suporn Wattanavekin**

Director

**Mr. Nuntawat Chotvijit**

Director

**Ms. Suriporn Thammawatid**

Director

**Mr. Kazumasa Oshima**

Director and CFO

Board of Directors

Mr. Chatchaval Jiaravanon
Director



Mr. Kenji Fujita
Director



Mr. Masanori Kosaka
Director



Mr. Noppun Muangkote
Independent Director and
Chairman of Audit Committee



Dr. Sucharit Koontanakulvong
Independent Director
and Audit Committee



Dr. Mongkon Laoworapong
Independent Director
and Audit Committee

Board of Directors



Mr. Ryuichi Hasuo
Independent Director



Mr. Kenji Hayashi
Independent Director

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Business operation and operating results

Organizational structure and operation of the group of companies

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 THB 10 Million and paid-up capital of THB 5 Million. In October 1994, The Company changed its name again to AEON Thana Sinsap (Thailand) Company Limited.

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

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

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

Business Policy

The corporate mission of the company all along is to constantly benefit our cardholders through a variety of financial services. In Japan and the rest of Asia, our management philosophy is to “Support Cardholders lifestyles and enable each individual to maximize future opportunities through effective use of credit”. The Company carefully provides financial services by paying attention to our cardholders’ needs and earns cardholders trust by raising standard of corporate behavior in the financial service industry.

Vision

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

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.

Procedure 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 proposes 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 THB 200 Million to THB 250 Million 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.

2018	February	<ul style="list-style-type: none"> The Company launched a new business model "AEON Auto Loan" for used cars to expand new target customers. 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 in authorized share capital since April 24, 2018, accordingly
	April	The Company approved the issuance and offering of unsubordinated and unsecured debentures. The purpose was general working capital, reserve fund and refinance. Tenor not more than 10 years from issuance date and issuing amount up to 10 billion baht equivalent amount.
	May	The Company cooperated with Thai Airways International Public Co., Ltd. and MasterCard to launch the AEON Royal Orchid Plus World MasterCard, which offering privileges under the concept "Enjoy the World of Travelling Freedom". By offers the ultimate in travel experiences and superior customer benefits for both business and leisure travelers.

	August	<ul style="list-style-type: none"> The Company had launched an Instant card at our branches for AEON Member Card to facilitate customers and also launched “AEON Happy Pay”, which the customers are able to withdraw cash up to maximum credit limit or purchase products and services by installment loans by installment loans up to 48 months. The Company launched a campaign AEON Happy Pay, which the customers are able to installment loan and Happy Pay can be applied for maximum of 48 months installment period. The Company provides more channels to facilitate financial service to customers. Therefore, customers could exchange their happy rewards for discounts via “ AEON Thai Mobile Application” or QR Code or directly at the selected store.
	September	The Company expanded new function “Pay Alert” on AEON Mobile Application under “Pay Now” function to allow customer process bill payment under prompt pay service under “Pay Alert” function
	October	PT. AEON Credit Service Indonesia registered a capital increase of 3,340 shares. The value of shares is IDR 30,000,000. However, The Company waives its right to purchase shares in the related companies. AS a result, the proportion of shareholding in the company decreased from 5.2% to 2.6%
	November	<ul style="list-style-type: none"> The Company cooperated with JCB International (Thailand) to launch the AEON J-premier Platinum Credit Card, which offers exclusive privileges in dining, travel, and shopping under the concept “Extreme Japan Experience”. The Company has issued 2 tranches of debentures in the amount of 2,800 Million baht. These debentures are offered as a Private Placement to institutional investors. The first tranche issued with a term of 2 years and the second was 3 years from issuance and offering date in order to support new loans expansion The Company launched a new service “Cardless Your Cash” allows the customer to withdraw cash without using a card or PIN via AEON Mobile Application at AEON ATM and Kbank ATM.
	December	The securities of the Company “AEONTS” has qualifications met the criterion of the SET100 index and was selected to become part of the SET100 index effective since January 1, 2019.

2019	January	The Company launched AEON Instant Card service for credit card and member card at our branches nationwide which the process to approved card is within 1 hour after that the customers can use credit card and Aeon member card to purchase, installment loan or Your cash services immediately.
	June	<ul style="list-style-type: none"> • The Company expanded the cash withdrawal service "Cardless Cash Advance" in order to facilitate customers, whereby they can use "AEON THAI MOBILE Application" then scan QR Code at AEONTS ATMs to withdraw cash. • The Company expanded more service by accept a payment with Debit Card Local Scheme (TPN&ITMX) through EDC in order to support a payment by Debit Card issued by banks in others country.
	August	The Company expands a used car hire purchase business services area to up country cover 16 provinces.
	September	<ul style="list-style-type: none"> • The Company cooperated with Visa International (Thailand) Company Limited, leading sports brands, fitness centers, Muay Thai gyms, golf courses and football pitch operators to launch Visa Olympic Themed Card, which offering special privileges for sports lovers and health enthusiasts. The card benefits include 4 time per month free access to leading fitness clubs, yoga classes and Muay Thai gyms as well as receive up to 30% discount at participating fitness clubs, golf clubs and football pitches. • The Company launched Motorcycle Big Bike Hire Purchase loan. The Company partnered with 6 leading brands of motorcycle such as Honda, Yamaha, Kawasaki, Suzuki, Triumph and Royal Enfield which cover more than 200 dealers nationwide.
	November	<ul style="list-style-type: none"> • The Company launched Digital YourCash, which is a new category of our personal loan service that launched a cardless withdrawal. A credit line of a virtual account which customers can withdraw cash through our AEON Thai Mobile Application and scan QR Code at ATMs of AEON and KBank. • The Company issued two tranches of debentures for Private Placement to institutional investors at the amount up to 3,000 million baht comprise; Tranche (1): Debenture term is 3 years with fixed interest rate at 2.27% per annum Tranche (2): Debenture term is 5 years and fixed interest rate 2.57% per annum, to support new loans expansion

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, namely Shopee and Grab Food which are the leader in online platform with high potential, together with many other leading brands such as Café Amazon, MaDonald'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 and in Japan.
	October	<ul style="list-style-type: none"> 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 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.

	November	<ul style="list-style-type: none"> 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. The company launched a premium virtual member card called “Digital Yourcash A” for customers who earn Baht 30,000 per month or higher with an annual interest rate of 22%. 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. Digital Your Cash-A is new loan service through AEON Thai Mobile Application which can withdraw cash and pay installments for goods / services without cards with special interest rate only 22% per annum.
	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	February	The company expanded the cash withdrawal services “Cardless Cash Advance” to cover Counter Service at 7-Eleven to increase convenience for credit cardholders whereby they can make a transaction via IVR system to receive an OTP via SMS that they can present at Counter Service at 7-Eleven

As of February 28, 2021, the Company has a total of 103 branches, of which 30 branches are in Bangkok and the vicinity while the remaining 73 branches are distributed nationwide (Please see details of the branches in 4. Properties to be used for business operation). Moreover, the Company has 6,463 Electronic Data Capture machines at hypermarkets and dealers to facilitate the clients. There are also 411 ATMs located in Bangkok and 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 limited 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.

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 phase 2

At the end of February 2021, the Company has implemented the 2nd phase of financial relief measures to assist customers impacted by the COVID-19 as the following key principle:

- 1) Reduced interest rate ceilings of credit card and personal loans to be in line with Bank of Thailand's measurement.
- 2) Increased revolving credit line of credit card and loans under the supervision and instalment loans for borrowers with a monthly income of less than 30,000 baht who need more credit limit and consistently have good debt-servicing record. Expanding credit line from 1.5 to 2 times of income per month was temporarily effective until December 31, 2021. (Effective August 1, 2020)
- 3) Furthermore, the 2nd phase of minimum measures to postpone and reduce debt repayment burdens to assist customers effective July 1, 2020. The relaxation of payment for customers impacted by COVID-19 who were not yet classified as NPL such as reduction of minimum payment, restructuring agreement of short-term to long-term borrowings, instalment reduction, principal or debt moratorium and debt reduction etc.
- 4) Debt restructuring with considering debt-serving ability for borrowers' burden alleviation such as extending repayment periods, transforming from short-term borrowing to long-term borrowing, suspending instalment repayment, reducing interest rates etc.

Nature of Business

Income Structure

Overview of the company's business

The Company's principal business activity is the provision of a variety of retail finance services, including credit card, personal loan, hire purchase and others. The core business, which generated most revenues for the Company in the past year, is credit card and personal loan business, representing 30% and 52% of total revenues, respectively, while the hire purchase business represented 5% of total revenues.

As of February 28, 2021, the Company has active customers more than 2 million IDs per month. Meanwhile, the number of issued cards was 9.2 million including 2.95 million credit cards and 6.24 million member cards.

For branch development network, the Company has 103 branches nationwide and AEON Lounge totally 13 locations to enhanced convenience for the customer who holds AEON Gold and/or platinum card. In addition, the Company has 6,463 active dealers. Also, the Company has 411 ATMs located in Bangkok and provincial areas.

Income Structure (Consolidated)

Fiscal Year	2018			2019			2020			
	Business	Amount (MB)	%	Growth %	Amount (MB)	%	Growth %	Amount (MB)	%	Growth %
1.Credit Card	7,490	36	10	10	7,529	32	1	6,451	30	-14
2.Loan	10,723	52	12	12	12,065	52	13	11,121	52	-8
3.Hire Purchase	431	2	17	17	754	3	75	1,014	5	35
4.Commission income	513	3	4	4	531	3	4	510	2	-4
5.Collection service income	266	1	14	14	268	1	1	246	1	-8
6.Others	1,219	6	3	3	2,154	9	77	1,960	9	-9
Total	20,642	100	11	11	23,301	100	13	21,302	100	-9

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

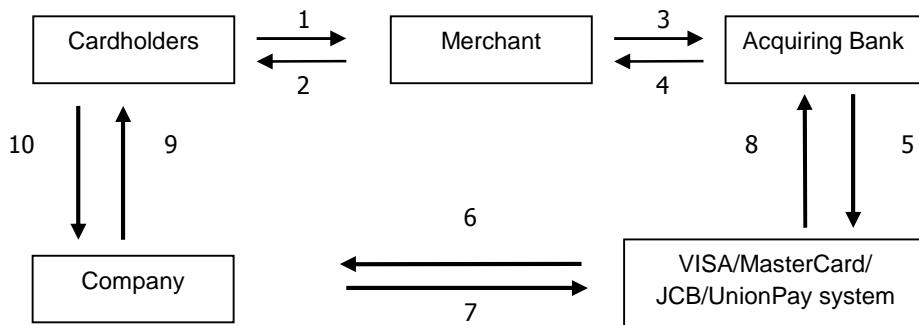
1) Credit Card

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.

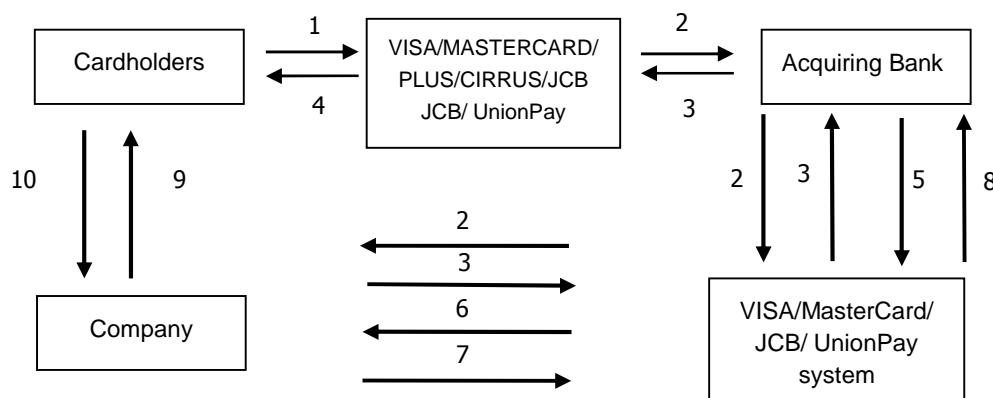


- (1) Cardholder request payment by credit card for goods and services
- (2) Goods or services received
- (3) Sending the sales slip or sales data to Acquiring Bank
- (4) Acquiring Bank pay amount of goods and services to merchant
- (5) Acquiring Bank settlement amount through VISA / MasterCard / JCB / 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. As of February 28, 2021, the Company has 411 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

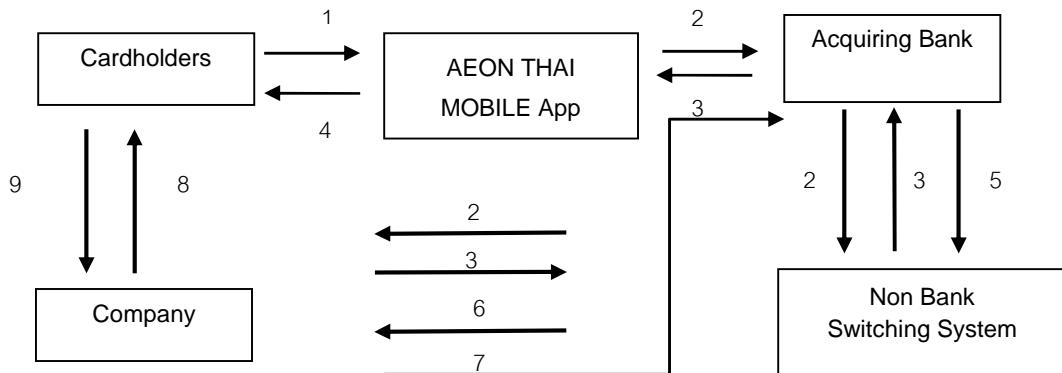


- (1) Cardholder inserts card into cash dispensing machine with sign VISA/MASTERCARD/PLUS/CIRRUS/JCB
- (2) Transaction has been sent through Acquiring, VISA/MASTERCARD/PLUS/CIRRUS/JCB/ UnionPay system to the Company, checking the cardholder's credit limit available
- (3) The Company sending the approval
- (4) Cash has been dispensed 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 KBank ATMs

The diagram below depicts Cardless Cash Advance

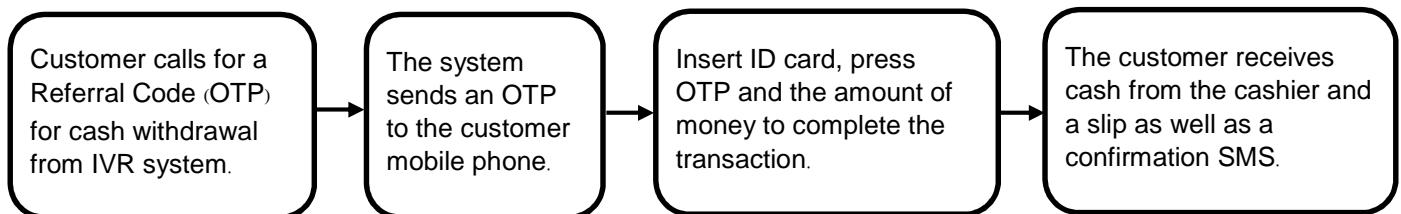


- (1) Cardholder logs in and selects “Cardless Cashing” via AEON THAI MOBILE App.
- (2) The company checks the remaining balance of the cardholder.
- (3) The non-bank switching system sends a transaction approval.
- (4) The cardholder receives cash through the ATMs.
- (5) The acquiring bank sends a payment 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 and the AEON JCB Card, AEON UnionPay 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. AEON 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, 2021, AEON Co-branded Cards are as follows:

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

The Company offer special privilege to AEON cardholders in the campaign “365 Days of Happiness of AEON Credit card” with potential partners such as Shopee, Grabfood, Café Amazon, McDonald’s and Maxvalu Supermarket. AEON cardholders get 100 Baht discount at Shopee, 100 Baht discount at Grabfood Application; 10 Baht instant discount at Café Amazon, Get selected extra medium size and McFried Chicken Set only 79 Baht from regular price 149-150 Baht at McDonald’s. Get 5% discount at Maxvalu and Maxvalu Tanjai as well as organizing campaigns cash back and privilege when spending via card as specified by the Company.

In the fiscal year of 2020, the Company launched Big C Mastercard World which offers superior shopping benefits and experience, both online and offline at Big C stores nationwide, under the slogan “The best credit card @ Big C”. Benefits include up to 10% discount for Big C shopping online and 7% discount including the electrical appliances department at Big C stores. Cardholders will also earn x5 reward points for a shopping of 10,000 Baht or more, with terms applied, as well as a 10-months 0% installment plan at the electrical appliances department.

And Company launched AEON Rabbit Platinum 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 which offers special privileges included 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 and also travel accident coverage up to 31 MB and also privileges from rabbit rewards to redeem point for products, services and special discount from leading participated merchants nationwide and Mastercard also provide special privilege for cardholders such as e-commerce insurance protection up to \$200 per year and etc.

Also, The Company has launched Corporate Card which was card issued to the organization 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 customer who uses the

Company credit card is a Co-Branded Company and the Japanese Company operating in Thailand.

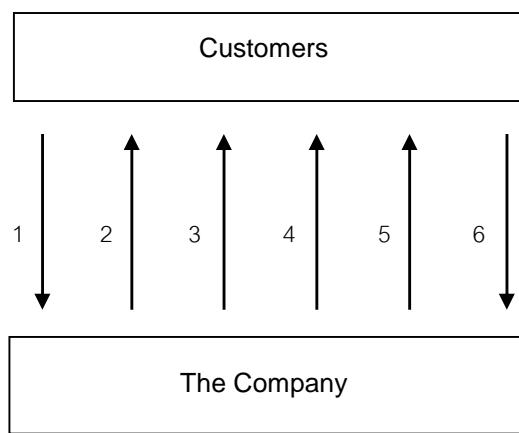
Income from credit cards consists of interest, revolving fees, collection fees and other fees e.g. the annual fee, cash advance fees, merchant discount fees from participating stores and etc.

2) Personal Loan

The Company has provided “Your Cash” or a revolving loan service to customers 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. Money transfer service is also available, the recipient can receive money at Thailand Post nationwide or your cash customers can transfer your cash credit line between each other.
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

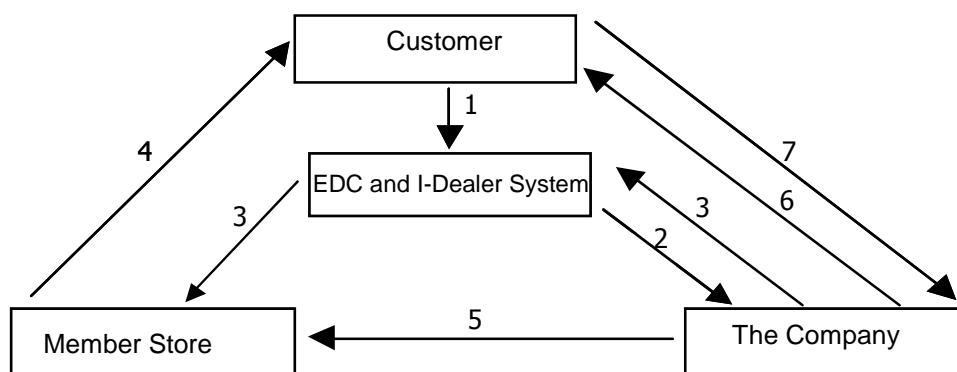


<ul style="list-style-type: none"> (1) Application from the customer in demand for cash. (2) Data screening and judgment from the customer's credit status. (3) Approval notification. (4) The Company hands over loans to the customer who gets credit approval which the customers gain credit line through 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.
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Loans are a form of finance for lending cash to customers. The amount will be approved and made available to them in the form of revolving credit ("Your Cash") through AEON Member Cards. The customers may contact the Company's office to submit an application for personal loans. The Company's revenues generated from this service comprise the interest received, the minimum payment fee, the handling fees and the penalty fees. The Company also offers AEON Happy Pay service. The customers can buy electrical appliances, gold, home decorative items, office equipment, mobile phones, IT products, etc. and pay for such products by using revolving credit limit through AEON Member Cards. Transactions are processed via EDC machines at over 6,463 AEON dealers' shops nationwide.

Happy Pay service is installment products and services with revolving loan ("Your Cash") through AEON Member Card. Which is 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)

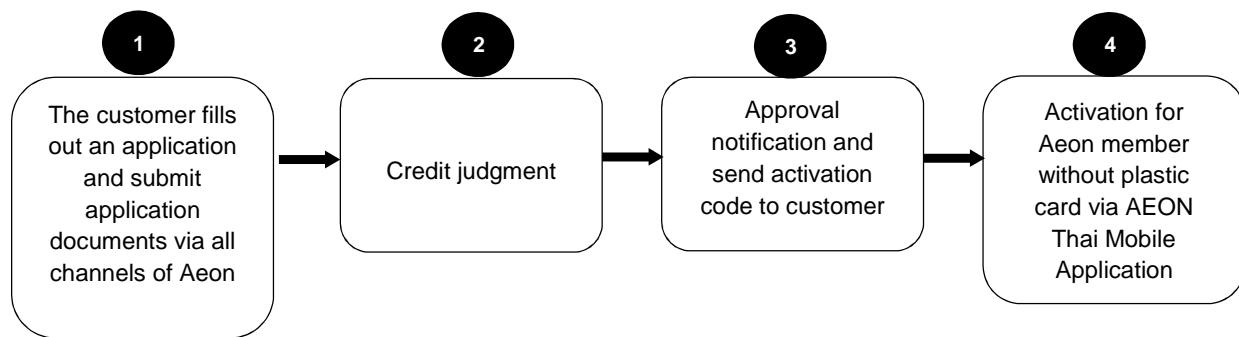


- (1) Credit/Member Card swiping card via EDC or inform customer's information to do transaction via i-Dealer System at member store to buy goods.
- (2) Customer's data sent to the Company for credit judgment.
- (3) Approval notified via EDC or i-Dealer.
- (4) Delivery the goods.
- (5) The Company pay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

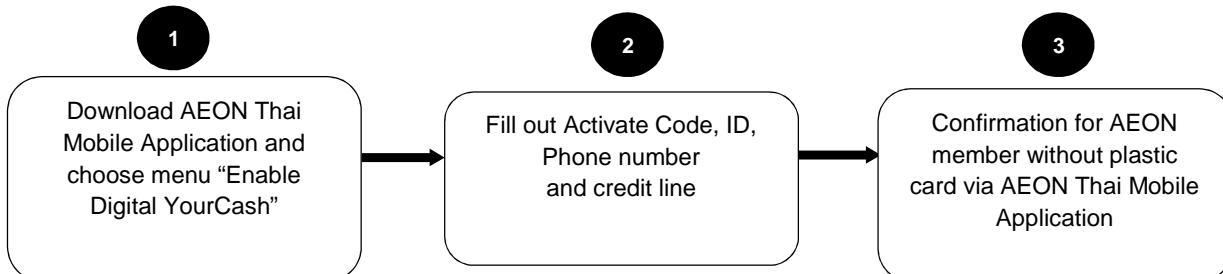
Personal Loan without the Plastic card (Digital Yourcash) and (Digital Yourcash -A)

The Company provide service “Digital YourCash”, 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. Once approved, loans will be made available to customers, allowing them to withdraw cash in the amount approved. 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 to customers.

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

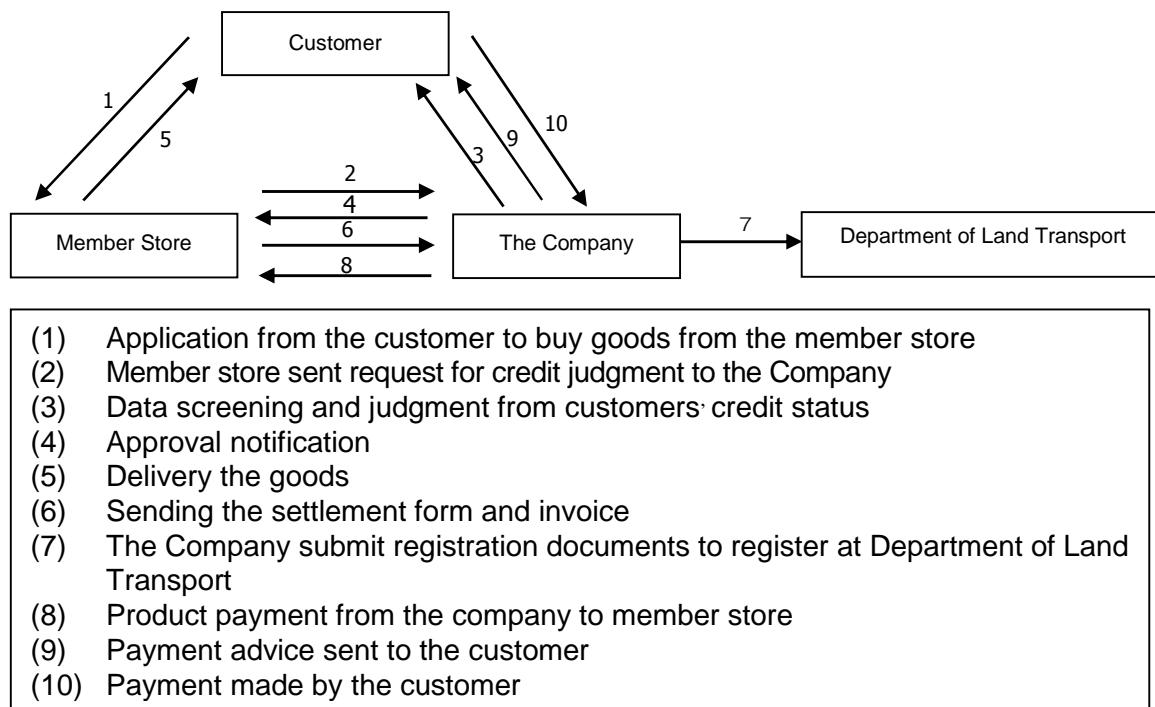


3) Motorcycle Hire Purchase

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 6 months to 48 months (For motorcycle price less than 150,000 Baht) and from 6 months to 72 months (For motorcycle price more than 150,000 Baht). The ownership of merchandise belong to the Company during the period of hire and when the payment including the condition of the contract already made by the customer. The ownership of the merchandise completely transfer 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.

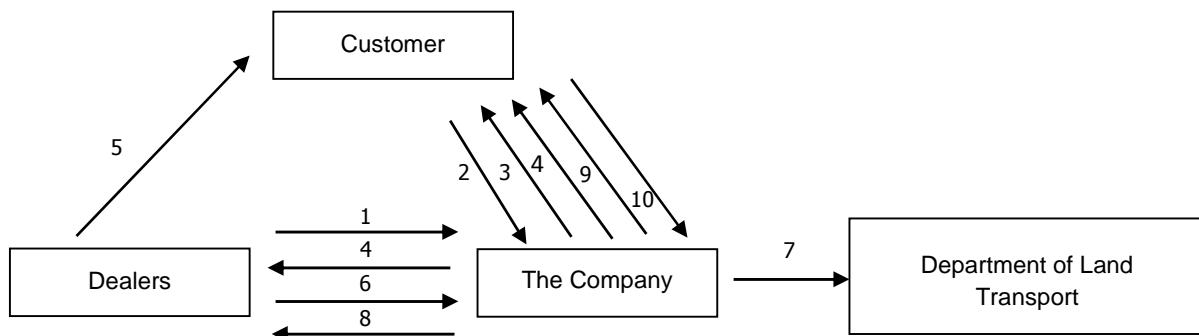
The picture shows the procedures of hire purchase business.



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 24 months to 84 months. The ownership of merchandise belong to the Company during the period of hire and when the payment including the condition of the contract already made by the customer. The ownership of the merchandise completely transfer to the customer.

The picture shows the procedures of used car hire purchase.



(1)	Introducing interested customer to buy used car
(2)	Sending application and contract to the company for credit judgment
(3)	Data screening and judgment from the customer's credit status
(4)	Approval notification
(5)	Delivery the used car
(6)	Sending the settlement form and invoice
(7)	Submitting the documents to transfer ownership at Department of Land Transport
(8)	The company pay settlement amount
(9)	Payment advice is sent to the customer
(10)	Payment made by the customer

5) Web Business Service

The company provide a variety of online services for AEON card customers to fulfill their online activities through the AEON website (www.aeon.co.th). Customers can browse company's information, products & services as well as apply for credit cards member by online channel.

Type of Service

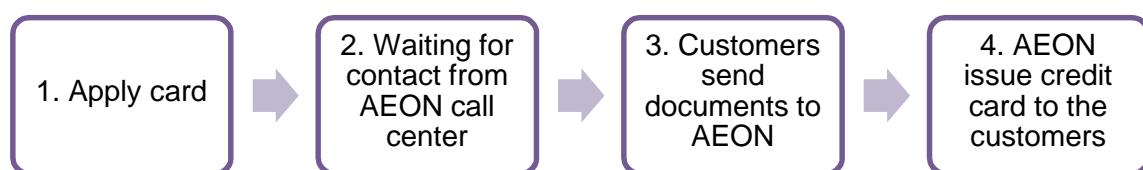
1.) Online services through internet

The Company provides online services for customer through the Internet via our website, www.aeon.co.th. 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 includes total credit limit, spending amount, and remaining credit together with agreement numbers specified minimum payment amount and full payment amount. To be easier for customers, all information will be displayed in table format in which customers can manage their monthly expense and ensure that credit usage will not be exceeded.

- Unbilled Transaction

This service is appropriate to the members who prefer 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

"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. Customers can choose the period of payment from up to 10 months to suit their lifestyle. AEON Happy Plan turns a big spending into a small thing.

- E-Statement**

Customers can view or download their statements online through our AEON online services in form of HTML format. They are able to check statement history from the past six months. 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 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 Online Services. 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.

- Hold Card Service**

Hold card 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 hold 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 do so by logging on to AEON online services without calling the customer 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

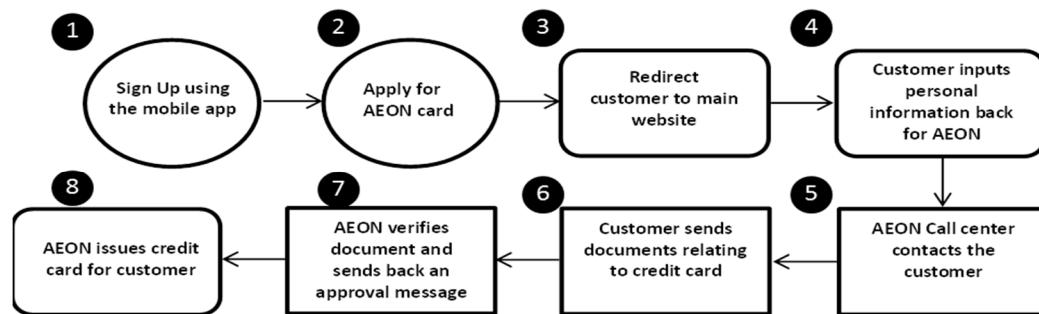
2.) Aeon Mobile Application Service

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. Online card application service

Customers can apply for AEON cards through the AEON Thai Mobile in easy steps.

Diagrams of system and details of servicing



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 AEON THAI MOBILE APPLICATION is a payment service provided by AEON. The customer can look up a desired statement and choose the one to pay for as well as the payment method. After a successful payment, the payment amount and reference code will be recorded and the account will be credited. A notification will be sent to customer after payment has been paid, the credit line will be back and customers can utilize the credit 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 our AEON mobile app service. They are able to check statement history from 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.

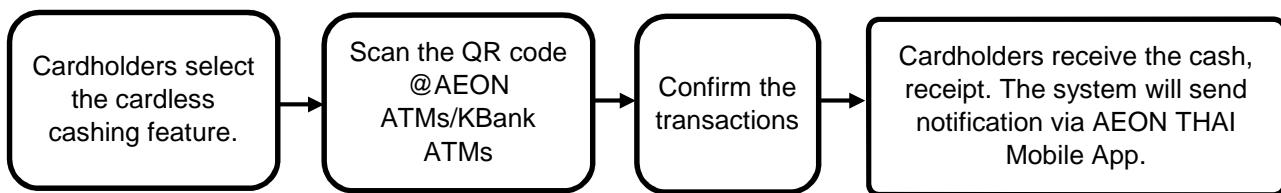
- News Alert

“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). Cardholders are required to initiate a transaction via AEON Thai Mobile Application before scanning a QR code that appears on the ATM screen. Cardholders can use either K-ATM or AEON ATMs.

Diagrams of Cardless Cashing

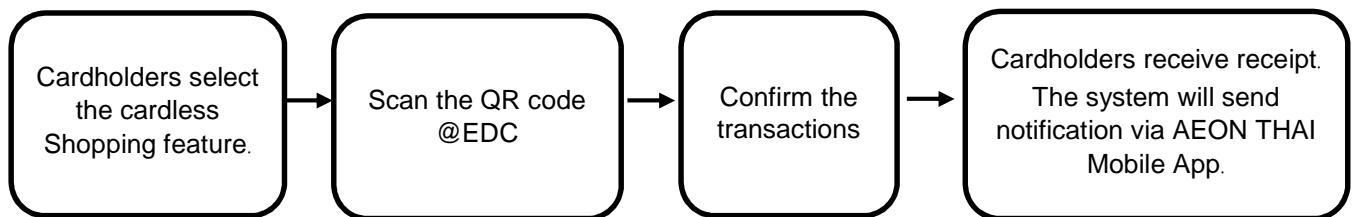
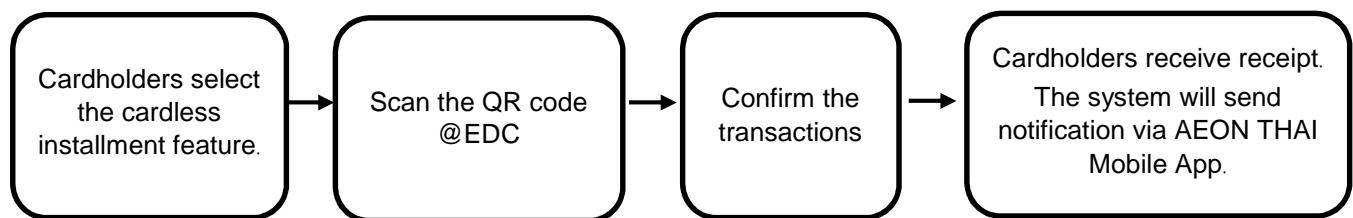


- E-Coupon Service

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. All types of AEON credits (except corporate credit cards) are eligible for installment plan and full payment. Your Cash cards could access the installment plan through AEON Thai Mobile Application to scan QR Code on EDCs at AEON merchants.

Diagrams of Cardless InstallmentDiagrams of Cardless Shopping

6.) Debt Collection Service Business

Service characteristic

ACS Servicing (Thailand) Co., Ltd (ACSS) provides debt collection service in line with Debt Collection Act B. E. 2558, Regulations of the Bank of Thailand, "Debt Collection Supervisory Committee" which were enforced on November 21, 2019 and policy & requirements of clients. The collection service of ACSS includes phone collection, field service, and legal service.

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

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

7) Insurance Brokerage Services Business

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

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.

In addition, February 3, 2021, the Board of Directors meeting approved to start the operation of life and non-life insurance brokerage business by offering insurance products to be in line with customer's lifestyle, increase efficiency and reduce operation cost by follow digitalization planning.

8) Overseas Business

The company places great emphasis on overseas investments, especially in the CLMV countries, Cambodia, Laos, Myanmar and Vietnam which a group of economic with growth potential, an average rate of 6-7% 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 a great opportunities in expansion to the CLMV countries, thus the affiliates' business is likely to continue growing in the future.

In the midst of economic volatility due to the epidemic COVID-19 situation, the world trade war including the political situation in some countries resulting to CLMV countries' economy has been affected due to the lockdown situation, employment deceleration, resulting to the loan portfolio was 2% of company's net profit. The details are as follows:

(1) Business in Vietnam

Business in Vietnam established in 2008 by conducting retail finance business under ACS Trading Vietnam Co., Ltd. ("ACS Trading Vietnam"). The Company holding 20% of its share, 40% owned by AEON Financial Service Co., Ltd. and another 40% by ACS Capital Corporation Limited. Currently, they have four branches in total which include Ho Chi Minh City, Hanoi, Da Nang and Kanto. In 2020, AEON Co., Ltd. (Japan) has shopping center in totaling 5 AEON Malls in Vietnam to accelerate growth in retail finance business of its affiliates and support economic expansion in Vietnam. Currently, revenue was 453 million baht.

(2) Business in Cambodia

AEON Specialized Bank (Cambodia) Plc. ("ASB Cambodia") established in 2011, which is a specialized bank providing credit card, personal loan, hire purchase, and motorcycle hire purchase. The Company holding 50% of its share and 50% owned by AEON Financial Service Co., Ltd. Currently, ASB Cambodia has twelve branches located in Phnom Phen, Chamkamon, Siemreap, Battambang, AEON Mall Phnom Phen, Kampong Cham, Takeo, Banteay Meanchey, Pochen Tong, Sihanukville and AEON Mall Sen Sok. Moreover, AEON Co., Ltd. (Japan) also has built two large shopping center (AEON Mall) in Phnom Penh, which becomes a key factor to support our business.

In 2015, ASB Cambodia obtained the Specialized Bank License from the National Bank of Cambodia, which was the first specialized bank operated credit card business in Cambodia and started credit card business in 2016, which currently accounted for 35% of total business operation.

For fiscal year 2020, ASB Cambodia generated revenues of 1,129 million baht, increasing 24% y-y and net profit of 17 million baht, decrease by 92% from last year. In addition, ASB Cambodia has a plan to develop an online application including the credit card business, personal loan, and hire purchase as well as a plan to issue new cards to expand its customer base.

(3) Business in Myanmar

AEON Microfinance (Myanmar) Co., Ltd. ("AEON Myanmar") starts operating in 2013 with the Company holding 100% of its shares. Currently, there are five branches in Yangon and one branch in Mandalay, the two large cities of trading and logistics hub in Myanmar. Business in Myanmar is growing faster than our expectation due to steadily increasing of both customer base and operating profit.

For fiscal year 2020, AEON Myanmar was impacted by COVID-19 situation, resulting to lockdown situation, as well as the political situation in the country, this resulted in cessation of lending for new loans, but the Company continues to pursue outstanding debts. In 2020, AEON Myanmar generated revenue of 325 million baht, decrease by 19% from the previous year. Net loss of 195 million baht, decrease by 404% from the previous year.

(4) Business in Laos

AEON Leasing Service (Lao) Co., Ltd. has operated hire purchase business since 2013 with the investment capital of 100% from AEONTS. For fiscal year 2020, AEON Leasing Service (Lao) Co., Ltd. generated revenues of 114 million baht, increasing by 1% y-y and net profit of 7 million baht, decrease by 22% y-y.

In 2020, AEON Leasing Service (Laos) launched "Car Hire-purchase" which focuses on providing to general customers with low to medium income levels by using a car as a vehicle. Thereby, the most popular brands are Toyota, Honda, Nissan, Isuzu, and Suzuki, which help to expand the customer base.

Marketing and Competitive Condition

1) Customer characteristics

The Company has operated retail finance as a non-bank, which supports customers in terms of financial services diversification. The basic qualifications required for any retail finance customers are to be aged more than 20 years old, to be earning a regular income and in possession of a secure job etc. According to the Labor Force Survey in December 2020 by the National Statistical Office of Thailand (NSO) at the Ministry of Information and Communication Technology of Thailand, there were 56.96 million people; 39.45 million were in the total labor force or accounted for the 69.26% (38.76 million people who were employed; 0.10 million were the seasonally inactive labor force; and 0.59 million were unemployed or represented 1.5% of labor force). Mostly, the employed were in the service sector, agricultural sector and production sector at 45%, 35% and 20% of employed people respectively.

In 2020, the Coronavirus outbreak (COVID-19) has negative effect on the revenue of the business sector and household income, resulting in shrinking domestic demand and the decline in the private sector's investment and consumption. However, Commercial Banks and Financial Institutions launched relief measures to assist their customers impacted directly and indirectly by this pandemic. The Company also complies with the Bank of Thailand to provide the relief measurements to assist our customers by reducing minimum payment for credit card and personal loan as well as providing a grace period for all products.

2) Competitive Conditions

Credit Card

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

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

<u>No. of Account (million accounts)</u>	2016	2017	2018	2019	2020
Commercial Banks	10.31	9.67	10.59	11.62	11.73
Non-Bank	12.84	10.67	11.51	12.00	12.43
Total	23.15	20.34	22.1	23.62	24.16

<u>Credit Outstanding (billion baht)</u>	2016	2017	2018	2019	2020
Commercial Banks	218.22	236.03	253.43	279.43	272.92
Non-Bank	140.19	158.09	165.31	177.66	176.81
Total	358.41	394.12	418.74	457.09	449.73

Source: Bank of Thailand

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

Credit Card Industry Overview

At the end of 2020, the total number of credit cards increased by 2% or around 0.5 million accounts from the previous year, totaling 24.2 million accounts which is including 12.4 million accounts were from non-banks, increased by 4% y-y and 11.7 million accounts from commercial banks, increased by 1% y-y. Meanwhile, total credit outstanding at the end of 2020 amounted to 449,733 million baht, decrease of 2% from the previous year. This included 176,814 million baht from non-banks, decreased by 0.5% y-y and 272,918 million baht from commercial banks, decreased by 2% y-y. The largest portion of the total number of credit cards was mainly from non-banks, representing 51% of the total portfolio. The total credit outstanding from commercial banks was still the largest portion at 61% of the total amount outstanding in 2020.

Credit cards business in 2020 was impacted by pandemic. As a result, the number of transactions decreased especially the spending on superior goods, tourism and hotel. On the other hand, changing in consumer behavior especially from epidemic situation by increasing of online transactions. Moreover, technology and system development have facilitated consumers spending through credit card, resulting the upward trend in credit card transactions on online platforms. Besides, the Company has launched privileges and marketing campaigns to serve the change of customers' lifestyles and developed services that superior to competitors by up-to-date technologies and innovations. The company also analyzed consumer behavior and database, to maintain competitive advantage in credit card business in the future. The company has assumed that the number of transactions via credit cards would gradually recovering by economic trend since the second half of 2021 onwards.

Credit card business competition

At December 2020, the industry has total credit card of 24.2 million cards, increased 2% from last year, while the Company has total credit card of 2.95 million cards, grew 4% from last year and shared 12% of total industry credit cards number. The Company's credit card outstanding was 36,088 million baht, decreasing from 36,892 million baht or 2% from fiscal year 2019, representing by 8% of industry credit card outstanding.

Personal Loan

The major competitors are commercial banks and non-banks

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

No. of Account (million accounts)	2016	2017	2018	2019	2020
Commercial Banks	2.49	2.41	2.51	3.61	3.28
Non-Bank	11.20	10.37	10.90	12.61	13.68
Total	13.69	12.78	13.41	16.22	16.96

Personal loan Outstanding (billion baht)	2016	2017	2018	2019	2020
Commercial Banks	156.39	155.61	166.92	254.35	225.33
Non-Bank	181.73	198.69	216.36	325.44	355.13
Total	338.12	354.3	383.28	579.79	580.46

Source: Bank of Thailand

Note:

- Personal loan under supervision refers to uncollateralized personal loans, hire purchases, and leasing loans on goods of which the licensed lenders are usually not in the business of selling. Excluded from this category are Loans for hire purchases and leasing of automobiles and motorcycles, Loans for education, Loans for working abroad, Loans for medical care and Loans pertaining to employee benefits under an agreement between the employers and the lenders.
- Total number of accounts refers to number of account of only personal loan under supervision that is outstanding at the end of month.
- Total personal loan outstanding includes only the principal (less deferred revenue) at the end of month.
- Since December 2015, some non-banks companies had connected the data to follow BOT definition.
- From 2016 onwards, some non-banks separated a debt write-off which resulted in a decrease of total loan outstanding overdue more than 3 months.
- Since February 2019, The Bank of Thailand included the leasing of automobiles and motorcycles back to the Personal loan under supervision category.

Personal Loan Business Overview

In 2020, the personal loan accounts increased of 5% from 16.2 million accounts in previous year to 16.96 million accounts; 3.28 million accounts were from commercial banks registered in Thailand, decreased by 9% y-y and 13.68 million accounts were from non-banks sector, increased by 8% y-y. In addition, personal loans outstanding at the end of 2020 increased by 0.1% from the end of the previous year to 580,454 million baht which can be attributed to commercial banks registered in Thailand constantly at the amount of 225,325 million baht, decreased by 11% y-y and non-banks in the amount of 355,129 million baht, or an increase of 9% y-y. The largest portion of personal loan account and outstanding was mainly from non-banks, representing 81% and 61% of the total portfolio, respectively.

The personal loan business continues to show a steady growing trend as a result of the target group expansion of service providers and the consumers' increasing demand for personal loans. Marketing campaigns and proactive product presentations via online and digital channels are a significant increase. Both commercial banks and non-banks have placed more emphasis on personal loans because this is a big market. They are competing in terms of products, prices, development of service provision channels, and customer outreach in order to increase market share.

Personal Loan Business Competition

At December 2020, the personal loan industry reported the total numbers of account of personal loan under supervision amounted to 17.0 million accounts, increased by 5% from last year, while the Company has total personal loan account of 2.2 million accounts and shared 13% of total personal loan industry. The Company has personal loan outstanding of 45,332 million baht, decreased from 47,988 million baht or 6% from the previous year shared 8% of the industry.

Hire Purchase

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

According to the statistics from the Land Transportation Department, the number of newly registered motorcycles was 1.52 million in 2020 decreased 12% from 1.72 million

In 2021, the motorcycle market is expected to continue to slow down due to more than 70% of motorcycle customers are in province area and low prices of agricultural products, Moreover with pandemic of COVID-19 which affect most of Travel and Manufacturer industries which affects consumers' purchasing power nationwide. Still, competitive pricing among business operators will go on. New models will be launched and the big-bike market, which so far has enjoyed a steady growth, will be expanded.

Used Car Hire Purchase

Used Car Hire Purchase business is a form of financial service which is not subject to the supervision of the Bank of Thailand. Currently, the Company mainly focuses on used car hire purchase which the target customers being people of a medium income level and with a car as their principal vehicle. From the first-car scheme by Thai government in 2011, the customer who bought a vehicle under the scheme in 2011 has no right to sell or transfer ownership for 5 years. The majority of the automobiles distributed under the scheme were sold in 2011-2012 and the scheme ended in 2017-2018. So, it is anticipated that consumers who have decided to change vehicles will do from 2017 onward. With regard to auto loan in Thailand, used car is more popular than loans for brand new cars because of their lower prices. The growth rate of used car loans in 2018 was 5%, but the business failed to expand further in 2019 due to the high level of household debts that caused financial institutions to be more cautious in approving loans.

Debt Collection Service Business

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

Insurance Brokerage Services Business

Insurance Business was continuously growth for many years. However, due to the Covid-19 spread, Non-Life Insurance was growth only 3% and Life Insurance was estimated to drop around 10% compare from 2019. The most impacted channel in market is Bank assurances which provide insurance via face to face. Also the market trend is change to be online channel and the performance of online business in insurance market growing rapidly. Insurance amount related to online in first half year was already higher than whole amount in 2019. The Company has also adopted a strategy of selling through agents and telemarketing, which is in line with the top distribution channels. In addition, the Company has placed important and emphasized on technology which would be increased sales efficiency. In the part of corporate sales, the Company has earned the trust from many well-known companies including government organization. Moreover, the Company also provides consulting services including claim services too.

Overseas Business

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

Web Business Service

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

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

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 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.

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. In addition, the company sets up Take-One-Boxes at commercial complexes and member stores for the distribution of the credit card application forms that can be returned by mail and at AEON's branches. Furthermore, Customers are able to apply for credit card and member card via AEON Thai Mobile Application in order to facilitate our customers.

2. Member Stores and Merchants

The Company has 6,463 member stores for hire purchase services. In addition, the Company's international cardholders can use their credit cards at MasterCard, VISA, and JCB merchants and member stores worldwide.

3. Service Network

As of February 28, 2021, the Company has provided refined services at 103 branches; 30 branches in Bangkok and 73 branches in the provinces, with more than 6,463 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 411 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 both online and offline. The offline or Traditional media such as printing, billboard, radio, television are almost drop in current situation that online media has replaced such as Facebook, LINE, Mobile Application and Internet.

The Company has strategic adjustment to more online usage along with the new lifestyle and futuristic.

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, 2021 can be summarized as follows:

Type of credit	Currency	Amount (Million)
Overdraft and Short-term loans	USD	45
	THB	7,860
	LAK	81,900
	MMK	38,979
Current portion of long-term loan and debenture	JPY	5,000
	USD	1,080
	THB	2,300
Long-term loans and debenture (see risk factors section)	JPY	15,642
	USD	636
	THB	21,573
Shareholders' equity	THB	17,380

Note: The amounts shown for short-term and long-terms loan represented loan outstanding amount, and not net settled by loan issuance cost of 37 million baht and debenture issuance cost of 7 million baht.

The major source of fund of the Company is bank loan in both Baht and other foreign currencies. As of February 28, 2021, the Company had credit facility with 12 banks: 3 of them were foreign bank's branches while the other 6 were local banks and including 3 foreign banks. In addition, the Company had syndicated loans with 24 Japanese banks. During the past period, the Company did not depend on any creditor's funding for more than 30 percent of the total loan. In order to hedge against currency and interest rate risks, the Company has entered into cross currency swaps to Thai Baht and interest rate swap from floating rate to fixed rate contracts. Details of the contracts are shown in Notes to Financial Statements no.21 and 23.

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, 2021 and February 29, 2020 are summarized as follows:

ATS Rabbit	FY2021 000·Baht	FY2020 000·Baht
Statements of Financial Position As at February 28 and February 29		
Total assets	1,960,327	1,974,821
Total liabilities	1,960,583	1,974,777
Total shareholders' equity	44	44
Statement of Income For the years ended February 28 and February 29		
Total income	408,574	466,850
Bad debts and doubtful accounts	157,482	160,116
Other operating expenses	108,262	117,493
Interest expenses	81,844	84,476
Income tax expense	12,197	20,953
Net profit	48,789	83,812

For the future fund raising, the Company has a policy to source the fund in compliance with the use of proceeds by considering the appropriateness of repayment term and debt to equity ratio. In case that the Company borrows foreign currency denominated loans in the future, all that transactions will be hedged against the currency exchange risk.

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

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

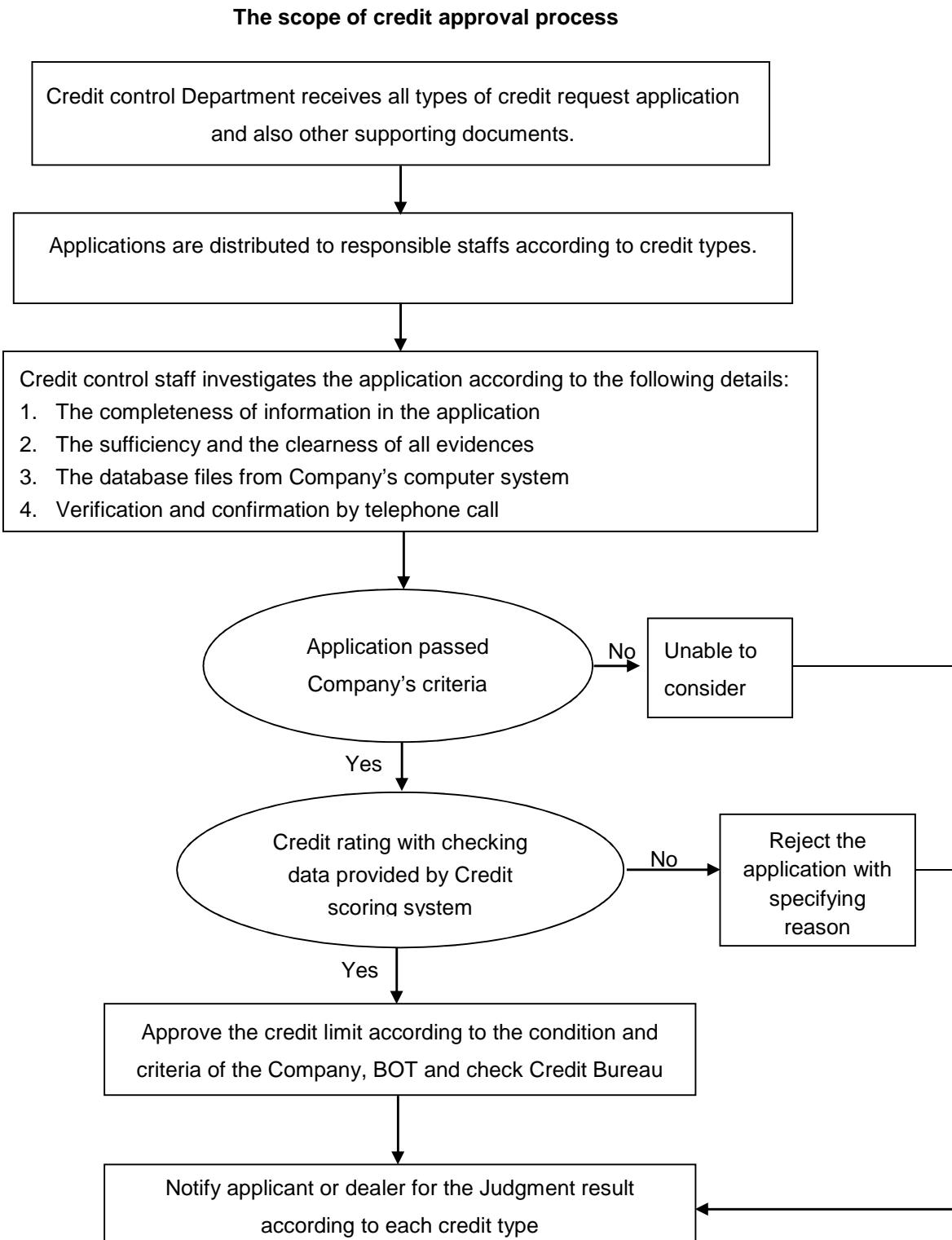
On this step, processing system plays a role in analyzing data based on the analysis of the staff and then the said system will summarize the maximum credit limit for each applicant in the form of scores or Credit Scoring System, which is an efficient system that can standardize facilitate the staff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



C. Debt Collection Business

Regarding to pre-write off account receivable managed under the team which consists of management and staff for totally 1,700 people, the key component in operating financial service business is debt management that has effective procedure and system in order to manage the debt which can be categorized into 3 main functions as follows:

1. Technology

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

2. Monitoring and Managing

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

3. Collection Procedure

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

In addition, the Company's collection procedure is carefully implemented under Debt Collection Act, B.E. 2558 (2015), which were enforced on September 2nd, 2015 and "Debt Collection Supervisory Committee" which were enforced on 21st, November 2019. The company has cooperated with Bank of Thailand reduced collection fee to 100 baht since January 2016 onward. Nevertheless, such change in collection fee is not significant impact of the Company's Customers payment

4. Customers' payment

The customer's statements, calculated by the Company, need to be paid before the 2nd of the following month by cash at any branch of the Company, Company ATMs, commercial bank counters, Counter Services, the TOT Customer Service Centre, mPAY STATIONs, True Partner, Tesco Lotus, BigC or Pay at Post; more than 20,000 counters nationwide.

In addition, the payment can be made by post-dated cheque as well as by bank account auto-payment. For Purpose loans, the customer has to pay a monthly installment and the installment period varies from 6 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 loans, 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.

Moreover, 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. Interest rate is major factor when considering borrowing money from financial institutions. The Company tries to create debt burden with the 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, 27 Floor, Sukhumvit Road, Khwaeng Klongtoey, Khet Klongtoey, Bangkok 10110
Bangkok Center	699 Modern form Tower 12, 14, 16, 18-21 Floor, Srinakarin Road, Khwaeng Pattanakarn, Khet Suanluang, Bangkok 10250
Hatyai Center	599 C.P. Tower (Hatyai) 2-3 Floor, Airport Road-Lopburiramet, Moo 1, Khuanlang Sub-district, Hatyai District, Songkhla 90110
Chiangmai Center	90 Airport Plaza, 3-4 Floor, Mahidol Road, Hatyai Sub district, Maung Chiangmai District, Chiangmai 50100
Khonkaen Center	356/1 C.P. Tower (Khonkaen), 4, 5, 10 Floor, Moo 12, Mitrabarp Road, Muang Kao Sub-District, Muang Khonkaen District, KhonKaen 40000
Sriracha Center	15/79 Nutchaya Building Moo 4, Sukhumvit road, Surasak sub-district, Sriracha district, Chonburi 20110
Sermit Center	159/8, 159/11, 159/16, 159/18 Serm-mit Tower, Sukhumvit 21 (Asoke) Road, Klongtoey-Nua, Wattana, Bangkok 10110

In addition, as of February 28, 2021, the Company has a total of 103 branches: 30 branches are in Bangkok and the vicinity, and 73 branches are in provincial area. The details are as follows:

Bangkok and Vicinity Branches (30)	
1. Huamark Town Center	16. Big C Ratchadamri
2. The Mall Thapra	17. CentralPraza Pinklao
3. The Mall Bangkapi	18. Market Village Suvarnabhumi
4. Future Park Rangsit	19. The Mall Bangkae
5. Fashion Island	20. Mega Bangna
6. Tesco Lotus Rangsit	21. Silom Complex
7. Tesco Lotus Laksi	22. Central World
8. Big C Saphankwai	23. Maxvalu Laksi
9. The Mall Ngamwongwan	24. CentralPlaza Westgate
10. Tesco Lotus Pathumthani	25. Big C Suksawat
11. Tesco Lotus Navanakorn	26. Big C Bangphli
12. CentralPlaza Rama 2	27. Big C Rama 4
13. Robinson Samutprakan	28. Robinson Lardkrabang
14. Seacon Square	29. Big C Ratchada
15. Imperial Samrong	30. Lotus Srinakarin

Provincial Branches (73)	
31. Airport Business Park (Operation Center)	68. Aeon Sriracha Shopping Center
32. CentralPlaza Chiangmai Airport	69. Tesco Lotus Ang Thong
33. Big C Lamphun	70. Tops Plaza Singburi
34. Tesco Lotus Kamthiang	71. Robinson Saraburi
35. CentralPlaza Chiangrai	72. CentralPlaza Khonkaen
36. Big C Lampang	73. Big C Roi Et
37. V-Square Plaza Nakhonsawan	74. Big C Nakhonphanom
38. Tesco Lotus Tak	75. Sunee Tower Ubonratchathani
39. Big C Petchabun	76. The Mall Nakhonratchasima
40. Big C Phrae	77. Big C Surin
41. CentralFestival Chiangmai	78. Big C Chaiyaphum
42. Big C Phitsanulok	79. Big C Buriram
43. Big C Kamphaengphet	80. Big C Sisaket
44. Big C Sukhothai	81. Asawan Shopping Complex 1 Nongkhai
45. Tesco Lotus Uttaradit	82. Sermthai Complex Mahasarakham
46. Tops Plaza Phayao	83. CentralPlaza Udonthani
47. Top Plaza Phichit	84. Big C Mukdahan
48. Big C Nan	85. Big C Loei
49. Big C Lopburi	86. Robinson Sakonnakhon
50. CentraPlaza Rayong	87. Big C Kalasin
51. Pacific Park Chonburi	88. CentralPlaza Nakhonratchasima
52. Tesco Lotus Pattaya Nua	89. Big C Hatyai 2 (Extra)
53. Tesco Lotus Amata Nakorn	90. Tesco Lotus Suratthani
54. Big C Chonburi	91. Sahathai Plaza Nakhonsithammarat
55. Tesco Lotus Chantaburi	92. CentralFestival Phuket
56. Robinson Chachoengsao	93. Robinson Trang
57. Ayutthaya City Park	94. Ocean Complex Chumphon
58. HomePro Nakhonpathom	95. Tesco Lotus Krabi
59. Tesco Lotus Ratchaburi	96. CentralPlaza Suratthani
60. Big C Mahachai	97. Big C Satun
61. Big C Phetchaburi	98. Big C Hatyai (klonghae)
62. Tesco Lotus Suphanburi	99. P.C.Tower Suratthani (Regional Office)
63. Huahin Maket Village	100. Tesco Lotus Extra Songkhla
64. Robinson Kanchanaburi	101. Big C Nan
65. Big C Samutsongkhram	102. Tesco Lotus Samui
66. CentralPlaza Salaya	103. Tesco Lotus Ranong
67. Robinson Prachinburi	

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, 2021 were summarized as follows:

(Unit : Million Baht)

Items	Cost	Accumulated Depreciation	Net Book Value
Office Renovation			
- Head Office	403	324	79
- Branch Offices	806	652	154
Computers	931	734	197
Cash Dispensing Machines	90	79	11
Other Office Equipment	1,766	1,414	352
Total	3,966	3,203	793

Accounts Receivable

Accounts receivable is 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, 2021, the Company and subsidiaries had the proportion of net accounts receivable of 87% of the total assets. Net accounts receivable are stated at the outstanding contract price deducted by unearned financing income and allowance for doubtful accounts.

Details of the net accounts receivable

Unit: MB	FY2018		FY2019		FY2020	
	Amount	%	Amount	%	Amount	%
Loan receivable	41,861.51	52.57	45,643.86	52.91	38,661.51	50.98
Credit card receivable	35,527.10	44.61	35,470.86	41.12	32,037.87	42.24
Hire purchase receivable	2,064.04	2.59	4,989.97	5.78	4,975.30	6.56
Receivable from rendering the collection service	10.45	0.02	11.46	0.01	8.96	0.01
Receivable from insurance broker business	169.25	0.21	153.65	0.18	155.70	0.21
Total	79,632.35	100.00	86,269.80	100.00	75,839.34	100.00

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.

Policies applicable from March 1, 2020

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.

Policies applicable prior to March 1, 2020

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

	FY2018 (Unit: Million Baht)	FY2019 (Unit: Million Baht)	FY2020 (Unit: Million Baht)
Credit Card			
Balance brought forward	962.92	1,096.15	1,421.53
Impact of adoption of TFRS 9	-	-	2,324.08
<u>Add</u> Bad debts and doubtful accounts	1,801.14	2,145.11	-
<u>Add</u> Expected credit loss	-	-	911.86
<u>Less</u> Written-off bad debts	(1,667.91)	(1,819.73)	(607.11)
Balance carried forward	1,096.15	1,421.53	4,050.36
Hire-Purchase			
Balance brought forward	45.04	54.31	196.09
Impact of adoption of TFRS 9	-	-	314.09
<u>Add</u> Bad debts and doubtful accounts	50.40	209.84	-
<u>Add</u> Expected credit loss	-	-	1,793.63
<u>Less</u> Written-off bad debts	(41.13)	(68.06)	(1,431.43)
Balance carried forward	54.31	196.09	872.38
Loans			
Balance brought forward	1,406.22	1,728.60	2,343.75
Impact of adoption of TFRS 9	-	-	4,427.26
<u>Add</u> Bad debts and doubtful accounts	3,433.61	4,291.89	-
<u>Add</u> Expected credit loss	-	-	3,923.69
<u>Less</u> Written-off bad debts	(3,111.23)	(3,676.74)	(4,024.32)
Balance carried forward	1,728.60	2,343.75	6,670.38
Collection Service			
Balance brought forward	1.51	0.91	0.33
Impact of adoption of TFRS 9	-	-	-
<u>Add</u> Bad debts and doubtful accounts (reversal)	(0.60)	(0.58)	-
<u>Add</u> Expected credit loss	-	-	(0.23)
<u>Less</u> Written-off bad debts	-	-	-
Balance carried forward	0.91	0.33	0.10
Total	2,879.97	3,961.70	11,593.22

Policy for investments in subsidiary and affiliated companies

As of February 28, 2021, 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. 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	100.00	103,069,108
7. ACS Trading Vietnam Co., Ltd.	Associate	Retail finance business in Vietnam	20.00	16,819,263
8. AEON (Thailand) Co., Ltd.	Related Holding shares and 2 common directors	Department Store	5.23	8,500,000
9. PT. AEON Credit Service Indonesia	Related Holding shares and same group of major shareholders	Consumer finance in Indonesia	2.59	19,071,550

*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% and 3.71% shareholdings, respectively.

3. Shareholding Structure

Shareholders

A) List of the top 10 major shareholders from total shareholders (9,881 shareholders) as the share registered book closing date on February 25, 2021, 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.	14,631,533	5.85
5	Mr. Chatchaval Jiaravanon	7,700,000	3.08
6	MORGAN STANLEY & CO. INTERNATIONAL PLC ¹	7,025,000	2.81
7	STATE STREET EUROPE LIMITED	5,013,116	2.01
8	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	4,201,900	1.68
9	SE ASIA (TYPE B) NOMINEES LLC	2,589,600	1.04
10	BNP PARIBAS SECURITIES SERVICES, LONDON BRANCH	1,732,400	0.69

Note: ¹Morgan Stanley custodians 7,000,000 million 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
Total ultimate shareholders of the Company		157,800,000	63.12

Shareholding Structure

The Company has investment in subsidiaries and other affiliated companies as of February 28, 2021 as follows;

Company	Business Type	Ownership (%)
<u>Subsidiaries - Domestic</u>		
1. ATS Rabbit Special Purpose Vehicle Company Limited ¹	Special purpose vehicles (SPV)	48.75
2. AEON Insurance Broker(Thailand) Co., Ltd ²	Life / Non-life Insurance brokerage services	100.00
3. ACS Servicing (Thailand) Co., Ltd	Debt Collection services	100.00
<u>Subsidiaries - Overseas</u>		
4. AEON Specialized Bank (Cambodia) PLC ³	Specialized Bank in Cambodia	50.00
5. AEON Microfinance (Myanmar) Co., Ltd	Microfinance business in Myanmar	100.00
6. AEON Leasing Service (Lao) Co., Ltd ⁴	Leasing business in Laos	100.00
<u>Subsidiaries - Liquidated and Dissolution</u>		
7. Eternal Special Purpose Vehicle Co., Ltd	Special purpose vehicles (SPV)	26.00
8. Eternal Credit Card Special Purpose Vehicle Co., Ltd	Special purpose vehicles (SPV)	26.00
9. Eternal 3 Special Purpose Vehicle Co., Ltd	Special purpose vehicles (SPV)	26.00
10. Eternal 4 Special Purpose Vehicle Co., Ltd	Special purpose vehicles (SPV)	26.00
11. Eternal 5 Special Purpose Vehicle Co., Ltd	Special purpose vehicles (SPV)	26.00
12. Eternal 6 Special Purpose Vehicle Co., Ltd	Special purpose vehicles (SPV)	26.00
<u>Other Affiliated Companies</u>		
13. AEON (Thailand) Co., Ltd.	Retail Department Store	5.23
14. PT. AEON Credit Service Indonesia ⁵	Microfinance business in Indonesia	2.59
15. ACS Trading Vietnam Co., Ltd	Installments service in Vietnam	20.00

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

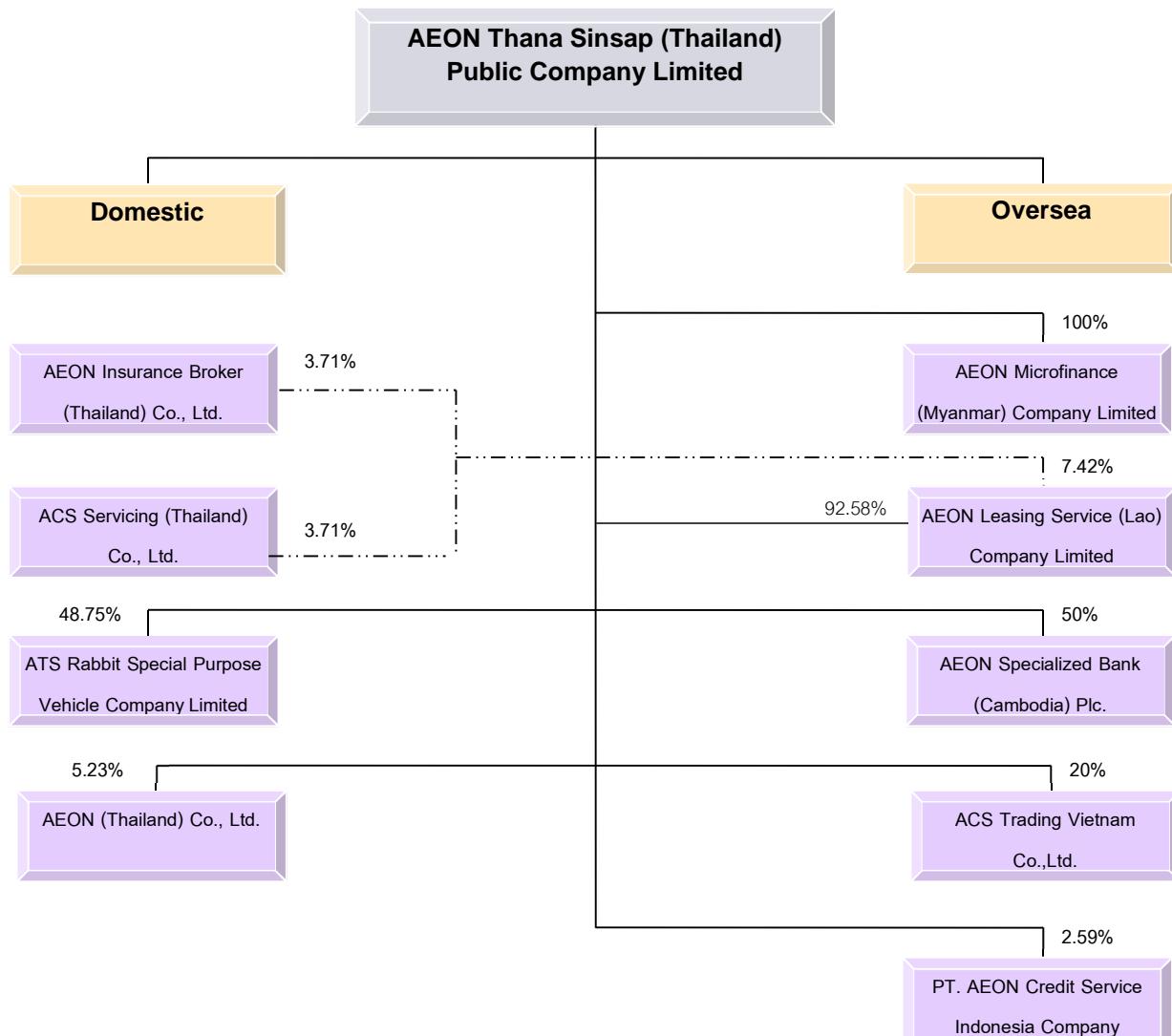
² AEON Insurance Service (Thailand) Company Limited has been formed by the amalgamation of the Company's subsidiaries, ACS Insurance Broker (Thailand) Company Limited and ACS Life Insurance Broker (Thailand) Company Limited with effective date since July 1, 2013.

³ 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 Nation Bank of Cambodia and registered the increase of authorized shares capital since April 24.2018, accordingly.

⁴ The Company holds shares indirectly through ACS Servicing (Thailand) Company Limited and AEON Insurance Service (Thailand) Company Limited with 3.71% and 3.71% shareholding, respectively.

⁵The Board of Director approved to waive the pre-emptive rights to subscribe the additional issuance of PT. AEON Credit Service Indonesia Company. The proportion of shareholding of the Company decreased from 5.18 % to 2.59 %. The increase of authorized shares capital since October 31, 2018, accordingly.

Shareholding Structure chart

**4. Amounts of registered capital and paid-up capital**

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

5. Issuance of the securities

The Company issued debentures on February 28, 2021, details are as follows:

Information of Debenture	USD Debenture	THB Debenture	USD Debenture	THB Debenture
Total Value	15 Million USD	1,000 Million THB	30 Million USD	1,000 Million THB
Type	Guaranteed Nonconvertible	Non- Guaranteed Debenture Nonconvertible	Guaranteed Debenture Nonconvertible	Non- Guaranteed Debenture Nonconvertible
Total unit	15 units	1,000,000 units	30 units	1,000,000 units
Par Value Per Unit	1,000,000 USD	1,000 THB	1,000,000 USD	1,000 THB
Remaining value as at February 28, 2021	15 Million USD	1,000 Million THB	30 Million USD	1,000 Million THB
Tenor	5 years	5 years	5 years	5 years
Issue date	Aug 22, 2016	Dec 21, 2016	Dec 30, 2016	Dec 15, 2017
Maturity date	Aug 20, 2021	Dec 21, 2021	Dec 30, 2021	Dec 15, 2022
Redeemable option (Put/Call)	-None-	-None-	-None-	-None-
Collateral	-None-	-None-	-None-	-None-
Guarantor	Sumitomo Mitsui Banking Corporation, Tokyo	-None-	Sumitomo Mitsui Banking Corporation, Tokyo	-None-
Credit rating	-None-	A- (FitchRating)	-None-	A- (FitchRating)

Information of Debenture	THB Debenture	THB Debenture	THB Debenture
Total Value	800 Million THB	2,800 Million THB	1,000 Million THB
Type	Non-Guaranteed Debenture Nonconvertible	Non-Guaranteed Debenture Nonconvertible	Non-Guaranteed Debenture Nonconvertible
Total unit	800,000 units	2,800,000 units	1,000,000 units
Par Value Per Unit	1,000 THB	1,000 THB	1,000 THB
Remaining value as at February 28, 2021	800 Million THB	2,800 Million THB	1,000 Million THB
Tenor	3 years	3 years	5 years
Issue date	Nov 15, 2018	Nov 15, 2019	Nov 15, 2019
Maturity date	Nov 15, 2021	Nov 15, 2022	Nov 15, 2024
Redeemable option (Put/Call)	-None-	-None-	-None-
Collateral	-None-	-None-	-None-
Guarantor	-None-	-None-	-None-
Credit rating	A- (FitchRating)	A- (FitchRating)	A- (FitchRating)

Note: Details of Long Term Debentures are shown in Note to the Financial Statements No. 23

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 2020, the Board of Directors' meeting on October 6, 2020, resolved to pay interim dividend payment at 1.85 baht per share and paid the dividend to shareholders on November 5, 2020. In addition, the Board of Directors' meeting approved the final dividend payment for the Fiscal Year ended February 28, 2021, at the rate of 2.65 baht per share, which will be paid after being approved from AGM on June 24, 2021. The total dividend for FY2020 will be 4.50 baht per share or 30.49% payout ratio, totally 1,125 million baht. The Company has set the record date on May 13, 2021, to determine the shareholders entitled to receive dividends.

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

	FY2018 (Baht per share)	FY2019 (Baht per share)	FY2020 (Baht per share)
Interim Dividend	2.35	2.45	1.85
Final Dividend	2.35	2.55	2.65
Special Dividend	-	-	-
Total	4.70	5.00	4.50
Payout ratio	33.51	31.44%	30.49%

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Risk management

Risk Management

1. Risk management policy and plan

The Company realizes that there are various risk factors that can affect the Company's business operations. The Company has accordingly established a risk management policy as well as enhanced methodologies and tools employed for quantifying risks to ensure effectiveness and efficiency as well as availability of support relevant risks that may occur in the future. However, risk management sub-committees control, monitor, evaluate and manage the company operation in accordance with policies and official risk management guidelines.

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.

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 38.2.2.

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 38.2 for the information regarding cross currency and interest rate swap contracts and interest rate swap contracts as at February 28, 2021 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 38.2.2). Cross currency swap contracts assets and liabilities are presented in “Derivative assets” and “Derivative liabilities” within the statement of financial position (see Note 24 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 39.

See Note 38.4.1 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, 2021, 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 36.3 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 18, Note 21 and Note 22, long-term debentures in Note 23, lease liabilities in Note 20 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 26.

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 38.5 for gearing ratio as at February 28, 2021

Fraudulent Risk

The Company realizes the risk from false statement provided by credit applicants or contracted members' stores to let them exploit cash, product or services resulting in damage to the Company's revenue caused by credit loss. However, the company has a standard of procedure in verification on the received information using in the credit approval process including data screening with in-house databases, National Credit Bureau (NCB), and with the given information in application by customer. If any further enquiry, company will have Fraud section to be more inspect and collect more information and additional evidence as appropriate.

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

Operational Risk

Operational risk refers to the risk of loss arising from inadequate or failed internal processes, people, systems (Information Technology) and external event/factors. The operational risk arises from business activities. However, the company has standard of procedure to identify each work flow process. Employees able to understand the process and can operate effectively as company standard. Moreover, the company establishes a policy framework of Operational Risk Management, and the Emergency or Immediately Reports on incident, accident, or trouble to handle the risk happening. This is in order to governance monitor and manages the risk and incident with its loss to be in low risk acceptable level.

Governance Committee has been appointed to governance and supervise on risk management across the company and subsidiary company that in placed both internal and external Thailand. The Governance Committee receives risk management reports monthly for acknowledgement discussion and to conducts 'deep dive' review on the risk management report to ensure effectiveness of company operation and the risk is in low or acceptable level.

The Company developed many tools that support operational risk activities for identifying, assessment, monitoring and reporting the operational risk issue of all internal process and activities. All departments are required to conduct the Risk and Control Self-Assessment (RCSA). The risk assessment is to consider inherent risk, existing control, and residual risk of each risk. The results of risk assessment is prioritized to get company top risk before providing the annual risk management action plans to mitigate the risk and to ensure residual risk is at acceptable level. All top risk of company is monitored by the set of Key Risk Indicators (KRI).

Company have Risk Management Team to monitor on incident happening. All incident is recorded log with its impact both financial and non-financial loss including to monitor corrective and preventive actions to prevent recurring. The incident information will be used for enhancement and improvement the existing control and to mitigate the risk.

Moreover, the company also has Business Continuity Plan (BCP) to ensure continuity of key business activities during a crisis event In case of crisis occurring such as disasters, the company is able to provide continuously service to customer. The plan has been annually revised and tested, all departments involved to the testing plan. Core system and key company's operation activities/process are rehearsed annually to ensure the company efficiency to perform daily operation during crisis (if any).

The company also has a policy of outsourcing management policy which including to manage service from third parties. This is to control operations service from external service providers that proceed on behalf of the company, and ensure effectiveness and be in accordance with company/group standards including the regulations requirement. Moreover, Risk Management team establishes a list of external service providers of the company and classify its type i.e. 1) outsource working on behalf of the company 2) dealer 3) vendor to provide goods and services to the company 4) partner/affiliates 5) government agencies or the certified service providers from government. For those external service providers, this policy is to control since the process of selecting an external service provider, its master contract including sub contract (if any), to ensure the approach to manage and protect the company's customer information is appropriated and secured as the company's operational standards. In addition, the company also controls on the risk management of external service providers, as well as to conduct site visit or evaluation on the in-scope outsource annually. This is to reduce the risk from outsourcing and to ensure that the company receives efficient services from the external service provider.

Risk of Data loss or information leakage

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

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

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

Risk of Non-Compliance from the Government's Control

The Ministry of Finance has issued a notification on Permission to Operate Credit Cards under Section of the Announcement of National Executive Council No. 58 that 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 Royal Decree governing control and supervision of electronic payment services B.E. 2551 where the electronic transactions commission and the Bank of Thailand in the capacity of supervising units have issued notifications regarding the requirements and criteria in operating such businesses.

The Anti-Money Laundering Office has defined various measures to prevent and suppress money laundering that includes the financing of terrorism in order to protect the country, people, financial institutions, economic system and world society from money laundering, terrorism, fraud and crimes. It has therefore enacted the Anti-Money Laundering Act B.E. 2542 (1999) The Counter Terrorism and Proliferation of Weapon of Mass Destruction Financing Act B.E. 2559 (2014) Ordinance of the Anti-Money Laundering for Financial Institution and non-financial institution following juristic persons article 16 Anti-Money Laundering Act (No 3) 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 (No. 3). 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) (as amended). This notification stipulates procedures and conditions for execution contracts between companies as business operators and consumers having essence, for instance, that a contract shall contain Thai language which is clear, visible and readable;; change of credit card conditions, interest rates, penalty rates, fees, service fees including procedures in using the credit card or any provision regarding the credit card shall be notified to consumers in writing not less than 30 days prior to the effective date; in case of emergency, notification can be made by mail or posted in daily newspapers not less than 7 days prior to the effective date and, if by mean of posting in a newspaper, followed by the written notification of change, etc.

In addition, the Personal Data Protection Act 2019 (Personal Data Protection Act: PDPA), which has extended its enforcement until May 31, 2021, the company has prepared for the company and employees can comply to 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 Governance Committee with lesson learn and corrective action. In 2020, there is none of breach regulation occurring.

Risk from natural disaster

To ensure that the company can provide continuity of key activities, constantly service to customer and minimize operating disruption period during natural disaster. The Company has a back-up plan to transfer some key operations such as collection, credit approval and customer service from the Bangkok Centre to Upcountry 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 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.37.2)

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.

New potential risk factors (if any) which was a risk that occurred in 2019 and may occur in the future

(Risk of the Covid-19 epidemic)

The situation of the COVID-19 epidemic affects all over the world including Thailand. The intensive measures to control the outbreak of the government affecting business sector and economy in the country including the daily life of the people. For this reason, the company has adopted business continuity management plan to ensure operation can be operating and service to customer continuously under the situation of the COVID-19 epidemic.

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

1. **Working at the office:** company provides staffs a strict control measures to comply, such as checking body temperature before entering the office. Wear a face mask all the time while working at the office. The company provides alcohol gel, hand sanitizers to employees, including to emphasize staff to keep social distancing, etc.
2. **Work from Home:** company also provides laptop for 13% of all employees and allows them to work from home. The objective is to encourage staff to be at home for staff safety and to reduce a risk of spreading epidemic.
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. 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 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.

3

Business sustainability development

Business Sustainability Development

Policy and objectives of sustainable management

With the concept of sustainable development, AEON operates businesses with awareness of social and environmental responsibility and complies with the principles of good governance as well as appropriate corporate management stringently. The company always reviews and develops products, services and operation methods for continuity of business in challenging situation with responding to the expectations of all stakeholders. The company operates on the basic of AEON's code of conduct and AEON's basic principles for sustainable development and contributing to local communities and environment as good corporate citizens in serving society. The company practices its "Customer-First" philosophy with its ever-lasting innovative spirit. Also, the company emphasizes on the United Nations Sustainable Development Goals (SDGs) as the concept of our operations for 14 Sustainable Development Goals as follows;



Sustainability Goal

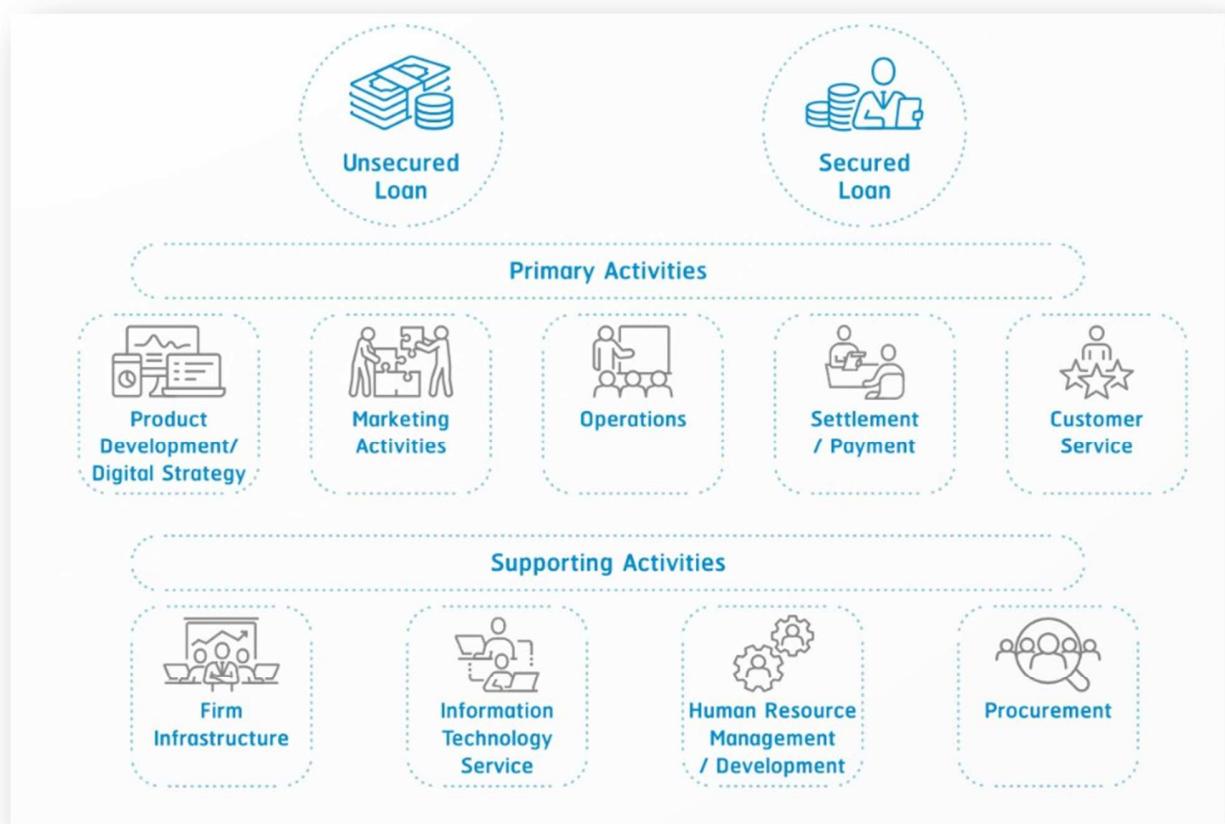
- The Company offer customer-oriented financial services with customer-first philosophy.
- The Company realizes the importance of sustainable relationship between social and be as a good corporate citizen by support to set up AEON Thailand Foundation since 2007 as well as share operating profits to contribute to CSR activities with the Foundation every year. The Company gives an opportunity for all employees to engage and promote social and environmental dimension with CSR activities thought the internal communication.
- The Company has been taking the importance of maintaining in good governance based on AEON Basic Principles including, respects human right and AEON people, promise to our customers, working together with community for its growth and improvement of the quality of life, dealing fairly with our business partners and respect the resolutions of our shareholders.



Management of impacts on stakeholders in the business value chain

The Company realizes the efficient of business operation as well as focusing on developing products and services continuously in order to satisfy all stakeholders. The Company analyzes expectations of stakeholders in the value chain in the Sustainability Report 2020.

- **Business Value chain**



Management of Environmental Sustainability

Environment Policy and Guidelines

Environment Policy and Guidelines

AEON Thana Sinsap (Thailand) Public Co.,Ltd. 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:

1. 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.
2. The Company ensures that all business activities complied with applicable environmental laws and other requirements.
3. 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.
4. 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 waste separation campaign; a basic concept for all to become aware of environment responsibilities continuously and be able to apply in daily life.

Moreover, the Company has been a member of the "Shred 2 Share Project", "Change Your Secret into Love" incorporate with Iron Mountain (Thailand) Ltd. since 2010. There are secure document shredding and recycling shredded paper for safety and prevent the information leakage. The recycling process is turning old waste paper into new paper for sell and donate those money to support social development activities as our objectives.

Environmental operating results

In 2020, the Company joined “Shred 2 Share Project” and sent a total of 34.82 tons of waste paper for recycling, which could reduce CO₂ emission, Coal and H₂O pollution as follows:

• Reduce Carbon Dioxide Emissions (CO ₂)	9,054.08 kg.
• Reduce Coal Usage	3,830.57 kg.
• Reduce Water Usage (H ₂ O)	1,741.17 cu.m.

Reference: Environmental Saving Report Year 2020 from Iron Mountain (Thailand) Ltd.

For sustainable environment, the Company also has campaigned and encouraged reducing the paper usage in company' activities in order to decrease consumption of natural resources, pollution and waste. The Details are as follows:

1. ISO E-Test activity: change from paper-based examination to online examination. This activity reduced 30,000 paper sheets per year.
2. Online Kaizen Suggestion activity: change from paper-based submitting to electronic form. This activity reduced 336 paper sheets per year.
3. E-Memo for office furniture & equipment repairing activity: change from paper-based requisition to electronic form resulting in reducing the number of paper usage significantly.
4. Improve sampling data verification activity: change from paper-based report to RPA technology. This project reduced 13,200 paper sheets per year.

Overall, the company has reduced the paper usage significantly and plans to expand scope to other activities in the future. All of the projects align with the Company's Environmental Policy that focuses on reducing environmental impact, protecting environmental pollution and natural resource conservation.

Social sustainability management

Social policy and guidelines

As a citizen of society, AEONTS 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. Besides, we have collaborated with AEON Thailand Foundation in creating activities and projects that continuously contribute to society and environment according to the main objective of the foundation.

Anti-Corruption	Human Rights	Fair Treatment to Labor	Personal Data Protection Act (PDPA)	Personnel Recruitment and Human Resource Management
The company has set the procedure of Anti-Corruption in order to follow the policy. Moreover, provide process of examination in regularly workflow to give employee's workflow consistent with law and can maintain the company reputation which is all employee and affiliated company have to follow the policy.	The company has set Ethics and rules to take care of staff which is the most importance resource of the company and arrange training and review Aeon code of conduct and ethics course to all of the company staff annually. Also, announced Aeon code of conduct on the internal company system "SAP Success Factor" in order to encouraged the staff to learn and practice	The company focus on take care of the staff by create a good working environment to support the staff's learning regulary, to steady develop themselves, progression of career path and ready to motivate the company. The company set up many of complaints channel in case of the employee feels uncomfortable or face with injustice.	Set up section to support the organization or Corporate Quality Secretariat (CQS) which is responsible for getting ISO certification in order to bring international rules standard apply in the company such as Information Security Management System (ISO27001) Set up system to control safety of personal information of customer and follow the related regulations.	The company acknowledges of a good recruitment and suit for the company which is have a systematic plan along with pay attention in details in order to get knowledgeable and suitable personnel. The company thus develops a channel and forms of recruit to access to target group of person. The company are employed the staff from all regions of Thailand which is focus on respects on person and humanity follow the human right and ethics without discriminate. Moreover, the company give an opportunity for all nationalities, all skin color, gender, religions, physically impaired to join the organization.
Participation in Community or Social Development				
The company and Aeon group companies including Aeon foundation have continuously organize many benefit activities to social and environmental in many aspects such as forest supporting and conservation, education supporting, Thai social development and collaboration with others charity to public benefits				

Social operating results

See more detail about Social performance in Sustainability Report for 2020 in Social Dimension part

Anti-Corruption	Human Rights	Fair Treatment to Labor	Personal Data Protection Act (PDPA)	Personnel Recruitment and Human Resource Management
The company has firmly announced the policies that employees and employees' family members claim property, money, gifts or other benefits from suppliers, partners, joint ventures or business related people of the company in any case is strictly prohibited including receiving benefits from company's business related people via internal communication such as E-mail. In the past year, the company did not find any bribery and corruption issue.	The company set up a hotline, website and email for employees to notify if they see behavior or actions that violate human rights. The company will not disclose the name, position, age gender etc. of whistleblowers. Nevertheless, in the past year, no complaints were found including any discrimination of nationality, race, gender, religion or physical disability. We ensure all employees for opportunities of employment, salary, benefits, training, evaluation, promotion, punishment, termination or retirement.	From the pandemic of Coronavirus disease 2019 (COVID-19), the Company has realized the employees' safety as the first priority. Consequently, personnel training and development via online platform were increased from 8% in 2019 to 86% in 2020 consisting of leadership and management skill course, business law course and working skill boost-up course. The company has prevented the spread of COVID-19 in the workplace for employees, visitors as well as clients such as setting up screening centers to check body temperature before entering a working place, setting up hand sanitizers at various points in offices and branches, social distancing and providing face masks for staffs etc. The Company has setup channels to report unfair treatment in the workplace directly to Top Management. In case he/she gets engage in behavior that being inappropriate treatment by either Company, Supervisor or Colleague. Those cases will be taken action immediately and the staff who reports must be covered as the high confidential. The Committee or responsible sections will investigate and to find the best solution, and the directly report to top Management, respectively.	The Company has provided new and current employees the training and assessment of information security awareness according to ISO27001. The Company disclosed information security articles via internal communications and had conferences for reviewing the operation of information security management system, performing a vulnerability check, penetration test and installing programs to detect computer viruses, malware and keep it up-to-date etc.	The company has a total of 136 new hires consisting of 25 men (18.4%) and 111 women (81.6%) with age range between 18 - 40 years old. The age range with highest new hires is 21 – 30 years old with 124 people (91.2%). The top three regions with the highest new hires are Bangkok 49 people (36.0%), North 28 people (20.6%) and South 22 people (16.2%). The company has average turnover rate of 1.0% per month. Totally 592 resignations consisting of female 82.3% and male 17.7%. The employees between 21 – 30 years old have the highest rate of resignation at 67.7%. The region with the highest turnover rate is Bangkok at 39.6% but with the lowest turnover rate is the western central area at 4.2%. Nevertheless, The company has a total of 41 people with physical disability from all regions.

Participation in Community or Social Development

Forest Conservation Supporting

The company together with AEON Thailand foundation donated wildfire protection tools to Sri Lanna National park, Chiang Mai for solving the wildfire situation that caused considerable damage in the Northa area, smoke crisis and health impacts and also provided 2 drones with accessories and the training to the 13th national park conservation area (Phrae), Department of National Park wildlife and plant conservation for the efficiency enhancement project of natural resource exploration and rescue in nationa park area by using piloted drones.

Education promotion

- The company together with AEON Thailand Foundation have supported the AEON scholarship of 11th year for students of Chulalongkorn University and Thammasat University with total 32 continuing scholarships.
- AEON Scholarship to the Association of Children and Youth for the Peace in the Southernmost Provinces of Thialand (Lukrieng group) for helping youth and families who have been impacted from the unrest in 3 provinces at Southern.
- AEON Scholarships to student at 46 Border Patrol Police schools under the Provincial Police Region 5 and 6 (Northern Region).
- Scholarships to children of Royal Thai Army officers under the Territorial Defense Command 11th Infantry Brigade and Military Intelligence Service. Support access to quality books by AEON online library (AEON E-library) and computers to Wat Bang Lee school (Wuthiphun Witthaya), Ratchaburi and Ban na Mang School, Udon Thani. Besides, more than 1,400 books were provided to Wat Bang Lee School.
- New Year's gifts on new normal by online library under the "GIVE A BOOK, GIVE A FUTURE" project together with more than 24 other supporting companys and provided computers to 5 secondary schools consisting of Kanchanapisek Wittayalai Nakhon Pathom School, Ratanaratbumrung school (Ratchaburi), Rangsee Vittaya school (Chiang Mai), SatriRachinuthit school (Udonthani) and Naratiwat school (Naratiwat).
- Organized the 5th year ' AEON TUTOR ' activity 2 main subjects are GAT English and GAT Connection in preparing for O-NET test and University admission to 6th secondary students of 6 schools in Khonkaen, Nakhonpathom, Udonthani, Chiang Mai and Naratiwat via online system.
- Organized the AEON English Speech Contest 2020 to select high school students to be Thailand's representative in participating the ASIA YOUTH LEADERS 2020 ONLINE program in the topic of "What We Can Propose Experiencing COVID-19 Related Confusion in term of Education" hosted by AEON 1% Club Foundation for Japanese, Chinese, Vietnamese, Indonesian, Malaysian, Lao, Cambodian, Burmese and Thai high school students to exchange their point of view, knowledge of social and environment as well as brainstorm and develop logical thinking through lectures and discussions on the issue of the world current situations via online due to COVID-19 pandemic.

Thai society development and general public promotion

- The Company together with AEON Thailand Foundation donated 30 computers, 30 sets of sport equipment and 140 cold water dispensers to support rural schools and communities through the relief and community health bureau of the Thai Red Cross society.
- Organized ' AEON Pun Suk ' activities by persuading executives and employees to donate food, drinking water and essential items for people who were impacted by the pandemic of COVID-19 by placing them in ' Pun Suk ' cabinet located in local communities and offices.

Collaboration with other charities for public interest

Due to the rapid spread of COVID-19, The Company together with AEON Thailand Foundation donated money, medical equipment and equipment needed for patients as well as necessities and food to support medical personnel operations as follows:

- Donate Personal Protective Equipment (PPE) suits to Ramathibodi and Rajavithi hospitals.
- Donate AIRVOTM 2 High Flow Oxygen Therapy and toiletries items to Rajavithi hospital.
- Donate AIRVOTM 2 High Flow Oxygen Therapy and food supplies to Chulalongkorn and Ramathibodi hospitals.
- Donate money for dental room renovation and COVID-19 protective equipment to Maha Chakri Sirindhorn Dental Hospital, Faculty of Dentistry, Mahidol University and donate Venaflow Elite System Device to Bamrasnaradura Infectious Department of Diseases Control, Ministry of Public Health.
- Donate electric hospital beds and automatic alcohol dispensers to Priest hospital and donate Extra-oral Aerosol Suction Devices to Phramongkutkla hospital.
- The Company together with AEON Thailand Foundation donated money to the cardiac children foundation of Thailand at the 9th consecutive year to support the project for the treatment of children with congenital heart disease by surgery and cardiac catheters at non-office hours and donate money to Ramathibodi Foundation at 4th consecutive year to support the innovative research project for cancer treatment by immune-boosting therapy. The Company together with the relief and community health bureau of the Thai red cross society and network partners organized 'Nao Nee Tum Dee Pua Por 2021' activity in Mae Sot and Phop Phra district, Tak by providing 1,400 sweaters to cold weather victims and our employees also donated 81 bags of winter equipment and 200 bags of essential items with face masks to the COVID-19 impacted blind through Thailand association of the blind.
- Arrange Blood Donation activity every 3 months at operation centers of the Company by inviting employees and general public to take part in being life-saver.

Additional information can be found in Sustainability Report 2020/2021 on AEON Thana Sinsap (Thailand) Public Company Limited's Investor Relations website.

4

Management Discussion and Analysis (MD&A)

Financial Position and Operating Result

The Auditor and Auditor Report for the fiscal year 2018 - 2020

The consolidated and the separate financial statements of the Company of the fiscal years 2018, 2019 and 2020 ended February 28, 2019, February 29, 2020, and February 28, 2021 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.
FY2018 - 2020	Mrs. Nisakorn Songmanee	5035

The auditors gave an unqualified opinion that the consolidated and the separate financial statements of the fiscal years 2018, 2019, and 2020, present fairly, in all material respects, the financial position as of February 28, 2019, February 29, 2020, and February 28, 2021, 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 can be summarized as follows:

STATEMENTS OF FINANCIAL POSITION	FY2018 (Million Baht)	FY2019 (Million Baht)	FY2020 (Million Baht)
Cash	4,068.05	4,993.56	5,105.17
Fixed deposits at banks under obligation	42.14	39.28	38.97
Accounts receivable	79,632.36	86,269.80	75,839.34
Other receivables	689.34	942.04	826.61
Receivables per currency swap contracts	154.78	361.13	-
Other current assets	162.18	75.64	103.07
Investment in associate	38.10	25.43	-
Investment in equity securities designated at fair value through profit or loss	-	-	5.06
Other long-term investments - related companies	20.07	19.07	-
Leasehold improvement and equipment	956.83	885.50	793.45
Right-of-use assets	-	-	665.75
Intangible assets	529.59	646.48	696.56
Deferred tax assets	621.65	926.00	3,122.54
Other non-current assets	206.45	211.68	191.98
TOTAL ASSETS	87,121.54	95,395.61	87,388.50
Short-term loans (included current portion of loans and debentures)	16,152.94	25,955.61	17,374.53
Accounts payable	517.37	522.09	556.15
Other payables	1,502.00	1,690.37	1,384.26
Accrued income tax	467.87	655.98	629.18
Long-term loans and debentures	47,588.82	43,387.27	45,335.63
Derivative liabilities	-	-	3,145.51
Lease liabilities	-	-	689.63
Payables per currency swap contracts	1,984.72	1,393.59	-
Liabilities under financial lease agreements	0.91	-	-
Provisions for employee benefits	271.32	393.42	478.35
Other liabilities	247.22	272.13	415.60
TOTAL LIABILITIES	68,733.17	74,270.46	70,008.84
Issued and paid-up share capital	250.00	250.00	250.00
Premium on ordinary share capital	478.00	478.00	478.00
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	12,574.01	15,302.77	12,471.58
Other components of shareholders' equity			
Exchange differences on translating financial statements of foreign operations	(123.08)	(177.79)	(121.23)
Cumulative loss on cash flow hedges	-	-	(895.57)
Non-controlling interest	334.44	397.17	321.88
TOTAL SHAREHOLDERS' EQUITY	18,388.37	21,125.15	17,379.66
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	87,121.54	95,395.61	87,388.50

STATEMENTS OF INCOME	FY2018 (Million Baht)	FY2019 (Million Baht)	FY2020 (Million Baht)
Credit card income	7,489.68	7,528.92	6,451.39
Loan income	10,722.75	12,065.44	11,121.33
Hire purchase income	431.26	754.01	1,014.31
Other income	1,998.02	2,952.59	2,714.88
Share of profit from investment in associate	5.61	-	-
Operating and administrative expenses	8,520.88	9,091.23	8,143.65
Directors and managements' remuneration	182.49	171.91	159.05
Loss on revaluation of investment	-	-	14.01
Loss on impairment of investment	44.91	-	-
Loss on sale of investment	-	0.54	-
Loss on sale and write-off of leasehold improvement and equipment and intangible assets	5.53	25.39	6.80
Finance cost	2,174.72	2,209.17	2,096.25
Expected credit loss	-	-	6,209.61
Bad debts and doubtful accounts	5,284.54	6,646.26	-
Share of loss from investment in associate	-	12.67	25.43
Income before income tax expenses	4,434.24	5,143.79	4,647.11
Income tax expense	867.62	1,023.56	967.08
NET PROFIT	3,566.62	4,120.23	3,680.03
NET PROFIT ATTRIBUTABLE TO			
Owners of the parent	3,506.49	3,975.36	3,689.64
Non-controlling interests	60.14	144.87	(9.61)
NET PROFIT	3,566.62	4,120.23	3,680.03

STATEMENT OF COMPREHENSIVE INCOME	FY2018 (Million Baht)	FY2019 (Million Baht)	FY2020 (Million Baht)
Net profit for the year	3,566.62	4,120.23	3,680.03
Other comprehensive income (loss)			
Exchange differences on translating financial statements of a foreign operations	(34.26)	(94.95)	57.96
Gain on cash flow hedges	-	-	451.28
Gain (loss) on remeasurements of defined benefit plans	(6.06)	(46.59)	(21.86)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	3,526.30	3,978.69	4,167.41
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the parent	3,467.29	3,874.05	4,175.63
Non-controlling interests	59.02	104.64	(8.22)
	3,526.30	3,978.69	4,167.41

STATEMENTS OF CASH FLOWS	FY2018 (Million Baht)	FY2019 (Million Baht)	FY2020 (Million Baht)
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before income tax expense	4,434.24	5,143.79	4,647.11
Adjustments for:	(3,936.50)	(4,565.20)	(3,980.90)
	497.74	578.59	666.21
Operating assets (increase) decrease			
Accounts receivable and other receivables	(11,668.53)	(14,213.89)	(2,485.63)
Other current assets and other non-current assets	(124.48)	64.47	(8.12)
Operating liabilities increase (decrease)			
Accounts payables and other payables	106.20	194.96	38.29
Other current liabilities and other non-current liabilities	65.81	26.90	139.66
Proceeds from interest income	12,077.08	14,058.43	13,162.83
Finance cost paid	(2,254.07)	(2,158.14)	(2,240.67)
Income tax paid	(986.80)	(1,127.23)	(1,320.02)
Retirement benefits paid	(2.17)	(2.78)	(55.94)
Net cash used in (provided by) operating activities	(2,289.22)	(2,578.69)	7,896.61
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceed from (paid for) temporary investments and fixed deposits at banks under obligations	(12.64)	(0.01)	(0.01)
Cash paid for purchases of leasehold improvement and equipment	(455.88)	(302.13)	(317.91)
Proceeds from sale of leasehold improvement and equipment	0.33	1.11	1.36
Cash paid for purchases of intangible assets	(194.71)	(345.27)	(220.33)
Proceeds from sale of intangible assets	-	0.03	1.17
Proceeds from sales of investment in subsidiary	-	0.46	-
Net cash provided by (used in) investing activities	(662.90)	(645.81)	(535.72)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from (repayments for) bank overdrafts and short-term loans from financial institutions	3,250.69	278.70	3,011.07
Cash payments for finance lease agreements	(9.97)	(0.92)	-
Proceeds from (repayments for) long-term borrowings	(837.55)	3,889.50	(1,277.28)
Proceeds from (repayments for) long-term debentures	1,344.66	828.13	(7,627.70)
Cash paid for lease liabilities	-	-	(565.39)
Proceeds from (repayments for) subordinated lending	12.92	-	-
Proceeds from sale of written-off accounts receivable	123.05	412.59	317.14
Proceeds from ordinary shares issued of subsidiary	235.55	-	-
Cash paid for dividend and interim dividend	(1,195.29)	(1,240.16)	(1,121.62)
Net cash provided by (used in) financing activities	2,924.06	4,167.84	(7,263.78)
Net increase in cash and cash equivalents	(28.06)	943.34	97.11
Increase (decrease) in exchange differences on translating financial statements of foreign operations	6.31	(17.83)	14.50
Cash and cash equivalents at beginning of the years	4,089.80	4,068.05	4,993.56
Cash and cash equivalents at the end of the years	4,068.05	4,993.56	5,105.17

Ratio	FY2018 (%)	FY2019 (%)	FY2020 (%)
Profitability Ratio			
Gross Profit Margin*	44.32	40.14	39.84
Net Profit Margin	16.99	17.06	17.32
Return on Equity	20.75	20.50	19.53
Average Yield	27.72	28.84	27.05
Average Cost of Funds	3.07	2.92	3.18
Net Interest Spread	24.18	25.52	23.88
Efficiency Ratio			
Net Interest Income to Total Assets	22.00	23.11	21.01
Return on Assets	4.18	4.36	4.04
Asset Turnover	24.59	25.53	23.31
Financial Policy Ratio			
Debt to Equity (times)	3.81	3.58	4.10
Loans to Borrowings	125.09	124.56	121.10
Loans to Deposits	N/A	N/A	N/A
Deposits to Total Liabilities	N/A	N/A	N/A
Dividend Payout	33.51	31.44	30.49
Asset Quality Ratio			
Allowance for Doubtful Accounts to Total Loans	3.49	4.39	N/A
Allowance for expected credit loss to Total Loans	N/A	N/A	13.26
Bad Debt to Total Loans	5.84	6.17	6.92
Non-Performing Loans to Total Loans	2.77	3.67	5.77
Accrued Interest to Total Loans	2.56	2.47	2.76

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 and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any material impact on the Group's and the Company's financial statements.

2. Thai Financial Reporting Standards which will be effective for the financial statements with fiscal years beginning on or after January 1, 2021

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, 2021 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	April 1, 2021	A-/ Stable
Japan Credit Rating Agency	February 25, 2021	A-/ Stable

Details of overdue accounts receivable classified by business types

Consolidated Financial Statements (Information as of February 28, 2021)

	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	34,464.39	95.50%	5,981.46	90.36%	42,191.97	94.78%	49.97	100.0%	160.21	100.0%	82,848.01	94.76%
3 months and up	1,623.84	4.50%	638.44	9.64%	2,322.28	5.22%	-	0.00%	-	0.00%	4,584.55	5.24%
Total	36,088.23	100.0%	6,619.90	100.0%	44,514.25	100.0%	49.97	100.0%	160.21	100.0%	87,432.56	100.0%

Bad debt categorized by business type

	FY2018 (MB)	FY2019 (MB)	FY2020 (MB)
Credit Card	1,667.91	1,819.73	607.11
Hire Purchase	41.13	68.06	1,431.43
Personal Loan	3,111.23	3,676.74	4,024.32
Total	4,820.26	5,564.53	6,062.86

Financial Liquidity

As at February 28, 2021, the Company and subsidiaries recorded cash balance of 5,105 million baht, increase by 111 million baht from previous year, which can be categorized as follows:

- Net cash provided by operating activities of 7,897 million baht mainly resulted from an increase of accounts receivable.
- Net cash used in investing activities of 536 million baht mainly resulted from investment in fixed assets and software, and intangible assets.
- Net cash used in financing activities of 7,264 million baht mainly from long-term loans and short-term loans from financial institutions.

Combined the net increase in cash and cash equivalents of 97 million baht and increase in exchange differences on transactions financial statement of foreign operations of 14 million baht with beginning cash balance of 4,994 million baht, the Company had ending cash balance at the end of the fiscal year 2020 in the amount of 5,105 million baht accordingly.

Management Discussion and Analysis Fiscal year ended February 28, 2021

AEON Thana Sinsap (Thailand) Public Company Limited ("the Company") has already submitted the audited financial statements for the year ended February 28, 2021 which were audited by Deloitte Touche Tohmatsu Jaiyos Audit Company Limited. The operating performance is summarized are as follows.

Overview

According to the Bank of Thailand and Office of the National Economic and Social Development Board data, the Thai economy in 2020 dropped by 6.1% compared with a growth of 2.3% in the previous year. This was an impact of COVID-19 outbreak, especially on export, tourism and industrial sector. However, economic recovery has been high uncertain from new wave of the COVID-19 pandemic since December 2020. As a result, the domestic tourism sector at the end of the year was restricted again and decrease of consumer's confidence accordingly.

As of February 28, 2021, the Company's total cards reached 9.19 million cards, including 2.95 million credit cards, and 6.24 million member cards. The Company has active customers more than 2 million IDs, mainly from Bangkok 31%, and in up-country 69%. Covering networks nationwide, the Company has 103 branches, 411 ATMs, and 6,463 member dealers to provide quality financial services to AEON cardholders. For overseas business in Cambodia, Myanmar and Laos, they have active customers more than 186,724 with representing 7% of total company customers.

The Company and subsidiaries have managed liquidity risk of operating cash flow under the COVID-19 situation with soft loan facilities of 5 billion baht from Government Saving Bank in Thailand. This is not only potentially decreases our funding costs but also stabilized company financial conditions.

Summary of Consolidated Financial Results

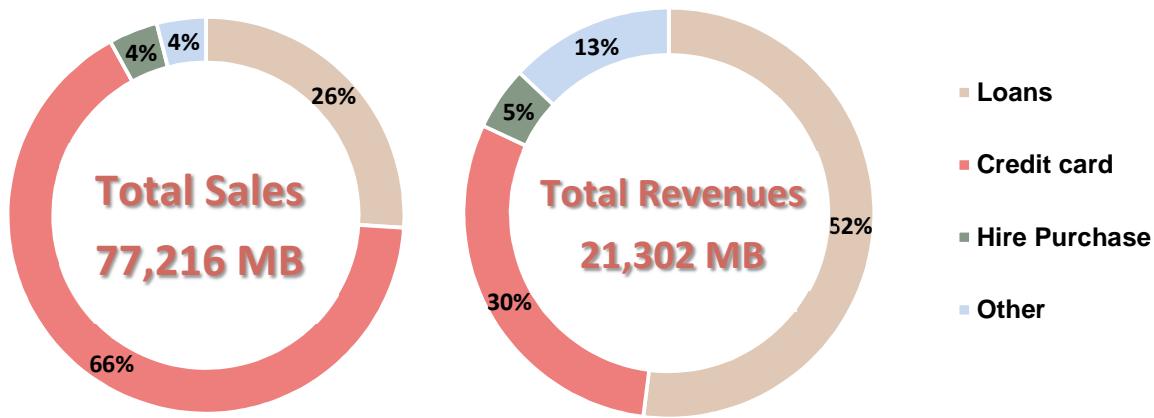
Operating Results

Profit and Loss Statement (Consolidated) Unit : Million Baht	4Q/19	3Q/20	4Q/20	%QoQ	%YoY	FY19	FY20	%YoY
Credit card income	1,878	1,529	1,563	2%	-17%	7,529	6,451	-14%
Loan income	3,077	2,616	2,525	-3%	-18%	12,065	11,121	-8%
Hire-purchase income	241	249	276	11%	15%	754	1,014	35%
Other income	969	864	639	-26%	-34%	2,953	2,715	-8%
Total Revenues	6,165	5,257	5,005	-5%	-19%	23,301	21,302	-9%
Operating and administrative expenses	2,337	2,056	2,160	5%	-8%	9,263	8,303	-10%
Expected credit loss	1,872	1,345	883	-34%	-53%	6,646	6,210	-7%
Finance costs	560	515	469	-9%	-16%	2,209	2,096	-5%
Other expenses	26	8	2	-75%	-92%	39	46	18%
Total Expenses	4,795	3,924	3,514	-10%	-27%	18,157	16,655	-8%
Profit before tax income	1,370	1,333	1,419	12%	9%	5,144	4,647	-10%
Income tax expenses	271	297	231	-22%	-15%	1,024	967	-6%
Net profit for the period	1,055	1,009	1,184	17%	12%	3,975	3,690	-7%
Earning Per Share (Baht per share)	4.22	4.04	4.74	17%	12%	15.90	14.76	-7%

Revenues

In the fiscal year ended February 28, 2021, the total consolidated revenues were 21,302 million baht, decreasing of 1,999 million baht or 9% y-y. For the fourth quarter of 2020, the Company's revenues were 5,005 million baht, decreasing 19% y-y. This is a result of the COVID-19 pandemic situation, economic slowdown and a higher household debt. In addition, the Bank of Thailand cut the ceiling rates of interest rates on credit card from 18% to 16% per annum and personal loan from 28% to 25% per annum, effective from August 1, 2020 onward. However, a change of customer behavior to be more cashless society on mobile payments and a promotion during New Year, our credit card shopping showed recovery at 6% q-q supported by domestic consumption in supermarket and online shopping. Moreover our revenue from bad debt recovery continued growing by 18% y-y and the revenue from overseas subsidiaries grew by 10% y-y. Details of each business can be described as follows:

Sales and Revenues Structure for the fiscal year of 2020.



- Credit Card

For the fiscal year 2020, credit card sales accounted for 66% of total turnovers with revenue of 6,451 million baht, a decrease of 1,078 million baht or 14% y-y. For the fourth quarter of 2020, credit card revenue was 1,563 million baht, a decrease of 315 million baht or 17% y-y, mainly resulted from a dropped in credit card spending and cutting in ceiling interest rate for credit card by 2%, which effective in 1st August 2020. However, the Company continued to collaborate with exiting and new business partners in order to offer more benefits and to expand our customer base. The Company also launched the marketing campaigns throughout the year. For example, AEON Gift 2021 campaign to redeem the premiums and vouchers and AEON shop plus 2020 campaign, customers can get a Shopee discount code through AEON THAI MOBILE Application. For overseas business, AEON Specialized Bank (Cambodia) Plc had credit card revenue in the fiscal year of 2020 of 106 million baht, grew by 44% y-y.

- Loans

For the fiscal year 2020, loans shared 26% of total turnovers with the revenue of 11,121 million baht, a decrease of 944 million baht or 8% y-y. In the fourth quarter of 2020, loans revenue was 2,525 million baht, a decrease of 552 million baht or 18% y-y, mainly from a reduction in interest rate ceiling for personal loan by 3%. Moreover, loan income from AEON Specialized Bank (Cambodia) PLC of 316 million baht, grew by 20% y-y and AEON Microfinance (Myanmar) Company Limited of 315 million baht, decreasing by 21% y-y due to COVID-19 lockdown and political turmoil that impacted operation in Yangon and Mandalay. However, the Company has been expanding more online service channels to customers and reduced the Company's operation cost. As a result, the Cardless transactions currently accounted for 30% of total personal loan sales.

- **Hire Purchase**

For the fiscal year of 2020, motorcycle and used car hire purchase in Thailand and electrical appliances, mobile phones in overseas business, with the revenues of 1,014 million baht, increasing by 260 million baht or 35% y-y mainly from continued growth of hire purchase both in domestic and overseas business. In the fourth quarter of 2020, the Company had hire purchase revenue of 276 million baht, increasing by 35 million baht or 15% y-y. In addition, hire purchase income from AEON Specialized Bank (Cambodia) Plc was 594 million baht, increasing by 26% y-y and AEON Leasing Service (Lao) Company Limited of 114 million baht, which was at the same level as last year.

- **Others**

For the fiscal year of 2020, other incomes were 2,715 million baht or 13% of total revenues, showing a decrease of 238 million baht or 8% y-y, mainly from reduce of selling Bad debt. Other revenues consist of bad debt recovery, which was 1,230 million baht or 6% of total revenues, gain on sales of written-off receivables was 250 million baht or 1% of total revenues, collection service income was 246 million baht or 1% of total revenues, Commission income was 510 million baht or 2% of total revenues, and others of 479 million baht or 2% of total revenues. Other revenues was mainly from the continued growth of bad debt recovery that increased by 18% y-y caused by the increased of expedite the legal process.

Expenses

The Company's expenses mainly consist of operating and administrative expenses, expected credit loss and finance cost. For the fiscal year of 2020, the Company had total consolidated expenses of 16,655 million baht, a decrease of 1,502 million baht or 8% y-y. For the fourth quarter of 2020, the consolidated expenses were 3,514 million baht, a decrease of 1,281 million baht or 27% y-y. Details of expenses are shown as follows:

- **Operating and Administrative Expenses**

For the fiscal year of 2020, the consolidated operating and administrative expense were 8,303 million baht, decreasing by 10% y-y. The decrease in operating and administrative expense was mainly from personal expense, transportation expense, and decelerated of marketing activities as well as a decrease in space of property expenses. For the fourth quarter of 2020, the consolidated operating and administrative expenses were 2,160 million baht, decreasing by 8% y-y. However, the Company still maintained effective operating cost control with cost to income ratio at 39% of total revenues. Considering the Company's separate financial statement, the operating and administrative expenses as a percentage of revenues was 37% in the fiscal year of 2020.

- **Expected Credit Loss**

The consolidated expected credit loss in the fiscal year of 2020 amounted to 6,210 million baht, decreasing by 7% y-y. For the fourth quarter of 2020, the Company recorded expected credit loss of 883 million baht, decreasing by 53% y-y and 34% q-q. Net credit cost was at 5.6% reduced from 6.6% in the third quarter of 2020. Moreover, in the first quarter of 2020, the Company has an additional provision in accordance with the new Financial Reporting Standards (TFRS 9) coupled with provision for future impact of ongoing economic slowdown and management overlay.

- **Finance Cost**

The Company recorded consolidated finance cost in the fiscal year of 2020 of 2,096 million baht, decreasing by 5% y-y. For the fourth quarter of 2020, the finance cost was 469 million baht, decreasing by 16% y-y and 9% q-q, which the portion of finance cost in the fourth quarter was 9% of total revenues. The average funding cost in the fourth quarter of 2020 was at 2.57% decreased from 2.92% last year.

Net Profit

For the fiscal year of 2020, consolidated operating income was reported at 4,647 million baht, a decrease of 497 million baht or 10% y-y. The Company recorded net profit of 3,690 million baht, a decrease of 286 million baht or 7% y-y, and earning per share was 14.76 baht, which was resulted from higher provision in the first quarter of 2020 with probable forward looking risk factors due to COVID-19 situation. For the fourth quarter of 2020, the Company had consolidated operating income of 1,491 million baht, an increase of 121 million baht or 9% y-y. The Company reported net profit attributed to owners of the parent of 1,184 million baht, an increase of 128 million baht or 12% y-y and 17% q-q, and earning per share was 4.74 baht, mainly contributed by continued growth of bad debt recovery and efficiently control the operation cost.

Financial Status

Statement of Financial Position	February 29, 2020	February 28, 2021 (TFRS 9)	Change
			%YoY
Unit : Million Baht			
Accounts Receivable	90,232	87,433	-3%
Total Assets	95,396	87,389	-8%
Total Borrowing	69,437	62,710	-10%
Total Liabilities	74,271	70,009	-6%
Total Equites	21,125	17,380	-18%
ROE	20.5%	19.5%	-5%
ROA	4.4%	4.0%	-8%
D/E Ratio	3.6	4.0	14%

Total Assets

As of February 28, 2021, consolidated total assets were 87,389 million baht, a decrease of 8,007 million baht or 8% from 95,396 million baht as of February 29, 2020. The main assets were attributed to the portfolio of net account receivables which shared 87% of total assets.

- **Accounts Receivable**

The Company has accounts receivable of 87,433 million baht as of February 28, 2021, decreased by 3% from as of February 29, 2020. The decrease was attributed mainly from the reducing of trading volume caused by the COVID-19 pandemic. This can be categorized by business type as follows: credit card receivable of 36,088 million baht, decreasing by 2% y-y; loans receivable of 45,332 million baht, decreased by 6% y-y; hire purchase receivable of 5,848 million baht, increasing by 13% y-y and others receivable of 165 million baht decreased by 1% from last year accordingly.

- **Allowance for expected credit loss**

As of February 28, 2021, the Company provided allowance for doubtful accounts of 11,593 million baht or 13.3% of total accounts receivable, increasing from 3,962 million baht or 4.39% of total accounts receivable at the end of previous fiscal year, which was resulted from the adoption of accounting standard TFRS 9 by calculating the expected credit loss (ECL Model) together with probable forward looking

macroeconomic factors and also additional management overlay. The delinquent account receivables for 3 months and up was 5.24% in the fiscal year of 2020 increased from 3.70% at the end of previous year. For default receivables in credit risk (Stage 3) was 5.77% of total accounts receivable due to some of the customers who joined the grace period in Thailand and overseas and decreased trading volume in the second wave of COVID-19 situation from January to February of 2021. In the fourth quarter of 2020, the consolidated coverage ratio of allowance for expected credit loss to NPL (NPL Coverage ratio) was at 230%.

Liabilities

The consolidated liabilities of the Company as of February 28, 2021 totaling 70,009 million baht, a decrease of 4,262 million baht or 6% from 74,270 million baht at the end of previous year. There were both short-term and long-term borrowings totally 62,709 million baht, decreasing by 10% from the end of last year. The portion of long-term borrowings was 45,335 million baht or represented 72% of total borrowings. To manage risk that might occur from the fluctuation in currency and interest rate of long-term a debenture in foreign currencies, the Company has entered cross currency interest rate swap contracts to hedge its debt. However, the Company has unused unsecured revolving credit facilities as of February 28, 2021 totaling 3 billion baht and unused uncommitted facilities with foreign banks totaling 5.5 billion baht, which is enough to drive the Company's operation. The Company also has the debentures totaling 3.4 billion baht that will mature in the next 12 months, which the Company can issue the replacement debentures or use a working capital to repay those debentures.

Shareholders' Equity

As of February 28, 2021, total shareholders' equity amounted to 17,380 million baht, a decrease of 3,745 million baht or 18% from the end of fiscal year 2019, reflected the adoption of ECL model, hedge accounting and leases standard (TFRS 16). Consequently, Book value as of February 28, 2021 was 68.2 baht per share, decreased from that of 82.9 baht per share as of February 29, 2020.

Debt to Equity ratio as of February 28, 2021 was at 4.0 times increased from 3.6 times at the end of 2019 while the Company considers it is within the appropriate range to appreciate leverage and maintaining acceptable credit rating. Return on Equity (ROE) and Return on Asset (ROA) for the fiscal year of 2020 are 19.5% and 4.0%, respectively.

Key Financial Ratio	4Q19	4Q20	FY19	FY20
Net Profit Margin (%)	17.1%	23.6%	17.1%	17.3%
Interest Coverage ratio (Times)	3.5	4.2	3.3	3.2
Allowance for Expected Credit Loss/ Total Receivables (%)	4.4%	13.3%	4.4%	13.3%
NPL Coverage Ratio (%)	119%	230%	119%	230%
Cost to Income (%)	38.3%	43.2%	39.8%	39.0%
Book Value per Share (Baht)	82.9	68.2	82.9	68.2
EPS (Baht)	4.22	4.74	15.90	14.76

5

General information and other material facts

General information

- **Issuer of Securities**

AEON Thana Sinsap (Thailand) Public Company Limited

Business	Credit Card, Personal Loan and Hire Purchase
Head Office	388 Exchange Tower, 27 th Floor, Sukhumvit Road Khwaeng Klongtoey, Khet Klongtoey, Bangkok 10110
Registration Number	0107544000078
Website	http://www.aeon.co.th
Tel.	0-2302-4400 (Call Center 0-2665-0123)
Fax.	0-2689-4470
Authorized share capital	Ordinary shares 250,000,000 baht
Issued and paid up share capital	Ordinary shares 250,000,000 baht
Par Value of share	1 baht

- **Juristic person which the Company has more than 10% of ownership**

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

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

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

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

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

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

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

Business	Microfinance Business
Head Office	Room No. (210-212), Building (D), 2 nd Floor, Pearl Condo, Kabaraye Pagoda Road, Bahan Township, Yangon, Myanmar
Tel.	95-9-969712111
Fax.	95-1-430653
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 Sopheap 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

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

Business	Special Purpose Vehicles (SPV) under the Royal Enactment on Special Purpose Juristic Persons for Securitization
Head Office	388 Exchange Tower, 27 th Floor, Sukhumvit Road Khwaeng Klongtoey, Khet Klongtoey, Bangkok 10110
Tel.	0-2302-4780
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

ACS Trading Vietnam Co., Ltd. (20% of ownership)

Business	Retail Business by Installment Payment of Household Consumer Durables
Head Office	246 Cong Quynh, Pham Ngu Lao Ward, District 1, Ho Chi Minh City, Vietnam
Tel.	84-8-54453800
Fax.	84-8-54453801
Authorized share capital	VND 50 Billion
Issued and paid up share capital	VND 50 Billion

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

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

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

Reference

Securities Registrar 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 effect 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, 2021, or
- 3) Any legal disputes beyond those occurring in the normal course of business of the Company.

6

Corporate governance policy

Overview of the Policy and Guidelines

The Company has been taking the importance of maintaining in good governance into consideration, which are generally accepted that it's a key factor in making fairness to the stakeholders, 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 abovementioned 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 2020, The Company held a total of 1 shareholders' meeting and no extraordinary meeting. The 2020 general Annual General Meeting in form of electronic meeting (E-AGM) of the Company was held on June 24, 2020 at 10:00 AM at the 27th floor meeting room, 388 Exchange Tower, Sukhumvit Road, Khwaeng Klongtoey, Khet Klongtoey, Bangkok 10110 in order to prevent the spread of COVID-19. The Company published a guideline and a manual for the 2020 Annual General Meeting via SET and company websites. The Company sent two versions of the invitation letter for the shareholders' meeting to facilitate both Thai and foreign investors, containing agenda details and related appendices together with opinion of the Board of Directors, Articles of Association relating to shareholder's meeting, proxy forms, a 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 30 days before the meeting date. To comply with Public Limited Companies Act, B.E. 2535 (1992), the shareholders' notice was announced in the newspaper both Thai and English for 3 consecutive days.

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 to the notice of the Meeting. The proxy forms prepared in compliance with the specifications defined by the Department of Business Development at the Ministry of Commerce allow shareholders to exercise their voting rights as they wish. Also attached 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) On the date of shareholders' meeting, the Company allowed shareholders who had pre-registered for the electronic meeting to log in a system 1 hour before the meeting time for identification (KYC) before attending the meeting according to a AGM attending method 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.
- 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 together with shareholder volunteers to witness 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, 2020, owing to the epidemic situation of Coronavirus disease 2019 (COVID-19), the Chairman and Vice 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.
- 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 disseminates important and necessary information to shareholders, arranged shareholders' meeting annually for shareholders to exercise their rights and participate in managing the Company fairly through the following actions:

- 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 critical matter separately. The voting tickets are collected at the meeting and then summed with the pre-cast votes as prescribed in the proxy forms before announcing the resolution to the meeting. In 2020, 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 combine 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 one day after the meeting. Also, the Company records the minutes accurately and completely for sending to The Stock Exchange 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.
 - 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. 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.
 - The Company shall educate the directors and executive officers who have responsibilities to report the possession of the securities by himself/herself, his/her spouse and his/her minor child that when the directors or executive officers including their spouse or their minor child buy, sell, transfer or accept transfer of the securities of the Company, they have duties to submit the reports of securities holding in accordance with the rules, conditions and procedures specified in the notification of the Capital Market Supervisory Board.

- The Board of directors 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.

2.7) The Company establishes directors and executives to report on their interests and related persons' interests to the Corporate Secretary, providing a copy of such reports to the Chairman of the Board and the Chairman of Audit Committee as specified by the Securities and Exchange Act, and report on changes in such reports.

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

Section 3 Roles of Stakeholders

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

1. 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 provides assistance to the shareholders to fully exercise their rights.

• Employee

The company has recognized that its employees at all levels are valuable resources and key drivers of business success. The Company therefore recruits and hires qualified and experienced persons as well as supports good quality of life and good environment in the workplace, regularly educates the employees to ensure their standards of professional service to customers. The employees also receive fairly benefits and reward for their dedication to the Company on yearly basis.

In 2020, Accidents at work statistics and Work Absence Rates were recorded as follow;

- **Crucial Accidents at work statistics:**

- No Crucial accidents at work statistics found

- **Work Absence Rates:**

Type of leaving	Total Employees (persons)	Total leaves (days)
Sick Leave	3,546	16,393
Personal Leave	3,586	10,538
Vacation Leave	5,126	43,930
Birthday Leave	4,024	4,024
Maternity Leave	230	16,838

However, the Company has no fatal accidents statistics causing deaths or seriously injury.

The Staff training on 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 3 international standards, namely the Quality Management System (ISO9001), Environmental Management System (ISO14001) and Information Security Management System (ISO27001) by training current and new employees. The employees can apply their knowledge and understanding correctly and appropriately to relevant work in the international standardization system, as well as arrange training assessments 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 and participation in the international standard system of employees in the organization through various activities such as "Weekly Self-Monitoring Activities", Internal Training Activities of each department as Monthly Training by ISO / BISO person, Monthly Inventory of Asset Activities Updating and ISO Knowledge Test Activities.

Significant of ISO9001 Training:

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.

Significant of ISO14001 Training:

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.

Significant of ISO27001 Training:

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.

● Customer

As customers' satisfaction is the first priority focus, the Company has provided variety of products to satisfy customers' need and committed to promote secure management of personal information and raised awareness of the need to protect personal information and comply fully with relevant laws. In addition, the Company has Contact Center Department to be responsible for customer relationship management involving inquiry, complaint resolution and protection of the customers' information in the framework of customer satisfaction approach, which is evaluated and reported to the management on monthly basis.

● Competitor

The Company executes the business under a fair competition and integrity approaches 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. 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 of business partners due to 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.

● Creditor

The Company abides by lending terms and conditions, and all legitimate duties to creditors and debenture holders. In addition, the Company values compliance with all obligations under Securitization Law 1997, as the Company raised fund through securitization by establishing Special Purpose Vehicle Company.

● Society and Environment

The Company is aware of the responsibility towards the public and environment by supporting activities that conserve the environment and contribute to society. (Please see more information in ESG part or Sustainability report of the company)

2. Channels for Complaints and Whistleblower Protection

The Company has more focus on the Good Corporate Governance by defining the policy as the major priority which all Management and staffs must strictly conduct and quickly examine. The Company keeps providing many courses of Code of Conduct program to all staffs per year.

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

- Our 103 branches nationwide
- Call Center at 02-665-0123
- Email: csd@aeon.co.th
- Contact with Investor Relations: ir@aeon.co.th

The Company provides a clear procedure and system for complaints whether or not the whistleblower gives their name. Complaints, including the whistleblower's information, will be treated as confidential; they cannot be accessed by unrelated persons. In case of complaints received, ombudspersons will record and solve them under appropriate procedures without delay. The findings will also be reported to the executives or the Board of Directors, as the case by case.

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

3. Preventive measures against corruption involvement and bribery prohibition

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

To ensure effectiveness and efficiency of such anti-corruption and anti-bribery efforts, the Company defines all staffs with the code of conduct concerning the gift receiving or reception entertainment. The Company policy is all staffs and related persons in family seriously not request all cash, any gifts or other benefits from venders, supplier or the representatives, contractors, Sub-contractors, business partner or related persons who are involved in the company business. The Company strictly insists that all requests or receiving any kinds of cash, gifts or any other benefits by the staffs or their relatives could cause the conflict of interests or any bias conducts, corruption and dishonest decision or acts accordingly. In case of the necessary or inevitable circumstances the company allows its staffs to receive all suitable gifts from both the special or traditional occasions and general time. All gifts or stuffs are forbidden to be claimed as personal belongings or to be brought back their own homes or other relatives. On the other hand, staffs must register all details of gift or stuff information through the Company Form. Then, transmit that form to commander directly as well. Consequent, that form must be sent to Administration Section by Form written within 5 days after receiving.

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

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

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

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

Section 4 Information Disclosure and Transparency

1. Disclosure of Information as prescribed in Listed Company Requirements

Information disclosure is a crucial principle for Good Corporate Governance. The Company has set up clear policies, approved by the Board of Directors, relating to information disclosure for external parties in order to ensure that such disclosure information; financial and non-financial information, is accurate, adequate, timely, and equally accessible by all related recipients and also complies with related laws and regulations. Apart from annual disclosure 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. 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.

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, annual report (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, 27th 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

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 the meeting via online platform. During the Fiscal Year 2020, the Company shows details as below:

Forms of activities	Number of times	Number of Participants	Number of Companies
Foreign investors through international road show	3	45	14
Conference call	49	225	204
Company visit	6	28	19
Analyst through yearly analyst meeting	2	81	31
Total	60	379	268

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. While the Board of Directors can invite any involved executive or personnel for inquiry during the meeting.

In addition to the meeting resolution determines the quorum of the Board of Directors while voting in the meeting there must be at lease two-thirds of the directors attending the meeting. In each meeting, the Chairman lets each director express his opinion extensively and freely. Thus, each decision is made rationally and thoroughly. Also considering each meeting agenda item is made under the proper time. The Company provides a TV conference system or 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 2020, the Board held a total of 12 board meetings. (Please see number of the meeting and number of attendance of each director in Management part).

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.

Business Ethics

The Company has provided “AEON Code of Conduct” for the Board of Directors, the Management, and the employees of the Company to use as a guideline in performing their duties to accomplish the Company’s goal with ethics for business conduct and practice towards related stakeholders. To review AEON Code of Conduct, the Company with the cooperation from AEON Financial Service (Japan) always provides training for management every year. In addition, the Company also provides communication channel regarding AEON Code of Conduct through intranet system in order to facilitate staff and encourage them to follow practice in the Code of Conduct.

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

The Board of Directors has specified the risk management policy, covering the overall organization. Risk management section has been established to be responsible for risk management and reported to the Management on monthly basis. There is 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

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

Implementation of the Corporate Governance Code for Listed Companies 2020

According to the Corporate Governance Report of Thai Listed Companies also known as “CGR” survey 2020, the Company survey result was “very good”. Nevertheless, the Company’s Corporate Governance Committee held the meeting to reconsider and rectify the Company’s policies to be in accordance with the CGR’s criteria. Also, the Company implies the CGR survey’s suggestions with the Company’s business operations, for instance, the disclosure of the full version of the Company’s Code of Conduct which shareholders are able to check out on the Company’s website (www.aeon.co.th/aeon/aeon-info/corporate-governance), the disclosure of responsibilities of the board which demonstrates transparency of the Company’s operations and build trust in stakeholders.

However, there were some issues 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 process is ongoing 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 defining 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, there's the only 2 Independent Directors out of 5 that serves as the Independent Director for more than 9 consecutive years and still able to consistently maintain the qualification of the Independent Director. Therefore, the Board of Directors has the resolution that the current Independent Director is already suitable for the position.

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

In 2020, the Company free float portion is 30-40 percent of the registered shares. Although the Company's free float portion is incompletely followed in 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).

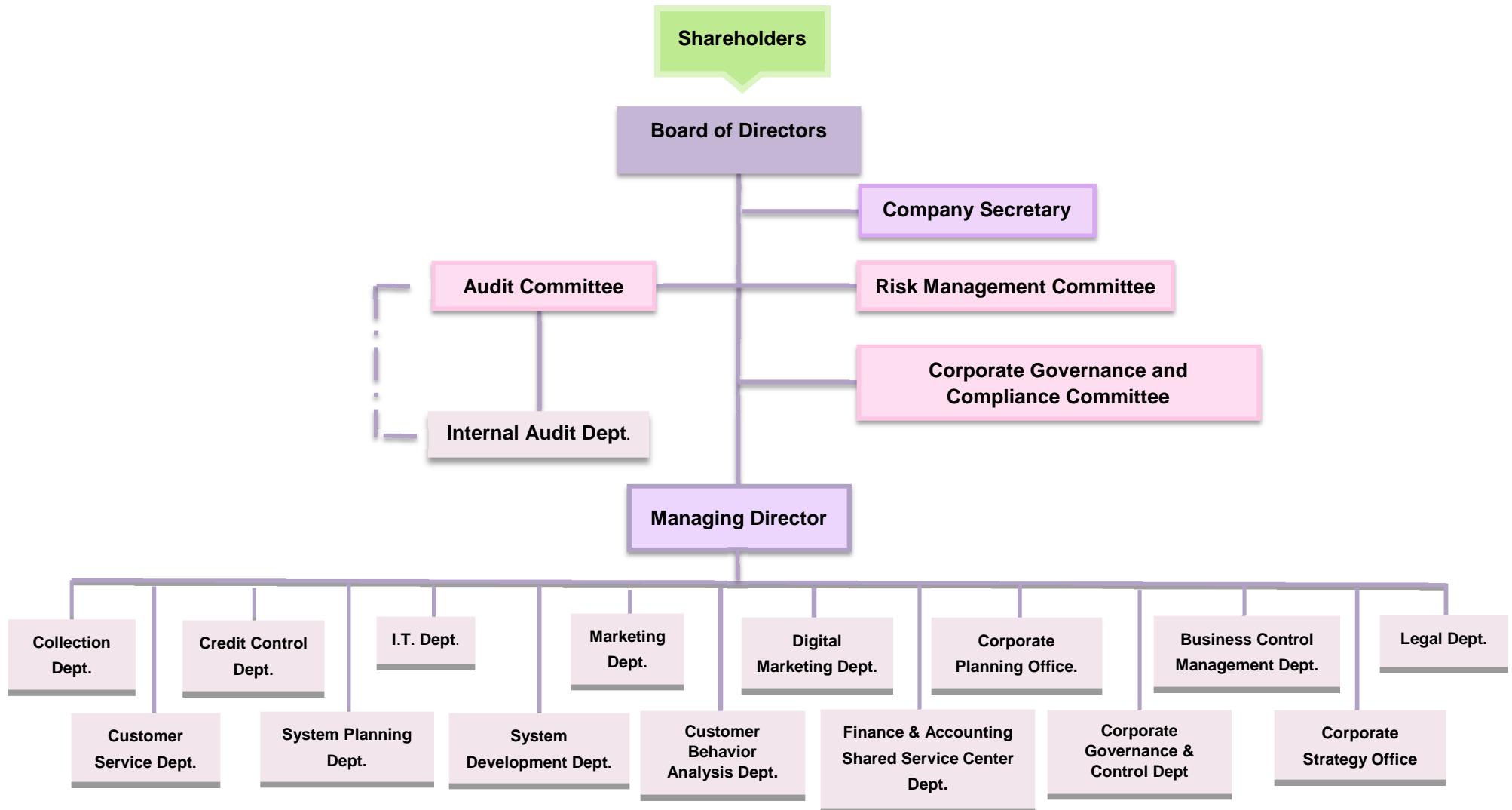
4. The Board of Directors should consider setting the limitation of the directorship in other Company not to be over than 5 companies.

The company has 2 directors holding the other Company's directorship more than 5 companies which is non-executives directors. 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 92 percent which comply with the CGR criteria.

7

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

1) Corporate Governance Structure



2) Information on 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 diversification strategy (Board Diversity), the board comprises directors with relevant experiences, diversity of professional backgrounds, education, nationality, and gender.

For the Fiscal Year 2020, ended on February 28, 2021, the Board of Directors consists of 14 Directors as follows:

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

Independent directors proportionally 1/3 of total directors and the proportion of non-executive directors is 9/14 of total directors

The Board of Directors of the Company

As of February 28, 2021, the Board of Directors comprises 14 directors: 5 executive directors; 5 independent directors and 4 non-executive directors. The details of each director are listed below:

Members of the Board Directors	Position
1. Mr. Hideki Wakabayashi	Chairman of the Board of Directors (Non-Executive director)
2. Mr. Tsutomu Omodera ¹	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. Chatchaval Jiaravanon	Director (Non-Executive director)
8. Mr. Kenji Fujita	Director (Non-Executive director)
9. Mr. Masanori Kosaka	Director (Non-Executive director)
10. Mr. Noppun Muangkote	Independent Director and Chairman of Audit Committee
11. Dr. Sucharit Koontanakulvong	Independent Director and Audit Committee Member
12. Dr. Mongkon Laoworapong	Independent Director and Audit Committee Member
13. Mr. Kenji Hayashi	Independent Director
14. Mr. Ryuichi Hasuo ²	Independent Director

Note : ¹Mr. Tsutomu Omodera was appointed to be Vice Chairman of the Board and Managing Director on June 24, 2020
²Mr. Ryuichi Hasuo was appointed to be Independent Director on June 24, 2020

Authorized Signatory Directors

The authorized signatory of the Company is Mr. Hideki Wakabayashi or Mr. Kenji Fujita or Mrs. Suporn Wattanavekin and affixed with the Company's seal

Role of the Board to control, governance, follow up operation with transparency and effective

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, informs the Company in case where he/she has a direct or indirect interest in any contract, which is made by the Company, or he/she holds shares or debentures of the Company or an affiliated company increasingly or decreasingly.
5. The Board of Directors shall hold at least once every three months.
6. A Director who has an interest in any resolution shall have no right to vote on such resolution.
7. At any meeting, in case of equality of votes, the chairman of the meeting shall be entitled to a casting vote.

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 controls and conducts meetings with efficiency and in compliance with the Company's Articles of Association and following the sequence of the agenda
5. To have a casting vote in case of tied votes in the Board of Directors meetings

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.

3) Information on sub-committees

Sub-Committee

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

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, 2021, 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
Mr. Noppun Muangkote	Independent Director and Chairman of Audit Committee	10/10
Dr. Sucharit Koontanakulvong	Independent Director and Audit Committee Member	10/10
Dr. Mongkon Laoworapong	Independent Director and Audit Committee Member	10/10

2. The Governance Committee

The Governance Committee is the combination of 1) Risk Management committee and 2) Corporate Governance and Compliance committee. The Governance Committee is also recognized as "Risk Management and Compliance Committee". The policy of governance committee is latest reviewed on January 21, 2021. Board of Director reviews and determines roles and responsibilities of the governance Committee to oversee and ensure efficiency of company's risk management and compliance to regulations as well as company internal standard, this is for making a certainty to all shareholders and stakeholders of the company.

The Governance Committee is for reporting, deliberation and resolution regarding to 1) Risk management, 2) Compliance, 3) Corporate control, roles and responsibility of the committee are to identify risks associated with company business activities, monitor and control risks within acceptable level. Moreover, to ensure the company on compliance to the related regulatory, ISO standards and J-SOX audit by monitoring 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, respect 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 Governance Committee

- 1) Consider and specify generally and professionally the policies and the plans that related to the guidelines of Corporate Governance and Compliance to propose to the board afterward.
- 2) Acknowledge the processes and follow up the results for reconsidering and enhancing each plan to make reports and proposals to the board to be acknowledged and approved afterward.
- 3) Make decisions to approve any operations added by the board, for maintenance and establishment of compliance framework of the Company.
- 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 Governance Committee is arranged as monthly basis. Nevertheless, to be held in time as necessary if any urgent agenda rose with potential significant impact to company. This is to continually governance monitor and to ensure effectiveness of the corporate governance in part of Risk Management and Compliance both regulations and internal standard as well as to ensure the company's risk management including subsidiary company that is internal and external the country. In 2020, the Governance Committee is arranged totally 11 times, the meeting of April 2020 was refrained since the COVID-19 situation.

List of the Governance Committee

The Governance Committee member is latest reviewed on September 17, 2020, which comprises of 17 members as the name list following;

Name	Position
1. Mr. Tsutomu Omodera ¹	Vice Chairman of the Board and Managing Director
2. Mrs. Suporn Wattanavekin	Director
3. Mr. Nuntawat Chotvijit	Director
4. Mr. Kazumasa Oshima	Director and Chief of Financial Officer
5. Ms. Suriporn Thammavatid	Director
6. Ms. Supannee Asawasuan	Company Secretary and Senior Executive Vice President
7. Mrs. Chittiporn Inoue ²	Senior Executive Vice President
8. Ms. Ryoko Yaoi ³	Senior Executive Vice President
9. Ms. Witchasorn Suwannakindra	Senior Executive Vice President
10. Mr. Somsak Hempiam	Senior Executive Vice President
11. Mr. Junichi Iwakami	Senior Executive Vice President
12. Mr. Manavudhi Mingvanich	Senior Executive Vice President
13. Mr. Tawatchai Peechapat	Senior Executive Vice President
14. Mr. Junji Noda	Executive Vice President
15. Ms. Gritsila Kommongkol	Executive Vice President
16. Mr. Amorn Jirachaiprasitti	Executive Vice President
17. Ms. Nadanong Chompong	Executive Vice President
18. Mr. Siraphop Chaisaharuek	Executive Vice President

Note : ¹Mr. Tsutomu Omodera was appointed to be Vice Chairman of the Board and Managing Director on June 24,2020

²Mrs. Chittiporn Inoue was appointed to be Senior Executive Vice President on August 27,2020

³Ms. Ryoko Yaoi has resigned from the Senior Executive Vice President of Contact Center Department with effect on September 20, 2020.

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 FY2020, the Company held the meetings for the Executive Committee at totally 21 times.

List of the Executive Committee

As of February 28, 2021, the Company has totaled 5 executive directors, whose names are as listed below;

Name	Position
1. Mr. Tsutomu Omodera ¹	Vice Chairman of the Board and Managing Director
2. Mrs. Suporn Wattanavekin	Director
3. Mr. Nuntawat Chotvijit	Director
4. Ms. Suriporn Thammavatid	Director
5. Mr. Kazumasa Oshima	Director

Note : ¹Mr. Tsutomu Omodera was appointed to be Vice Chairman of the Board and Managing Director on June 24, 2020

4) Information on Executive

Management Executive

As of February 28, 2021, the Company has totaling 12 executive officers, whose names are listed below. Details of management shown in attachment 1:

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

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

- ¹Mr. Tsutomu Omodera was appointed to be Vice Chairman of the Board and Managing Director on June 24,2020
- ²Mrs. Chittiporn Inoue was appointed as the Senior Executive Vice President of Contact Center Department with effect from August 27, 2020 onwards.
- Details of managements shown in attachment#1

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 FY2020, the Company has totaling 14 directors and 12 executive officers, of which 5 executive officers are the Company's directors. Monetary remuneration of the Board of directors at the end of FY2020 from March 1, 2020 to February 28, 2021 as below.

Types of Remuneration	Remuneration of Directors and Executive Officers (Million Baht)	
	FY2019	FY2020
Number of the Board of Directors ¹	14	14
Number of Executives ²	13	13
Salary and other incentives for executive officers	69.50	62.33
Directors Remuneration ³	24.24	26.79
Contribution added into provident fund	4.06	4.24
Long-term management remuneration ⁴	3.72	3.50
Total	101.52	96.86

Note:

¹ Included resigning Directors and Executives during year in the amount of 2 person.

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

³ Directors Remuneration of 26.79 million baht is recognised accrual expenses which is in accordance with the Note 31 to the financial statements which has been audited by the auditor.

⁴ 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.

Other remuneration

- None -

5) Information on Employees

Employees

As of February 28, 2021, the Company had 4,571 employees in total, which was disable person 41 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	3,191
Branches in Bangkok	196
Branches in upcountry	646
Service Counter-Bangkok	151
Service Counter in upcountry	387
Total	4,571

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

	Types of Working field	Number of Employees (person)
1	Marketing, Credit Control, Collection, Contact Center Department	2,757
2	Accounting, MIS, Administration, Internal Audit, CCL, Legal and Corporate Planning Office	434
	Total	3,191

As of February 28, 2021, the employees of a subsidiaries company as follow;

Subsidiary Company	Number of Employees (person)
AEON Insurance Service (Thailand) Co.,Ltd	195
ACS Servicing (Thailand) Co.,Ltd	1,035
AEON Specialized Bank (Cambodia) PLC	964
AEON Microfinance (Myanmar) Co.,Ltd	404
AEON Leasing Service (Lao) Co.,Ltd	128
Total	2,932

Change in Number of Employee

The number of the Company's employee in the fiscal year 2020 decreased 16.6% comparing with the previous year.

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

The total remuneration for all employees

In 2020, a total remuneration for 4,571 employees of the Company was 1,840.84 million baht which composing of Salaries, Bonuses, Overtime, Operating Expense, and etc. as followed;

Type of Remuneration	FY2018 (MB)	FY2019 (MB)	FY2020 (MB)
Salaries	1,183.93	1,271.76	1,240.26
Bonuses	295.24	266.20	183.78
Overtime	110.95	113.43	9.33
Operating Expenses ¹	569.19	544.10	407.47
Total remuneration	2,159.31	2,195.49	1,840.84

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

Policy for Employee Development

Human Resource Development

During to COVID 19 situation, for safety & security reasons of our employees, training courses in FY 2020 have been adjusted in order to continuously develop skills and capabilities under the situation. Aiming to develop employees to take the initiative from the customer's point of view and continue to create value, during past year, company's learning & development plan was focusing on online training.

In Fiscal Year 2020, company provided various trainings to our employees in which mainly on Online Learning system, number of online courses conducted increased 86% compared to 2019. 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 17 courses 101 hours.

2. Legal & Business-related 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 under Government's regulation towards Thai Financial Institution and Financial Business Group.

- “Anti-Money Laundering and Counter Financial Terrorism and Weapon Mass Destruction”
- “Market Conduct”
- “Laws related to the New Normal”
- “Personal Data Protection Act B.E. 2562”
- “AEON People Training”

3. Special Course

The course focused on promoting self-development approach aimed at personal growth and skills enhancement via E-Learning and Hybrid Learning. This past year, company provided 6 courses, 35 hours.

4. Performance Assessment

Company has enhanced assessment process by collaborating with Chulalongkorn University to redesign Company Test for assessing knowledge, skills and potential of employees, for Learning and Development Plan and Promotion in particular. In Fiscal Year 2020, total number of employees assessed was 170 people via online and offline.

Based on our believe that human resource is the valuable asset of a Company, AEON Thana Sinsap has been improving our training, as it plays an important role, to develop employees to take the initiative from the customer's point of view and continue to create value.

Compensation and Benefits Employee

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

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

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

Kaizen 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 are to improve working methods and implement it to achieve the goals. Therefore, creative working environment has been built to facilitate the effective and efficient operations

6) Others significant Information

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

Currently, 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

Currently, a person who is assigned direct responsibility for overseeing bookkeeping duties is Mr. Sittipong Kanaraksanti, Chief of Accountant. (See more details in Attachment#1)

The Head of the Compliance

The Head of the compliance unit is Mr. Junji Noda, 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 Supannee Asawasawan, 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' Remunerations

For the Fiscal Year 2020 ended February 28, 2021, the Company appointed three auditors from Deloitte Touche Tohmatsu Jaiyos Audit Company Limited. Deloitte Touche Tohmatsu Jaiyos Audit Company limited and the auditors proposed as auditor of the Company and subsidiaries have no relationship or any interest with the Company or subsidiaries, executives, major shareholders, or related persons, in the way impact their performing task independently. Moreover, Deloitte Touche Tohmatsu Jaiyos Audit Company Limited is the auditor of, the subsidiaries of the Company in Thailand, AEON Insurance Service (Thailand) Co.,Ltd, ACS Servicing (Thailand) Co.,Ltd. and ATS Rabbit Special Purpose Vehicle Co., Ltd., the 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 for the Fiscal Year 2020 ended February 28, 2021 are as follows:

1. Audit fee

In Fiscal Year 2020, the Company paid 5,700,000 Baht for its audit fee and 2,000,000 Baht for its subsidiaries' audit fee.

2. Non-Audit Fee

In the Fiscal Year 2020 ended February 28, 2021, the Company and subsidiaries had non-audit services fee paid to Deloitte Touche Tohmatsu Jaiyos Audit Company Limited totaling 1,850,000 Baht, comprising 1.75 Million Baht for J-SOX (Japanese version of Sarbanes-Oxley) and 0.1 Million Baht for subsidiaries' package.

8

Report on key operating results on corporate governance

1. Summary of duty performance of the Board of Directors in the past year

In 2020, the Board of Director Committee Meeting were held 12 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.

Development for the Directors

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

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 2020, directors attended training courses/seminars as follows:

Name	Training course/Seminar
1. Mr. Hideki Wakabayashi	- AFS Group Director and Management Training Programme 2020
2. Mr. Tsutomu Omodera	- AFS Group Director and Management Training Programme 2020
3. Mrs. Suporn Wattanavekin	- Director Diploma Examination / IOD - Director Certification Program (DCP) / IOD - Capital Market Academy Greater Mekong Subregion Program - Ultra Wealth - AFS Group Director and Management Training Programme 2020 - Advance Master of Management Program
4. Mr. Nuntawat Chotvijit	- AFS Group Director and Management Training Programme 2020
5. Ms. Suriporn Thammawatid	- AFS Group Director and Management Training Programme 2020
6. Mr. Kazumasa Oshima	- AFS Group Director and Management Training Programme 2020 - Business Analyst through Financial Statements / Federation of Accounting Professions - TLCA CFO Professional Development Program 2020 / Thai Listed Companies Association - TFRS version 2019 & 2020: Practical Implication / Deloitte Touche Tohmatsu Jaiyos Co., Ltd. - E-Learning CFO's Refresh Course/ The Stock Exchange of Thailand
7. Mr. Kenji Fujita	- AFS Group Director and Management Training Programme 2020
8. Mr. Masanori Kosaka	- AFS Group Director and Management Training Programme 2020
9. Mr. Noppun Muangkote	- Director Accreditation Programme (DAP)/IOD
10. Dr. Mongkon Laoworapong	- Director Accreditation Program (DAP) / IOD - Director Certification Program (DCP) / IOD - Audit Committee Program (ACP) / IOD - Monitoring the Internal Audit Function (MIA)/ IOD - Successful Formulation & Execution of Strategy (SFE) / IOD

Name	Training course/Seminar
	<ul style="list-style-type: none"> - How to Measure the Success of Corporate Strategy (HMS) / IOD - Chartered Director Class (CDC) / IOD - Boardroom Success through Financing and Investment (BFI) / IOD - Thai Standard on Auditing - Thai Financial Reporting Standard - Internal Control and Internal Audit - Thai Standard on Auditing - Thai Financial Reporting Standard
11. Dr. Sucharit Koontanakoolavong	<ul style="list-style-type: none"> - Director Certification Program (DCP) / IOD - Independent Director Forum 2017 Update COSO Enterprise - Risk Management: Integrating with Strategy and Performance/ Thai Institute of Directors

The Board of Directors' Self Assessment

The Company has annual assessment for the Board of Directors in order to evaluate the performance of the Board of Directors by reviewing performance as well as obstacles facing each director and also defining the guidelines to improve and increase operational effectiveness of the Board. Furthermore, the parent company in Japan also arranged the assessment of the managing director and executive directors' performance which evaluate each individual and overall performance. In addition, the Company also has the Personnel Management Committee which comprises managing director and executive directors that shall conduct performance evaluation of all management and determine the remuneration results on the yearly base.

Remuneration

The Company defines the remuneration by taking into consideration the appropriateness of remuneration for the Board of Directors and the Committee. Such remuneration is also considered and approved by the shareholders' meeting. (The details of remuneration are in Remuneration of each director in the last year part).

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

Nomination of the Independent Director

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

1. Hold no more than 1 percent of the total number of shares with voting rights of the Company, the parent company, a subsidiary company, an associated company, a major shareholder or a controlling person of the Company. This is 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. (Please see the names and details of independent directors' in qualification part)

Roles, Duties and Responsibilities of the 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.

Nomination of the Directors

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

The Board of Directors shall operate the business of the Company under the control of the general meeting of shareholders and the articles of association of the Company. The procedure for the appointment of directors can be summarized as follows:

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

The Chairman of the Board is the representative of the AEON Financial Service, Japan, which held the Company's shares of 54.32% and he is not the Managing Director of the Company. Both of them are the representatives from the same major shareholders. In order to balance the power of management, the Company's board structure also consists of 5 independent directors which are not less than one - third of total board members

Key executives selection

The responsibilities for recruiting and selecting executives 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.

Summary of the Board of Directors' and Sub-Committees' Meeting Attendance in 2020

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. For any agenda items required the meeting resolution, the number of attending Board members need to be at least two-third of total Board members. The secretary of the Board of Directors will distribute the meeting invitation 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 2020, the Company held the Board of Directors meeting a monthly basis in totaled 12 meetings. The summarized of the Board of Directors' average attendance was 75 % at the end of Fiscal Year 2020, 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. Hideki Wakabayashi	12/12	0/0	-	-
2. Tsutomu Omodera ¹	9/9	0/0	-	15/15
3. Mrs. Suporn Wattanavekin	12/12	0/0	-	21/21
4. Mr. Nuntawat Chotvijit	12/12	0/0	-	21/21
5. Ms. Suriporn Thammawatid	12/12	0/0	-	21/21
6. Mr. Kazumasa Oshima	12/12	0/0	-	21/21
7. Mr. Chatchaval Jiaravanon	10/12	0/0	-	-
8. Mr. Kenji Fujita	11/12	0/0	-	6/6
9. Mr. Masanori Kosaka	12/12	0/0	-	8/8
10. Mr. Noppun Muangkote	12/12	0/0	10/10	-
11. Dr. Sucharit Koontanakulvong	12/12	0/0	10/10	-
12. Dr. Mongkon Laoworapong	12/12	0/0	10/10	-
13. Mr. Kenji Hayashi	12/12	0/0	-	-
14. Mr. Ryuichi Hasuo ²	9/9	0/0	-	-

Note : 1 Mr. Tsutomu Omodera was appointed to be Vice Chairman of the Board and Managing Director on June 24, 2020

2 Mr. Ryuichi Hasuo was appointed to be Independent Director on June 24, 2020

The summarized of the Board of Directors' average attendance was 98% at the end of Fiscal Year 2020.

Summary of the Annual General Meeting and Extraordinary General Meeting of Board of Directors and Sub-Committees' Meeting Attendance in 2020

Due to the outbreak of the Coronavirus (COVID-19) situation and the company was aware of the shareholders' health and preventing the spread of virus, the 2020 Annual General Meeting of the Company was held on June 24, 2020 in form of electronic meeting (E-AGM).

The Board of Directors of all 14 members attended the 2020 Annual General Meeting and no extraordinary meeting was held in this year.

Remuneration of each director in the last year

As of February 28, 2021, directors' remuneration can be summarized as follows:

Name	Position	Retainer Fee	Bonus⁵	Total Remuneration
1. Mr. Hideki Wakabayashi ¹	Chairman of the Board of Directors	-	-	-
2. Mr. Tsutomu Omodera ^{2,3}	Vice Chairman of the Board and Managing Director	-	-	-
3. Mrs. Suporn Wattanavekin ²	Director	-	1,872,000.00	1,872,000.00
4. Mr. Nuntawat Chotvijit ²	Director	-	1,602,000.00	1,602,000.00
5. Ms. Suriporn Thammavatid ²	Director	-	1,150,000.00	1,150,000.00
6. Mr. Kazumasa Oshima ²	Director	-	1,100,000.00	1,100,000.00
7. Mr. Chatchaval Jiaravanon	Director	1,674,000.00	728,000.00	2,402,000.00
8. Mr. Kenji Fujita ⁵	Director	-	2,970,000.00	2,970,000.00
9. Mr. Masanori Kosaka	Director	-	507,900.00	507,900.00
10. Mr. Noppun Muangkote	Independent Director and Chairman of Audit Committee	1,935,000.00	728,000.00	2,663,000.00
11. Dr. Sucharit Koontanakulvong	Independent Director and Audit Committee Member	1,674,000.00	624,000.00	2,298,000.00
12. Dr. Mongkon Laoworapong	Independent Director and Audit Committee Member	1,413,000.00	624,000.00	2,037,000.00
13. Mr. Kenji Hayashi	Independent Director	1,413,000.00	624,000.00	2,037,000.00
14. Ryuichi Hasuo ⁴	Independent Director	979,766.67	-	979,766.67
Total		9,088,766.67	12,529,900.00	21,618,666.67

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

²Executive directors

³Mr. Tsutomu Omodera was appointed to be Vice Chairman of the Board and Managing Director on June 24, 2020

⁴Mr. Ryuichi Hasuo was appointed to be Independent Director on June 24, 2020

⁵Mr. Kenji Fujita resigned from the Managing Director on June 24, 2020

⁶Director's Bonus calculated from the Company's performance in the fiscal year 2019

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.

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.

2. Prevention of conflicts of interest

The Company requires information disclosure to prevent conflicts of interest and illegal, improper activities by providing a report on interest of directors, executives and related persons and send the report to the Chairman and Chairman of the Audit Committee by notifying within 3 months after appointment.

3. Whistle Blowing

The Company has more focus on the Good Corporate Governance by defining the policy as the major priority which all Managements and staffs must strictly conduct. The Company keeps providing many courses of Code of Conduct program to all staffs in the Group per year.

In addition, the company has ensured the establishment of channels for complaints and whistleblowing through all stakeholders. The details was disclosed "Channel for Complaints and Whistleblower Protection"

4. 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 29, 2020	+ / (-)	February 28, 2021
1. Mr. Hideki Wakabayashi Spouse and minor children	Chairman of the Board -	- -	- -	- -
2. Mr. Tsutomu Omodera ¹ 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 Thammavatid Spouse and minor children	Director -	- -	- -	- -
6. Mr. Kazumasa Oshima Spouse and minor children	Director -	- -	- -	- -
7. Mr. Chatchaval Jiaravanon Spouse and minor children	Director -	14,700,000 -	- -	14,700,000 -
8. Mr. Kenji Fujita Spouse and minor children	Director -	- -	- -	- -
9. Mr. Masanori Kosaka Spouse and minor children	Director -	100,000 -	- -	100,000 -
10. Mr. Noppun Muangkote Spouse and minor children	Independent Director and Chairman of Audit Committee -	- -	- -	- -
11. Dr. Sucharit Koontanakulvong	Independent Director and Audit Committee Member	-	-	-

Name - Surname	Position	No. of Common Share held (shares)		
		February 29, 2020	+ / (-)	February 28, 2021
Spouse and minor children	-	-	-	-
12. Dr. Mongkon Laoworapong	Independent Director and Audit Committee Member	-	-	-
Spouse and minor children	-	-	-	-
13. Mr. Kenji Hayashi	Independent Director	-	-	-
Spouse and minor children	-	-	-	-
14. Mr. Ryuichi Hasuo ²	Independent Director	-	-	-
Spouse and minor children	-	-	-	-

Note - Based on the information according to the report of interest of directors and management as of February 28, 2021

¹Mr. Tsutomu Omodera was appointed to be Vice Chairman of the Board and Managing Director on June 24,2020

²Mr. Ryuichi Hasuo was appointed to be Independent Director on June 24,2020

Report on Changing Securities holdings of Board of Directors and Management (Continued)

At the end of Fiscal Year 2020, directors and management's shareholding in the Company are as follows;

Name - Surname	Position	No. of Common Share held (shares)		
		February 29, 2020	+ / (-)	February 28, 2021
1. Ms. Supannee Asawasuwan Spouse and minor children	Company Secretary and SEVP - Corporate Planning Office -	6,200 -	- -	6,200 -
2. Ms. Ryoko Yaoi ¹ Spouse and minor children	SEVP - Contact Center -	- -	- -	- -
3. Mr. Witchasorn Suwannakindra Spouse and minor children	SEVP - Business Control Management -	200 -	- -	200 -
4. Mr. Junichi Iwakami Spouse and minor children	SEVP - I.T. and System -	- -	- -	- -
5. Mr. Manavudhi Mingvanich Spouse and minor children	SEVP - System Development -	- -	- -	- -
6. Mr. Tawatchai Peechapat Spouse and minor children	SEVP - I.T. -	- -	- -	- -
7. Mr. Somsak Hempiam Spouse and minor children	SEVP - Auto Finance -	- -	- -	- -
8. Mr. Sittipong Kanaraksanti Spouse and minor children	Chief of Accountant -	- -	- -	- -
9. Mrs. Chittiporn Inoue ² Spouse and minor children	SEVP - Contact Center Department -	- -	- -	- -

Note - Based on the information according to the report of interest of directors and management as of February 28, 2021

¹Ms. Ryoko Yaoi has resigned from the Senior Executive Vice President of Contact Center Department with effect on September 20, 2020.

²Mrs. Chittiporn Inoue was appointed as the Senior Executive Vice President of Contact Center Department with effect from August 27, 2020 onwards.

2 Report on the results of duty performance of the Audit Committee in the past year

The Board of Directors appointed the Audit Environmental Social and Governance 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 2020, please see section 2 Corporate Governance Structure under the Summary of the Board of Directors' and Sub-Committees' Meeting Attendance in 2020

3 Summary of the results of duty performance of the Audit Committee

The Board of Directors appointed the Audit Environmental Social and Governance 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 of Sub-Committees.

The details of the Board of Directors' and Sub-committees' meeting attendance in 2020, please see section 2 Corporate Governance Structure under the Summary of the Board of Directors' and Sub-Committees' Meeting Attendance in 2020

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Internal control and related party transactions

1. Internal Control

In order to ensure that the Company is able to achieve goal and strategy, the Company has realized the significant on establishing the Company's operation system, which are able to support the appropriate internal control and corporate governance in accordance with strategies and organization's culture. Moreover, the Company has arranged the reporting process regarding that every transaction being approved by executive committee, shall be reported to the Board of Directors on a regular basis.

The Company has set the internal control for each process with consideration on appropriateness of internal control system as well as compliance to the laws and relevant regulations. Furthermore, "Three Lines Model" has been implements as delegation of each unit's responsibilities. The First Line of Defense is mean to all operation units, while the various risk control and compliance oversight functions established by management are the second line of defense. Finally, Internal Audit unit would perform the assessment of internal control throughout the Company as the third lines of defense.

The Internal Audit Unit 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 COSO as follows;

1. Control Environment

The Company arranges "Control Environment" by promoting the knowledge on Code of Conduct and Ethic to all employee, which would be a practice to partners, customers and other external parties. Moreover, all employee is required to test the examination regarding to Code of Conduct in order to review their understanding on a regular basis.

Furthermore, the Company clearly determines the objectives either long term or short term for both unit level and organization level in order to assist the Company to evaluate their performance. The objectives are also in-lined with the Company's mission and vision. Besides, performance of each level will be evaluated according to aforementioned objectives on an annually basis.

The Company has Directors, who obtain experience, knowledge and ability in order to provide efficient management to the Company. There are 5 Independence Directors that 3 of them are Audit Committee member. Additionally, 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. Second Line and Third Line have roles and responsibilities to evaluate the appropriateness of internal control, including monitor the compliance of the First Line operation to the laws, regulation, policy and operation manual. Furthermore, segregation of duties has been clearly implemented regarding to approval process, recording of expenses and income, reviewing process, checking and maintaining fixed assets. Thus, this could build the check and balance system, embedded in the Company's operation. The Company also set the Internal Audit Department as the Third Line of Defense, which is independent from operation and management. The Internal Audit Department also directly report to the Audit Committee.

2. Risk Assessment

The Company realizes how significant of risk management, which would be affect to the achievement on objectives or goals. Each operation unit considers risks either from external or internal factors, then aforementioned risk assessment shall be proposed to the Risk Management Committee for co-consideration. Moreover, consideration on risks are categorized by type of their impact e.g., financial risk, operational risk, reputation risk, information technology security risk and so on.

Besides, the Company determines risk management measurement for every risk, with concerning on reducing impact of aforementioned risks to the risk acceptance level. 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. 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.

3. Control Activities

The Company has measurement on internal control either in writing or monitoring from independent units, which cover all company's operation. Measurement of internal control in writing is come in the form of Policy, Operation Manual and Work Flow. The Company also set the Second Lines of Defense, who monitor in matter of compliance to the relevant regulations and risk management. Additionally, the Third Lines of Defense is set to monitor the appropriateness of internal control over operations.

The Company recruits personnel in each unit in accordance with work quantity and appropriateness of internal control on all operations in order to ensure that the operations could efficiency perform regarding to business performance and good internal control.

Furthermore, Internal Audit Department monitors 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 sends 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.

4. Information Technology and Communication

The Company also focus on Information Technology and Communication, which are significant part to support business operation in the digital world. Additionally, information technology system could support internal control system and efficiency on monitoring the Company's business. Besides, the Company also concern regarding to security on information and quality of technology 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, thus the Company has organized the test regarding to "Business Continuity Management" on an annually basis.

Communication channels within organization is consisted of top at the top, which will indicate the Company's vision and mission as well as drive employee's idea into the same direction, including provide opportunity to employee to communicate with the top management. Moreover, the Company arranges Policy Meeting as one of communication channel that employee can inquiry and provide their opinion to 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

There is the auditing process to ensure that all units have operated in accordance with determined internal control system. 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.

Moreover, the Company has set the Control Self-Assessment for each branch that each branch requires to perform the assessment on a monthly basis. The result will be monitored by the Branch Operation Unit and Internal Audit Department.

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.

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 2020, the Internal Audit Department performed reviewing and assessing the internal control by reviewing operational and business processes of various departments at the Head Office, Branches and Operation centers in each region as well as its subsidiaries and affiliated companies. Furthermore, compliance audits pertaining to relevant laws and regulations which may relate to the Company, its subsidiaries and affiliated companies were also conducted.

The opinion of the audit committee on the internal control system

At the meeting of Audit committee Members on April 23, 2021, the Audit Committee meeting 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 2020.

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.

2 Related Party Transaction

Details of Related Party Transaction

The Fiscal Year ended on February 28, 2021, 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	<ol style="list-style-type: none"> 1. The Company provides management services to ACS with the fee charged as follows: <ul style="list-style-type: none"> • Computer service fee at the rate of 200,000 Baht per month, Finance and Accounting operation services fee charged at the rate of 97,000 Baht per month from March 2020 onwards and 50,000 Baht per month from January 2021 onwards. • Collection service fee and legal service fee Service fee as agreed at market price In FY2020, the Company has total revenue from service of 16,719,566 Baht, consist of Computer service 2,400,000 Baht, Finance and Accounting services 1,070,000 Baht, Outsource collection 912,309 Baht and Legal service 12,337,257 Baht. As of 28 February 2021, the Company has other receivable of 5,672,349 Baht and other payable of 3,870 Baht. 2. In FY2020, the Company had paid the interim dividend and final dividend to ACS totally 211,200,000 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 business	- 5.23% of shares held by the Company - Common ultimate holding company	<ol style="list-style-type: none"> 1. In 2020, the Company had expense with AEON of 17,667,119 Baht, consist of office rental of 3,746,670 Baht, advertising & promotion of 13,616,950 Baht and other expense of 303,499 Baht. As of February 28, 2021, the Company had other receivable of 24,498 Baht and other payable of 1,176,284 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
AEON Financial Service Co., Ltd. ("AEON Financial Service") Retail Finance	<ul style="list-style-type: none"> - A major shareholder of AEONTS, holding 35.12% of shares - common director: Mr. Hideki Wakabayashi Mr. Tsutomu Omodera 	<ol style="list-style-type: none"> 1. In 2020, the Company has the expense with AEON Finance Service of 136,777,864 Baht, consist of technical assistant fee of 131,212,398 Baht and personnel expense of 5,565,466 Baht. As of February 28, 2021, the Company has other receivable of 154,003 Baht, and other payable of 56,882,517 Baht and financial cost of 12,843,843 Baht. 2. In 2020, the Company has paid the interim dividend and final dividend to AEON Financial Service totally 386,320,000 Baht. 	<p>AEON Financial Service provides the technical assistant to the Company as AEON Financial Service needs to support other AEON Financial Service companies' group under the same direction. Therefore, they provide management support, staff, technical, marketing strategies and computer system for cost efficiency.</p> <p>AEON Financial Service has charged the technical assistance fee for all oversea listed companies in AEON Financial Service companies' group.</p> <p>The technical assistance fee is paid to AEON Financial Service as stated in the agreement. However, the value of transaction is unable to declare with any market price, the value of transaction is then determined on time consume basis among the oversea listed companies in AEON Financial Service companies' group and based on the cost plus basis.</p> <p>(Approved by the Board of Director's meeting on July 7, 2020)</p>
AEON Credit Service Co., Ltd. ("AEON Credit Service") Retail Finance	<ul style="list-style-type: none"> - Common ultimate holding company 	<ol style="list-style-type: none"> 1. In FY2020 the Company paid personnel expense to AEON Credit Service of 32,651,080 Baht. 2. As of February 28, 2021, the Company had other payable of 3,652,586 Baht. 	<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	<p>1. In FY2020, the Company paid personnel expense to AEON Bank of 17,871,118 Baht. As of February 28, 2021, the Company had other payables of 1,682,137 Baht.</p> <p>2. The Company had long term loan from AEON Bank. In FY2020, the Company had interest expense of 11,287,313 Baht. As of February 28, 2021, the Company had long term loan of 718,150,811 Baht.</p>	<p>AEON Bank provides the personnel support to the Company as AEON Financial Service needs to support other AEON Financial Service companies' group under the same direction. Therefore, they encourage AEON Bank to provide skilled personnel support to other AEON Financial Service companies' group.</p> <p>The value of transaction is determined on the actual cost occurred.</p> <p>The Company has long term loan from AEON Bank, which the Condition is based on general market interest rate and in the normal course of business.</p>
AEON Credit Service Systems (Philippines) Inc. ("AEON Philippines") System Development	- Common ultimate holding company	<p>1. In FY2020, the Company paid service fee in developing system of 843,476 Baht.</p> <p>2. As of February 28, 2021 the Company had other payables of 3,589,419 Baht.</p>	<p>The Company receives system development service from AEON Philippines for the same standard among affiliated companies under AEON Financial Service companies' group. The service agreement to develop system between the Company and AEON Philippines is also fair and comparable to the similar market price charged by other outsourcers which providing the same services.</p> <p>(Approved by the Board of Director's meeting on February 5, 2020)</p>

Note: - Revenues relating to securitization transactions are determined by the Company and the related company in accordance with securitization project (see Notes to Financial Statements No.30 and 35)

- 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.

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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, 2021, 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, 2021, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

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

Emphasis of Matter

We draw attention to following Note 3.2 and Note 3.6 to the financial statements, AEON Thana Sinsap (Thailand) Public Company Limited and its subsidiaries have adopted the new accounting policies regarding the financial instruments which is in accordance with group of Financial Instruments Standards and Thai Financial Reporting Standard No. 16 “Leases”, and recognized the cumulative effect of initially applying such Standards as an adjustment to the beginning balance of retained earnings and other component of shareholders’ equity as at March 1, 2020, which are presented in the aforementioned notes to the financial statements, to be in accordance with the new accounting policies. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Key Audit Matters	Audit Responses
<p>Allowance for expected credit loss</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>Starting from January 1, 2020, the Group and the Company have adopted 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.</p> <p>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"> Assessed the adjustments made to the opening balances on January 1, 2020, resulted from the initial application of TFRS 9 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. Determining 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 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

Key Audit Matters	Audit Responses
<p>Allowance for expected credit loss (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"> • 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 • 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 • 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 • Evaluating 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 • Tested calculation of allowance for expected credit loss for a sample of models. • 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.

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.

Nisakorn Songmanee
Certified Public Accountant (Thailand)

Registration No. 5035

BANGKOK

April 27, 2021

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, 2021					
				UNIT : THOUSAND BAHT	
	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4.1	5,105,168	4,993,557	3,157,192	3,462,432
Trade and other current receivables					
Trade receivables	5	73,525,984	81,307,074	69,057,533	78,306,046
Other receivables	6	826,607	942,044	672,233	833,052
Seller loan in Special Purpose Vehicle for securitization	11	-	-	219,626	235,074
Receivables per currency swap contracts	21	-	151,056	-	151,056
Other current assets		103,068	75,641	45,098	39,028
Total Current Assets		79,560,827	87,469,372	73,151,682	83,026,688
NON-CURRENT ASSETS					
Trade receivables	5	2,313,359	4,962,730	1,776,888	2,085,728
Fixed deposits at banks under obligations	7	38,968	39,283	-	-
Long-term loan to a subsidiary	8	-	-	119,494	125,858
Investment in an associate	9.1 and 9.2	-	25,431	-	16,819
Investments in subsidiaries	9.2	-	-	1,206,645	1,206,645
Investment in equity securities designated at fair value through profit or loss	10.1	5,062	-	5,062	-
Long-term investments in related companies	10.2	-	19,072	-	19,072
Subordinated lendings	12.1	-	-	84,074	84,074
Leasehold improvement and equipment	13	793,455	885,495	643,783	725,045
Right-of-use assets	14	665,748	-	536,182	-
Intangible assets other than goodwill	15	696,556	646,481	530,380	511,377
Receivables per currency swap contracts	21	-	210,072	-	210,072
Deferred tax assets	16	3,122,541	926,002	3,023,235	896,851
Other non-current assets	17	191,986	211,673	173,279	181,773
Total Non-current Assets		7,827,675	7,926,239	8,099,022	6,063,314
TOTAL ASSETS		87,388,502	95,395,611	81,250,704	89,090,002

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES					
STATEMENT OF FINANCIAL POSITION (CONTINUED)					
AS AT FEBRUARY 28, 2021					
					UNIT : THOUSAND BAHT
	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		February 28,	February 29,	February 28,	February 29,
		2021	2020	2021	2020
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term borrowings					
from financial institutions	18	10,379,071	7,211,233	7,860,000	3,400,056
Trade and other current payables					
Trade payables		556,154	522,088	413,004	371,514
Other payables	19	1,384,259	1,690,368	1,266,934	1,568,907
Current portion of long-term liabilities					
Long-term borrowings	21	3,839,423	11,445,597	3,839,423	10,960,296
Long-term debentures	23	3,156,040	7,298,784	3,156,040	7,298,784
Derivative liabilities	24	1,287,130	-	1,287,130	-
Lease liabilities	20	453,755	-	384,411	-
Current income tax payable		629,183	655,977	558,537	587,564
Payables per currency swap contracts	21 and 23	-	526,253	-	526,253
Other current liabilities		332,850	256,469	359,400	301,981
Total Current Liabilities		22,017,865	29,606,769	19,124,879	25,015,355
NON-CURRENT LIABILITIES					
Long-term borrowings	21	38,982,198	33,814,014	36,807,309	33,116,395
Long-term borrowings under securitization project	22	-	-	1,489,622	1,662,552
Long-term debentures	23	6,269,361	9,489,182	4,796,279	8,016,100
Derivative liabilities	24	1,858,375	-	1,858,375	-
Lease liabilities	20	235,874	-	174,184	-
Payables per currency swap contracts	21 and 23	-	867,341	-	867,341
Subordinated borrowings	12.2	84,074	84,074	-	-
Provisions for employee benefit	25	478,346	393,419	431,606	352,594
Other non-current liabilities		82,745	15,665	70,039	291
Total Non-current Liabilities		47,990,973	44,663,695	45,627,414	44,015,273
TOTAL LIABILITIES		70,008,838	74,270,464	64,752,293	69,030,628

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES					
STATEMENT OF FINANCIAL POSITION (CONTINUED)					
AS AT FEBRUARY 28, 2021					
	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		February 28,	February 29,	February 28,	February 29,
		2021	2020	2021	2020
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)					
SHAREHOLDERS' EQUITY	26				
SHARE CAPITAL					
Authorized share capital					
250,000,000 ordinary shares of Baht 1 each		250,000	250,000	250,000	250,000
Issued and paid-up share capital					
250,000,000 ordinary shares of Baht 1 each,					
fully paid		250,000	250,000	250,000	250,000
SHARE PREMIUM ON ORDINARY SHARES		478,000	478,000	478,000	478,000
RETAINED EARNINGS					
Appropriated					
Legal reserve	27	25,000	25,000	25,000	25,000
Reserve for business expansion		4,850,000	4,850,000	4,850,000	4,850,000
Unappropriated		12,471,581	15,302,773	11,790,986	14,456,374
OTHER COMPONENTS OF SHAREHOLDERS' EQUITY	29				
Exchange differences on translating					
financial statements of foreign operations		(121,225)	(177,795)	-	-
Cumulative loss on cash flow hedges		(895,575)	-	(895,575)	-
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		17,057,781	20,727,978	16,498,411	20,059,374
NON-CONTROLLING INTERESTS		321,883	397,169	-	-
TOTAL SHAREHOLDERS' EQUITY		17,379,664	21,125,147	16,498,411	20,059,374
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		87,388,502	95,395,611	81,250,704	89,090,002

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES					
STATEMENT OF PROFIT OR LOSS					
FOR THE YEAR ENDED FEBRUARY 28, 2021					
					UNIT : THOUSAND BAHT
		Notes	CONSOLIDATED		SEPARATE
			FINANCIAL STATEMENTS		FINANCIAL STATEMENTS
			For the years ended		For the years ended
			February 28,	February 29,	February 28, February 29,
			2021	2020	2021 2020
REVENUES					
Credit card income			6,451,389	7,528,918	6,686,090 7,821,814
Loan income	30		11,121,325	12,065,440	10,635,684 11,576,150
Hire-purchase income			1,014,306	754,005	307,083 170,422
Other income					
Bad debt recovery			1,229,668	1,038,355	1,229,668 1,038,355
Gain on sale of written-off receivables	41.4 and 41.5		249,699	577,133	249,699 577,133
Collection service income			245,827	267,670	772 1,125
Commission income			510,225	531,266	- -
Dividend income			-	-	218,800 264,180
Others			479,463	538,165	127,061 152,963
Total other income			2,714,882	2,952,589	1,826,000 2,033,756
Total Revenues			21,301,902	23,300,952	19,454,857 21,602,142
EXPENSES					
Operating and administrative expenses			8,143,639	9,091,228	7,079,068 8,056,550
Directors and managements' remuneration	31		159,049	171,906	96,855 101,516
Loss on revaluation of investment			14,009	-	14,009 -
Loss on impairment of investment	9.2		-	-	16,819 -
Loss on sale of investment			-	539	- 539
Loss on sale and write-off of leasehold improvement and equipment			6,802	25,393	6,780 24,866
Total Expenses	33		8,323,499	9,289,066	7,213,531 8,183,471
Finance costs			2,096,253	2,209,172	2,111,178 2,354,969
Expected credit loss			6,209,605	-	5,442,340 -
Bad debts and doubtful accounts	5.4		-	6,646,262	- 6,352,815
Share of loss of an associate using equity method	9.1		25,431	12,665	- -
PROFIT BEFORE INCOME TAX			4,647,114	5,143,787	4,687,808 4,710,887
INCOME TAX EXPENSE	34		967,080	1,023,556	876,858 866,138
PROFIT FOR THE YEAR			3,680,034	4,120,231	3,810,950 3,844,749
PROFIT (LOSS) ATTRIBUTABLE TO :					
Owners of the parent			3,689,643	3,975,357	3,810,950 3,844,749
Non-controlling interests			(9,609)	144,874	- -
			3,680,034	4,120,231	3,810,950 3,844,749
BASIC EARNINGS PER SHARE		BAHT	14.76	15.90	15.24 15.38
WEIGHTED AVERAGE NUMBER OF					
ORDINARY SHARES		SHARES	250,000,000	250,000,000	250,000,000 250,000,000

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, 2021					
					UNIT : THOUSAND BAHT
		NOTES		CONSOLIDATED	
		FINANCIAL STATEMENTS		SEPARATE	
		For the years ended		For the years ended	
		February 28,	February 29,	February 28,	February 29,
		2021	2020	2021	2020
Profit for the year		3,680,034	4,120,231	3,810,950	3,844,749
Other comprehensive income (loss), 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	29	56,570	(54,717)	-	-
- Non-controlling interests		1,385	(40,235)	-	-
Gain on cash flow hedges	29	451,273	-	451,273	-
Components of other comprehensive income that					
will not be reclassified to profit or loss					
Loss on remeasurements of defined benefit plans		(21,857)	(46,594)	(22,530)	(43,656)
Other comprehensive income (loss) for the year, net of tax		487,371	(141,546)	428,743	(43,656)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		4,167,405	3,978,685	4,239,693	3,801,093
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO :					
Owners of the parent		4,175,629	3,874,046	4,239,693	3,801,093
Non-controlling interests		(8,224)	104,639	-	-
		4,167,405	3,978,685	4,239,693	3,801,093

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED FEBRUARY 28, 2021

UNIT : THOUSAND BAHT

Notes	CONSOLIDATED FINANCIAL STATEMENTS										Non-controlling interests	Total shareholders' equity		
	Owners of the parent						Total owners of the parent							
	Issued and paid-up share capital		Share premium on ordinary shares		Retained earnings			Other components of shareholders' equity						
	share capital	shares	Legal reserve	Reserve for business expansion	Unappropriated	Exchange differences on translating financial statements	Cumulative loss on cash flow hedges of foreign operations							
Beginning balance as at March 1, 2019	250,000	478,000	25,000	4,850,000	12,574,005	(123,078)	-	18,053,927	334,436	18,388,363				
Changes during the year														
Dividend paid	26.1	-	-	-	-	(587,497)	-	-	(587,497)	(41,906)	(629,403)			
Interim dividend paid	26.2	-	-	-	-	(612,498)	-	-	(612,498)	-	(612,498)			
Profit for the year		-	-	-	-	3,975,357	-	-	3,975,357	144,874	4,120,231			
Other comprehensive loss		-	-	-	-	(46,594)	(54,717)	-	(101,311)	(40,235)	(141,546)			
Ending balance as at February 29, 2020	250,000	478,000	25,000	4,850,000	15,302,773	(177,795)	-	20,727,978	397,169	21,125,147				
Beginning balance as at March 1, 2020 as previously reported	250,000	478,000	25,000	4,850,000	15,302,773	(177,795)	-	20,727,978	397,169	21,125,147				
Impacts from the adoption of TFRS 9 and TFRS 16	2.6	-	-	-	-	(5,398,985)	-	(1,346,848)	(6,745,833)	(42,668)	(6,788,501)			
Beginning balance as at March 1, 2020 after adjustment	250,000	478,000	25,000	4,850,000	9,903,788	(177,795)	(1,346,848)	13,982,145	354,501	14,336,646				
Changes during the year														
Dividend paid	26.3	-	-	-	-	(637,495)	-	-	(637,495)	(24,394)	(661,889)			
Interim dividend paid	26.4	-	-	-	-	(462,498)	-	-	(462,498)	-	(462,498)			
Profit (loss) for the year		-	-	-	-	3,689,643	-	-	3,689,643	(9,609)	3,680,034			
Other comprehensive income (loss)		-	-	-	-	(21,857)	56,570	451,273	485,986	1,385	487,371			
Ending balance as at February 28, 2021	250,000	478,000	25,000	4,850,000	12,471,581	(121,225)	(895,575)	17,057,781	321,883	17,379,664				

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES								
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)								
FOR THE YEAR ENDED FEBRUARY 28, 2021								
UNIT : THOUSAND BAHT								
Notes	SEPARATE FINANCIAL STATEMENTS							
	Issued and	Share premium	Retained earnings			Other components of	Total	
	paid-up	on ordinary	Appropriated		Unappropriated	shareholders' equity	shareholders'	
	share capital	shares	Legal reserve	Reserve for business	expansion	Cumulative loss on cash flow hedges	equity	
Beginning balance as at March 1, 2019		250,000	478,000	25,000	4,850,000	11,855,276	-	17,458,276
Changes during the year								
Dividend paid	26.1	-	-	-	-	(587,497)	-	(587,497)
Interim dividend paid	26.2	-	-	-	-	(612,498)	-	(612,498)
Profit for the year		-	-	-	-	3,844,749	-	3,844,749
Other comprehensive loss		-	-	-	-	(43,656)	-	(43,656)
Ending balance as at February 29, 2020		<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>14,456,374</u>	<u>-</u>	<u>20,059,374</u>
Beginning balance as at March 1, 2020 as previously reported		250,000	478,000	25,000	4,850,000	14,456,374	-	20,059,374
Impacts from the adoption of TFRS 9 and TFRS 16	2.6	-	-	-	-	(5,353,815)	(1,346,848)	(6,700,663)
Beginning balance as at March 1, 2020 after adjustment		250,000	478,000	25,000	4,850,000	9,102,559	(1,346,848)	13,358,711
Changes during the year								
Dividend paid	26.3	-	-	-	-	(637,495)	-	(637,495)
Interim dividend paid	26.4	-	-	-	-	(462,498)	-	(462,498)
Profit for the year		-	-	-	-	3,810,950	-	3,810,950
Other comprehensive income (loss)		-	-	-	-	(22,530)	451,273	428,743
Ending balance as at February 28, 2021		<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>11,790,986</u>	<u>(895,575)</u>	<u>16,498,411</u>

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES					
STATEMENT OF CASH FLOWS					
FOR THE YEAR ENDED FEBRUARY 28, 2021					
UNIT : THOUSAND BAHT					
		Notes	CONSOLIDATED		SEPARATE
			FINANCIAL STATEMENTS		FINANCIAL STATEMENTS
			For the years ended		For the years ended
			February 28, 2021	February 29, 2020	February 28, 2021
					February 29, 2020
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before income tax			4,647,114	5,143,787	4,687,808
Adjustments for:					4,710,887
Share of loss of an associate using equity method			25,431	12,665	-
Expected credit loss			6,209,605	-	5,442,340
Bad debts and doubtful accounts			-	6,646,262	-
Loss on revaluation of investment			14,009	-	14,009
Loss on impairment of investment			-	-	16,819
Loss on sale of investment			-	539	-
Depreciation of leasehold improvement and equipment and right-of-use assets			940,360	373,519	785,823
Amortization of intangible assets other than goodwill			182,510	175,051	142,890
Loss on sale of leasehold improvement and equipment			5,690	5,005	6,041
Loss on write-off of leasehold improvement and equipment			1,112	658	739
Loss on write-off of intangible assets			-	19,730	-
Employee benefit expense			113,546	66,635	95,995
Gain on sales of written-off receivables			(249,699)	(577,133)	(249,699)
Unrealized (gain) loss on exchange rate			-	-	6,364
Gain on discount received from lease agreements			(1,184)	-	(1,184)
(Gain) loss on cancellation of lease agreements			(3,491)	-	1,832
Interest income			(13,315,045)	(13,497,307)	(11,512,460)
Dividend income			-	-	(218,800)
Finance costs			2,096,253	2,209,172	2,111,178
				666,211	578,583
					1,329,695
					1,344,408
Operating assets (increase) decrease					
Trade and other current receivables			(2,485,630)	(14,213,892)	(2,755,020)
Other current assets			(27,963)	70,652	(6,070)
Other non-current assets			19,841	(6,181)	8,494
Operating liabilities increase (decrease)					
Trade and other current payables			38,290	194,956	51,096
Other current liabilities			74,360	23,716	57,419
Other non-current liabilities			65,298	3,183	68,026
Cash paid for operations			(1,649,593)	(13,348,983)	(1,246,360)
Proceeds from interest income			13,162,835	14,058,434	11,353,180
Dividend received			-	-	218,800
Finance costs paid			(2,240,671)	(2,158,141)	(2,260,260)
Income tax paid			(1,320,019)	(1,127,227)	(1,182,495)
Employee benefits paid			(55,940)	(2,778)	(45,144)
Net cash provided by (used in) operating activities			7,896,612	(2,578,695)	6,837,721
					(734,566)

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES					
STATEMENT OF CASH FLOWS (CONTINUED)					
FOR THE YEAR ENDED FEBRUARY 28, 2021					
UNIT : THOUSAND BAHT					
		Notes	CONSOLIDATED		SEPARATE
			FINANCIAL STATEMENTS		FINANCIAL STATEMENTS
			For the years ended		For the years ended
			February 28, 2021	February 29, 2020	February 28, 2021
					February 29, 2020
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash paid for fixed deposits at banks under obligations		(17)	(14)	-	-
Cash paid for long-term loan to a subsidiary		-	-	-	(120,606)
Cash paid for investment in a subsidiary		-	-	-	(178,634)
Proceeds from sale of investment in a related company		-	460	-	460
Cash paid for purchase of leasehold improvement and equipment	4.2	(317,907)	(302,132)	(257,443)	(219,310)
Proceeds from sale of leasehold improvement and equipment		1,364	1,108	569	604
Cash paid for purchase of intangible assets other than goodwill	4.2	(220,327)	(345,267)	(149,944)	(291,431)
Proceeds from sale of intangible assets other than goodwill		1,166	31	-	-
Net cash used in investing activities		(535,721)	(645,814)	(406,818)	(808,917)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from bank overdrafts and short-term borrowings from financial institutions	4.4	85,656,321	111,745,474	74,910,000	93,143,937
Cash repayments for bank overdrafts and short-term borrowings from financial institutions	4.4	(82,645,247)	(111,466,769)	(70,450,056)	(94,434,044)
Cash paid for liabilities under finance lease agreements	4.4	-	(924)	-	-
Proceeds from long-term borrowings	4.4	10,237,763	10,373,864	8,704,388	9,659,825
Cash repayments for long-term borrowings	4.4	(11,515,044)	(6,484,366)	(11,014,350)	(6,391,230)
Proceeds from long-term borrowings under securitization project	4.4	-	-	542,151	933,373
Cash repayments for long-term borrowings under securitization project	4.4	-	-	(542,151)	(798,373)
Proceeds from long-term debentures issuance	4.4	-	3,800,000	-	3,800,000
Cash repayments for long-term debentures	4.4	(7,627,700)	(2,971,860)	(7,627,700)	(2,971,860)
Cash paid for lease liabilities	4.4	(565,394)	-	(475,574)	-
Proceeds from sales of written-off receivables		317,142	412,585	317,142	471,698
Cash paid for dividend		(659,118)	(627,664)	(637,495)	(587,497)
Cash paid for interim dividend		(462,498)	(612,498)	(462,498)	(612,498)
Net cash provided by (used in) financing activities		(7,263,775)	4,167,842	(6,736,143)	2,213,331
Net increase (decrease) in cash and cash equivalents		97,116	943,333	(305,240)	669,848
Exchange differences on translating foreign currencies		14,495	(17,828)	-	-
Cash and cash equivalents at the beginning of the year		4,993,557	4,068,052	3,462,432	2,792,584
Cash and cash equivalents at the end of the year	4.1	5,105,168	4,993,557	3,157,192	3,462,432

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED FEBRUARY 28, 2021

1. OPERATIONS OF THE COMPANY

The Company was registered as a limited company under the Civil and Commercial Code on September 18, 1992 and registered to be Public Company Limited with the Ministry of Commerce on August 7, 2001. The Company was listed on The Stock Exchange of Thailand on December 11, 2001. The Company's head office is located at 388, 27th Floor, Exchange Tower, Sukhumvit Road, Klongtoey, Bangkok. The Company's main objective is to do the retail finance services which consist of credit card, hire-purchase and personal loans, and others. 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, 2021 and February 29, 2020, the Company has head office and branches totaling 103 locations and 105 locations, respectively.

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

The Company has subsidiaries which are under its control in finance and operations and an associate which the Company has significant influence, but no control or joint control, over the financial and operating policies as mentioned in Note 2.4, Note 9.1 and Note 9.2.

Coronavirus Disease 2019 Pandemic

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

In order to mitigate the impacts, the Company provides supports to customers as the relief measures for loan to affected customer from the impact of COVID-19, following the Bank of Thailand's relief measures 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.

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.

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", which was effective for financial periods beginning on or after January 1, 2020 onwards, and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560 and the Notification of the Department of Business Development regarding "The Brief Particulars in the Financial Statement (No. 3) B.E. 2562" dated December 26, 2019.

2.3 The consolidated financial statements for the years ended February 28, 2021 and February 29, 2020 included the accounts of the Company and its subsidiaries and interest in equity-accounted in an associate. Significant transactions and balances between the Company and its subsidiaries have been eliminated.

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

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.

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

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

2.4 For the years ended February 28, 2021 and February 29, 2020, the subsidiaries included in the consolidated financial statements are as follows:

	Business type	Country of registration	Registration date	Percentage of direct and indirect holdings (%)	
				2021	2020
ACS Servicing (Thailand) Company Limited	Collection servicer	Thailand	March 13, 2007	100.00	100.00
AEON Insurance Service (Thailand) Company Limited	Non-life insurance broker and life insurance broker	Thailand	July 1, 2013	100.00	100.00
AEON Specialized Bank (Cambodia) Plc. ⁽³⁾	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 ⁽¹⁾	Retail finance business	Laos	January 11, 2013	100.00	100.00
ATS Rabbit Special Purpose Vehicle Company Limited ⁽²⁾	Special purpose juristic person in securitization projects	Thailand	March 20, 2015	48.75	48.75

- (1) The Company indirectly holds shares of AEON Leasing Service (Lao) Company Limited through ACS Servicing (Thailand) Company Limited and AEON Insurance Service (Thailand) Company Limited with 3.71% and 3.71% shareholdings, respectively.
- (2) The Company has the power to control over ATS Rabbit Special Purpose Vehicle Company Limited because the Company has power to appoint the board of directors and rights to provide certain service which is significantly impacted by the performance of underlying assets and has rights to get variable return from such company under securitization project.
- (3) 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".

For the years ended February 28, 2021 and February 29, 2020, the consolidated financial statements include equity interest in an associate as follows:

	Business type	Country of registration	Registration date	Percentage of direct and indirect holdings (%)	
				2021	2020
ACS Trading Vietnam Company Limited	Retail finance business	Vietnam	May 26, 2008	20.00	20.00

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

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

		The date of the end of the reporting period	
		in preparation of the consolidated financial statements	
		For the years ended	
		February 28,	February 29,
		2021	2020
Subsidiaries			
ACS Servicing (Thailand) Company Limited		December 31, 2020	December 31, 2019
AEON Insurance Service (Thailand) Company Limited		December 31, 2020	December 31, 2019
AEON Specialized Bank (Cambodia) Plc.		December 31, 2020	December 31, 2019
AEON Microfinance (Myanmar) Company Limited		December 31, 2020	December 31, 2019
AEON Leasing Service (Lao) Company Limited		December 31, 2020	December 31, 2019
Associate			
ACS Trading Vietnam Company Limited		December 31, 2020	December 31, 2019

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 and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group's and the Company's financial statements. However, the new standards which become effective for fiscal year and involve changes to key principles are summarized below:

Group of Financial Instruments Standards

Thai Accounting Standards (“TAS”)	
TAS 32	Financial Instruments: Presentation
Thai Financial Reporting Standards (“TFRS”)	
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
Thai Financial Reporting Standard Interpretations (“TFRIC”)	
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These group of Standards make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost; taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model, the calculation of impairment using the expected credit loss method, and

the concept of hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

In the current year, the Group and the Company have initially applied Group of Financial Instruments Standards. The Group and the Company have elected to recognize the cumulative effect of initially adopting these group of Financial Instruments Standards as an adjustment to the opening balance of retained earnings and other component of shareholders' equity of the reporting period.

Accounting policies resulting from application of such group of Financial Instruments Standards are disclosed in Note 3.2.

The tables below show information relating to financial assets and financial liabilities that have been reclassified, re-measurement and change in provision for impairment of financial assets, as a result of the transition to Thai Financial Reporting Standards No. 9 "Financial instruments" ("TFRS 9").

	CONSOLIDATED FINANCIAL STATEMENTS						
	Previous classification and measurement	Book value as at February 29, 2020	Reclassification	ECL	Re-measurement	Book value as at March 1, 2020	New classification and measurement
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	
ASSETS							
Cash and cash equivalents	Cost method	4,993,557	-	-	-	4,993,557	Amortized cost
Trade receivables	Cost method	86,269,804	-	(7,065,429)	-	79,204,375	Amortized cost
Other receivables	Cost method	942,044	-	-	-	942,044	Amortized cost
Receivables per currency swap contracts	Fair value	361,128	(361,128)	-	-	-	-
Derivative assets	-	-	361,128	-	(223,074)	138,054	FVTPL
Fixed deposits at banks under obligations	Cost method	39,283	-	-	-	39,283	Amortized cost
Other long-term investments	Cost method	19,072	(19,072)	-	-	-	-
Investments in equity securities designated at fair value through profit or loss	-	-	19,072	-	-	19,072	FVTPL
LIABILITIES							
Bank overdrafts and short-term borrowings	Cost method	7,211,233	-	-	-	7,211,233	Amortized cost
Trade payables	Cost method	522,088	-	-	-	522,088	Amortized cost
Other payables	Cost method	1,206,694	-	-	-	1,206,694	Amortized cost
Interest payable	Cost method	501,135	(94,711)	-	-	406,424	Amortized cost
Long-term borrowings	Cost method	45,259,611	-	-	-	45,259,611	Amortized cost
Long-term debentures	Cost method	16,787,966	-	-	-	16,787,966	Amortized cost
Subordinated borrowings	Cost method	84,074	-	-	-	84,074	Amortized cost
Payables per currency swap contracts	Fair value	1,393,594	(1,393,594)	-	-	-	-
Derivative liabilities	-	-	1,488,305	-	1,460,485	2,948,790	FVTPL

SEPARATE FINANCIAL STATEMENTS							
	Previous classification and measurement	Book value as at February 29, 2020	Reclassification	ECL	Re-measurement	Book value as at March 1, 2020	New classification and measurement
		Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	
ASSETS							
Cash and cash equivalents	Cost method	3,462,432	-	-	-	3,462,432	Amortized cost
Trade receivables	Cost method	80,391,774	-	(6,965,076)	-	73,426,698	Amortized cost
Other receivables	Cost method	833,052	-	-	-	833,052	Amortized cost
Seller loan in SPV	Cost method	235,074	-	-	-	235,074	Amortized cost
Receivables per currency swap contracts	Fair value	361,128	(361,128)	-	-	-	-
Long-term loan to a subsidiary	Cost method	125,858	-	-	-	125,858	Amortized cost
Derivative assets	-	-	361,128	-	(223,074)	138,054	FVTPL
Subordinated lendings	Cost method	84,074	-	-	-	84,074	Amortized cost
Other long-term investments	Cost method	19,072	(19,072)	-	-	-	-
Investments in equity securities designated at fair value through profit or loss	-	-	19,072	-	-	19,072	FVTPL
LIABILITIES							
Bank overdraft and short-term borrowings	Cost method	3,400,056	-	-	-	3,400,056	Amortized cost
Trade payables	Cost method	371,514	-	-	-	371,514	Amortized cost
Other payables	Cost method	1,090,504	-	-	-	1,090,504	Amortized cost
Interest payable	Cost method	495,559	(94,711)	-	-	400,848	Amortized cost
Long-term borrowings	Cost method	44,076,691	-	-	-	44,076,691	Amortized cost
Long-term borrowings under securitization project	Cost method	1,662,552	-	-	-	1,662,552	Amortized cost
Long-term debentures	Cost method	15,314,884	-	-	-	15,314,884	Amortized cost
Payables per currency swap contracts	Fair value	1,393,594	(1,393,594)	-	-	-	-
Derivative liabilities	-	-	1,488,305	-	1,460,485	2,948,790	FVTPL

Thai Financial Reporting Standard No. 16 “Leases” (“TFRS 16”)

The Group’s and the Company’s management have applied TFRS 16 using the cumulative catch-up approach which:

- Requires the Group and the Company to recognize the cumulative effect of initially applying TFRS 16 as an adjustment to the opening balance of retained earnings at the date of initial application.
- Does not restate the comparative information and continue to present comparative information under TAS 17 and TFRIC 4.

Accounting policies resulting from application of TFRS 16 are disclosed in Note 3.6.

The Group and the Company recognized lease liabilities in relation to leases, which had previously been classified as operating leases under the principles of TAS 17 and TFRIC 4. The right-of-use assets were measured at their carrying amount as if the Standard had been applied since the commencement date, but discounted using the leasee’s incremental borrowing rate at the date of initial application. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group’s and the Company’s incremental borrowing rates. The weight average lessees incremental borrowing rate applied to lease liabilities recognized in the consolidated and separate statement of financial position on March 1, 2020 are 2.31% per annum and 1.88% per annum, respectively.

The following table shows the operating lease commitments disclosed applying TAS 17 at February 29, 2020, discounted using incremental borrowing rate at the date of initial application and the lease liabilities recognized in the statement of financial position at the date of initial application.

			CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS
			Baht '000		Baht '000
Operating lease commitments as at February 29, 2020			1,013,754		766,947
Effect of discounting the above amounts			(76,023)		(5,386)
Lease liabilities recognized as at March 1, 2020			937,731		761,561

Total impacts of initial application of TFRS 9 and TFRS 16 on the statement of financial position

The tables below show the amount of adjustment for each financial statement line item affected by the application of TFRS 9 and TFRS 16 for the current year.

Impacts to assets, liabilities and shareholders' equity as at March 1, 2020

	CONSOLIDATED FINANCIAL STATEMENTS				
	Before	TFRS 9	TFRS 16	After	
	adjustments	adjustments	adjustments	adjustments	
	Baht '000	Baht '000	Baht '000	Baht '000	
Trade receivables	86,269,804	(7,065,429)	-	79,204,375	
Receivables per currency swap contracts	361,128	(361,128)	-	-	
Other long-term investments	19,072	(19,072)	-	-	
Investments in equity securities designated at fair value through profit or loss	-	19,072	-	19,072	
Right-of-use assets	-	-	921,398	921,398	
Derivative assets	-	138,054	-	138,054	
Deferred tax assets	926,002	1,974,055	2,766	2,902,823	
Interest payable	(501,135)	94,711	-	(406,424)	
Payables per currency swap contracts	(1,393,594)	1,393,594	-	-	
Derivative liabilities	-	(2,948,790)	-	(2,948,790)	
Lease liabilities	-	-	(937,732)	(937,732)	
Total impact on net assets		(6,774,933)	(13,568)		
Retained earnings	(15,302,773)	5,387,355	11,630	(9,903,788)	
Other components of shareholders' equity	-	1,346,848	-	1,346,848	
Non-controlling interests	(397,169)	40,730	1,938	(354,501)	
Total impact on shareholders' equity		6,774,933	13,568		

	SEPARATE FINANCIAL STATEMENTS			
	Before	TFRS 9	TFRS 16	After
	adjustments	adjustments	adjustments	adjustments
	Baht '000	Baht '000	Baht '000	Baht '000
Trade receivables	80,391,774	(6,965,076)	-	73,426,698
Receivables per currency swap contracts	361,128	(361,128)	-	-
Other long-term investments	19,072	(19,072)	-	-
Investments in equity securities designated at fair value through profit or loss	-	19,072	-	19,072
Right-of-use assets	-	-	752,573	752,573
Derivative assets	-	138,054	-	138,054
Deferred tax assets	896,851	1,955,162	1,798	2,853,811
Interest payable	(495,559)	94,711	-	(400,848)
Payables per currency swap contracts	(1,393,594)	1,393,594	-	-
Derivative liabilities	-	(2,948,790)	-	(2,948,790)
Lease liabilities	-	-	(761,561)	(761,561)
Total impact on net assets		(6,693,473)	(7,190)	
Retained earnings	(14,456,374)	5,346,625	7,190	(9,102,559)
Other components of shareholders' equity	-	1,346,848	-	1,346,848
Total impact on shareholders' equity				
equity		6,693,473	7,190	

In addition, the Federation of Accounting Professions has announced two Accounting Treatment Guidances, which have been announced in the Royal Gazette on April 22, 2020, detail as follows:

Accounting Treatment Guidance on “The temporary relief measures for entities supporting their debtors who effected from the situations that affected Thailand’s economy”

The objective of this accounting treatment guidance is to grant the temporary relief measures for entities helping their debtors who effected from the situations that affected Thailand’s economy with the helping period during January 1, 2020 to December 31, 2021 or until there are any changes from the Bank of Thailand, which require the compliance for such changes. The entities who support their debtors and elect to apply this accounting treatment guidance should comply with all relief measures specified in this accounting treatment guidance.

For the year ended February 28, 2021, 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.

Accounting Treatment Guidance on “The temporary relief measures for additional accounting alternatives to alleviate the impacts from COVID-19 outbreak”

This accounting treatment guidance is the option for all entities applying Financial Reporting Standards for Publicly Accountable Entities. Since the preparation of financial statements during the period, which COVID-19 situation still be highly uncertainty as at the end of reporting period, may cause the entities' management to use the critical judgment in the estimation or the measurement and recognition of accounting transactions. Objective of this accounting treatment guidance is to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation. The entities can apply this accounting treatment guidance for the preparation of financial statements with the reporting period ending within the period from January 1, 2020 to December 31, 2020.

The Group and Company have elected to apply the following temporary relief measures:

- Not to account for any reduction in lease payments provided by lessors as a lease modification, but to reduce lease liabilities that come due in each period in proportion to the reduction and to reverse depreciation from right-of-use assets and interest on lease liabilities recognized in each period in proportion to the reduction. Any differences is then to be recognized in profit or loss.

2.7 Thai Financial Reporting Standard No. 16 “Leases”

TFRS 16 has been amended for the Rent Concessions related to COVID-19, which is effective from June 1, 2020 with earlier application permitted. The amendment permits lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications. In addition, the revised TFRS 16 also added the requirements for the temporary exception arising from interest rate benchmark reform, which an entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. This revised TFRS 16 has been announced in the Royal Gazette on January 27, 2021.

The Group and the Company have elected to apply the above Rent Concessions to the financial statements for the year ended February 28, 2021.

2.8 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, 2021 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to references to the Conceptual Framework in TFRSs, except for the revisions of definitions and accounting requirements as follows:

Conceptual Framework for Financial Reporting

The revised Conceptual Framework for Financial Reporting consisted of the revised definitions and recognition criteria of asset and liability as well as new guidance on measurement, derecognition of asset and liability, presentation and disclosure. In addition, this Conceptual Framework for Financial Reporting clearly clarifies management's stewardship of the entity's economic resources, prudence, and measurement uncertainty of financial information.

Definition of Business

The revised Thai Financial Reporting Standard No. 3 "Business Combinations" clearly clarifies the definition of business and introduce an optional concentration test. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. This revised financial reporting standard requires prospective method for such amendment. Earlier application is permitted.

Definition of Materiality

The revised definition of materiality resulted in the amendment of Thai Accounting Standards No. 1 "Presentation of Financial Statements" and Thai Accounting Standards No. 8 "Accounting Policies, Changes in Accounting Estimates and Errors", including other financial reporting standards which refer to materiality. This amendment is intended to make the definition of material to comply with the Conceptual Framework which requires prospective method for such amendment. Earlier application is permitted.

The Interest Rate Reform

Due to the interest rate reform, there are the amendments of specific hedge accounting requirements in Thai Financial Reporting Standard No. 9 "Financial Instruments" and Thai Financial Reporting Standard No. 7 "Financial Instruments: Disclosures".

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 significant impact 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

Policies applicable from March 1, 2020

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 expect 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.

Policies applicable prior to March 1, 2020

(1) Trade receivables

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

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

(2) Allowance for doubtful accounts and bad debts

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

Bad debt recovery is recognized as other income in profit or loss when payment is received.

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

(3) Derivatives

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

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

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

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

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

(4) Troubled debt restructuring

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

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

(5) Securitization transactions

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

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

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

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

(6) Investments

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

3.3 Investment in subsidiaries and an associate

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

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

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

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

3.4 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 Leases

The Group and the Company have applied TFRS 16 using the cumulative catch-up approach and therefore comparative information has not been restated and is presented under TAS 17. The details of accounting policies under both TAS 17 and TFRS 16 are as follows.

The Group and the Company as lessee

Policies applicable from March 1, 2020

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.

Policies applicable prior to March 1, 2020

Lease agreements

Finance lease agreements

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

Operating lease agreements

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

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

3.7 Assets and liabilities in foreign currencies

3.7.1 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.

3.7.2 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.

3.7.3 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.

3.8 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.

3.9 Provisions for employee benefits

3.9.1 Provident Fund

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

3.9.2 Post-employment benefits

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

Gain or loss on remeasurements of defined benefit plans are recognized in the statement of profit or loss and other comprehensive income.

3.10 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 be 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.

3.11 Income tax expense

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

3.11.1 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.

3.11.2 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.

3.12 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.

3.13 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.

3.14 Critical accounting judgments and key sources of estimation uncertainty

3.14.1 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 / Allowance for doubtful accounts

From March 1, 2020

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.

Prior to March 1, 2020

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

(2) Deferred revenue from customer loyalty programs

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

(3) Provisions for employee benefits

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

The Group and the Company determine the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the provisions for employee 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 25.

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. 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 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.

3.14.2 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 38.6.

4. SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

4.1 Cash and cash equivalents as at February 28, 2021 and February 29, 2020, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
	Baht '000	Baht '000	Baht '000	Baht '000
Cash	981,29	1,313,50	946,970	1,273,999
Deposits at bank - call deposits	4,123,87	3,680,05	2,210,222	2,188,433
Cash and cash equivalents	5,105,16	4,993,55	3,157,192	3,462,432

4.2 Cash paid for purchase of leasehold improvement and equipment and intangible assets other than goodwill for the years ended February 28, 2021 and February 29, 2020, are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
	Baht '000	Baht '000	Baht '000	Baht '000
Leasehold improvement and equipment				
Liabilities recorded - brought forward	43,43	28,93	40,514	28,673
Purchase of leasehold improvement and equipment				
	300,31	316,63	240,825	231,151
	343,74	345,56	281,339	259,824
<u>Less</u> Cash paid for purchase of leasehold improvement and equipment	(317,90	(302,132	(257,443	(219,310
Liabilities recorded - carried forward	25,83	43,43	23,89	40,514
Intangible assets other than goodwill				
Liabilities recorded - brought forward	1,57	28,89	1,571	28,890
Purchase of intangible assets other than goodwill				
	232,27	317,94	161,893	264,112
	233,84	346,83	163,464	293,002
<u>Less</u> Cash paid for purchase of intangible assets other than goodwill	(220,327)	(345,267)	(149,944	(291,431
Liabilities recorded - carried forward	13,52	1,57	13,520	1,571

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, 2021 and February 29, 2020 such sale was settled by decreasing the Seller loan Account of Baht 15.45 million and Baht 35.15 million, respectively, instead of cash receipt.

4.4 Changes in liabilities arising from financing activities for the years ended February 28, 2021 and February 29, 2020 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,
2020				currencies			2021
Baht '000	Baht '000		Baht '000	Baht '000	Baht '000		Baht '000
Bank overdrafts and short-term borrowings from financial institutions	7,211,233	85,656,321	(82,645,247)	156,764	-	10,379,071	
Long-term borrowings	45,259,611	10,237,763	(11,515,044)	(1,149,797)	(10,912)	42,821,621	
Long-term debentures	16,787,966	-	(7,627,700)	255,842	9,293	9,425,401	
Lease liabilities	937,732	-	(565,394)	262	317,029	689,629	

	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 29,
2019				currencies			2020
Baht '000	Baht '000		Baht '000	Baht '000	Baht '000		Baht '000
Bank overdrafts and short-term borrowings from financial institutions	7,100,203	111,745,474	(111,466,769)	(167,675)	-	7,211,233	
Liabilities under finance lease agreements	911	-	(924)	-	13	-	
Long-term borrowings	40,618,864	10,373,864	(6,484,366)	731,919	19,330	45,259,611	
Long-term debentures	15,938,620	3,800,000	(2,971,860)	7,888	13,318	16,787,966	
Subordinated borrowings	84,074	-	-	-	-	84,074	

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,
	2020			currencies		2021
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Bank overdrafts and short-term borrowings from financial institutions	3,400,056	74,910,00	(70,450,056)	-	-	7,860,000
Long-term borrowings	44,076,691	8,704,388	(11,014,350)	(1,109,085)	(10,912	40,646,732
Long-term borrowings under securitization project	1,662,552	542,151	(542,151)	-	(172,930	1,489,622
Long-term debentures	15,314,884	-	(7,627,700)	255,842	9,293	7,952,319
Lease liabilities	761,561	-	(475,575)	-	272,609	558,595

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 29,
	2019			currencies		2020
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Bank overdrafts and short-term borrowings from financial institutions	4,690,163	93,143,937	(94,434,044)	-	-	3,400,056
Long-term borrowings	39,999,182	9,659,825	(6,391,230)	789,584	19,330	44,076,691
Long-term borrowings under securitization project	1,652,515	933,373	(798,373)	-	(124,963	1,662,552
Long-term debentures	14,465,538	3,800,000	(2,971,860)	7,888	13,318	15,314,884

5. TRADE RECEIVABLES

5.1 Trade receivables as at February 28, 2021 and February 29, 2020, consist of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at February 28, 2021	As at February 29, 2020	As at February 28, 2021	As at February 29, 2020
	Baht '000	Baht '000	Baht '000	Baht '000
Trade receivables	85,942,940	88,568,952	80,236,602	82,553,942
Trade receivables under securitization project - ATS Rabbit Special Purpose Vehicle Company Limited	1,489,622	1,662,552	1,489,622	1,662,552
Total	87,432,562	90,231,504	81,726,224	84,216,494
<u>Less</u> Allowance for expected credit loss)	(11,593,219	-	(10,891,803)	-
Allowance for doubtful accounts	-	(3,961,700)	-	(3,824,720)
Total trade receivables	75,839,343	86,269,804	70,834,421	80,391,774

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, 2021 and February 29, 2020, details of trade receivables are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS					
	As at February 28, 2021			As at February 29, 2020		
	Due within	Due after	Total	Due within	Due after	Total
	1 year	1 year		1 year	1 year	
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Hire-purchase receivable						
Hire-purchase and accrued						
interest receivable	3,567,397	3,145,028	6,712,425	1,527,316	4,546,011	6,073,327
Less Unearned financing income	(341,085)	(523,657)	(864,742)	(315,130)	(572,138)	(887,268)
	3,226,312	2,621,371	5,847,683	1,212,186	3,973,873	5,186,059
Less Allowance for expected credit loss						
credit loss	(392,025)	(480,357)	(872,382)	-	-	-
Allowance for doubtful accounts	-	-	-	(196,086)	-	(196,086)
Hire-purchase and accrued						
interest receivable - net	2,834,287	2,141,014	4,975,301	1,016,100	3,973,873	4,989,973
Loans receivable						
Loans and accrued interest						
receivable	45,123,605	208,290	45,331,895	46,998,764	988,857	47,987,621
Less Allowance for expected credit loss	(6,634,437)	(35,945)	(6,670,382)	-	-	-
Allowance for doubtful accounts	-	-	-	(2,343,755)	-	(2,343,755)
Loans and accrued interest						
receivable - net	38,489,168	172,345	38,661,513	44,655,009	988,857	45,643,866
Credit card receivable						
Credit card and accrued						
interest receivable	36,088,232	-	36,088,232	36,892,388	-	36,892,388
Less Allowance for expected credit loss	(4,050,362)	-	(4,050,362)	-	-	-
Allowance for doubtful accounts	-	-	-	(1,421,531)	-	(1,421,531)
Credit card and accrued						
interest receivable - net	32,037,870	-	32,037,870	35,470,857	-	35,470,857
Receivable from rendering the collection service						
Receivable from rendering						
the collection service	9,054	-	9,054	11,786	-	11,786
Less Allowance for expected credit loss	(93)	-	(93)	-	-	-
Allowance for doubtful accounts	-	-	-	(328)	-	(328)
Receivable from rendering						
the collection service - net	8,961	-	8,961	11,458	-	11,458
Receivable from insurance broker business	155,698	-	155,698	153,650	-	153,650
Total trade receivables	73,525,984	2,313,359	75,839,343	81,307,074	4,962,730	86,269,804

	SEPARATE FINANCIAL STATEMENTS						
	As at February 28, 2021			As at February 29, 2020			
	Due within	Due after	Total		Due within	Due after	Total
	1 year	1 year			1 year	1 year	
	Baht '000	Baht '000	Baht '000		Baht '000	Baht '000	Baht '000
Hire-purchase receivable							
Hire-purchase and accrued							
interest receivable	1,006,603	2,745,539	3,752,142	822,445	2,657,434	3,479,879	
Less Unearned financing income	(341,085)	(523,656)	(864,741)	(315,130)	(572,138)	(887,268)	
	665,518	2,221,883	2,887,401	507,315	2,085,296	2,592,611	
Less Allowance for expected							
credit loss	(155,003)	(445,001)	(600,004)	-	-	-	
Allowance for doubtful accounts	-	-	-	(127,587)	-	(127,587)	
Hire-purchase and accrued							
interest receivable - net	510,515	1,776,882	2,287,397	379,728	2,085,296	2,465,024	
Loans receivable							
Loans and accrued interest							
receivable	43,385,259	7	43,385,266	45,289,937	432	45,290,369	
Less Allowance for expected							
credit loss	(6,276,675)	((6,276,676)	-	-	-	
Allowance for doubtful accounts	-	-	-	(2,289,386)	-	(2,289,386)	
Loans and accrued interest							
receivable - net	37,108,584	6	37,108,590	43,000,551	432	43,000,983	
Credit card receivable							
Credit card and accrued							
interest receivable	35,453,557	-	35,453,557	36,333,514	-	36,333,514	
Less Allowance for expected							
credit loss	(4,015,123)	-	(4,015,123)	-	-	-	
Allowance for doubtful accounts	-	-	-	(1,407,747)	-	(1,407,747)	
Credit card and accrued							
interest receivable - net	31,438,434	-	31,438,434	34,925,767	-	34,925,767	
Total trade receivables	69,057,533	1,776,888	70,834,421	78,306,046	2,085,728	80,391,774	

5.2 Quality of assets

Staging analysis for trade receivables as at February 28, 2021 are as follows:

CONSOLIDATED FINANCIAL STATEMENTS			
As at February 28, 2021			
	Trade receivables	Allowance for expected credit loss	Total trade receivables
	Baht '000	Baht '000	Baht '000
Low credit risk receivables (Stage 1)	79,446,594	(5,969,416)	73,477,178
Significant increase in credit risk receivables (Stage 2)	2,943,938	(1,578,830)	1,365,108
Default receivables in credit risk (Stage 3)	5,042,030	(4,044,973)	997,057
Total	87,432,562	(11,593,219)	75,839,343

SEPARATE FINANCIAL STATEMENTS			
As at February 28, 2021			
	Trade receivables	Allowance for expected credit loss	Total trade receivables
	Baht '000	Baht '000	Baht '000
Low credit risk receivables (Stage 1)	74,480,252	(5,813,007)	68,667,245
Significant increase in credit risk receivables (Stage 2)	2,715,548	(1,489,812)	1,225,736
Default receivables in credit risk (Stage 3)	4,530,424	(3,588,984)	941,440
Total	81,726,224	(10,891,803)	70,834,421

Trade receivables as at February 28, 2021 and February 29, 2020 classified by aging are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	As at	As at
	February 28, 2021	February 29, 2020
	Baht '000	Baht '000
Less than 3 months	82,848,008	86,915,769
3 months up	4,584,554	3,315,735
Total	87,432,562	90,231,504
<u>Less Allowance for expected credit loss</u>	(11,593,219)	-
Allowance for doubtful accounts	-	(3,961,700)
Total trade receivables	75,839,343	86,269,804
	SEPARATE FINANCIAL STATEMENTS	
	As at	As at
	February 28, 2021	February 29, 2020
	Baht '000	Baht '000
Less than 3 months	77,653,277	81,017,602
3 months up	4,072,947	3,198,892
Total	81,726,224	84,216,494
<u>Less Allowance for expected credit loss</u>	(10,891,803)	-
Allowance for doubtful accounts	-	(3,824,720)
Total trade receivables	70,834,421	80,391,774

5.3 Troubled debt restructuring

For the years ended February 28, 2021 and February 29, 2020, the Company had recognized interest income on restructured debts totaling Baht 146.23 million and Baht 152.41 million, respectively.

The Group and the Company had outstanding balances of credit card receivable, hire-purchase receivable and loans receivable as at February 28, 2021 and February 29, 2020, as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	As at February 28, 2021		As at February 29, 2020	
	Number of debtors	Amount Baht '000	Number of debtors	Amount Baht '000
Restructured trade receivables	29,220	1,158,699	35,896	1,432,794
Non-restructured trade receivables	3,777,597	86,109,111	3,292,108	88,633,274
Total	3,806,817	87,267,810	3,328,004	90,066,068
SEPARATE FINANCIAL STATEMENTS				
	As at February 28, 2021		As at February 29, 2020	
	Number of debtors	Amount Baht '000	Number of debtors	Amount Baht '000
	29,205	1,157,487	35,873	1,429,317
Restructured trade receivables	2,730,569	80,568,737	2,885,335	82,787,177
Total	2,759,774	81,726,224	2,921,208	84,216,494

As at February 28, 2021 and February 29, 2020, 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 doubtful accounts

Allowance for expected credit loss as at February 28, 2021 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS						
	Allowance for expected credit loss			Allowance for doubtful accounts	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	Baht '000	Baht '000	
Balance as at February 29, 2020	-	-	-		3,961,700	3,961,700	
Impact of adoption of TFRS 9	6,160,129	1,410,298	3,456,701	(3,961,700)		7,065,428	
Balance as at March 1, 2020	6,160,129	1,410,298	3,456,701	-		11,027,128	
Changes in staging*	2,468,243	(5,329,962)	2,861,719	-	-	-	
Changes in risk parameters	(2,603,336)	5,519,822	2,346,370	-		5,262,856	
New financial assets originated or purchased	258,512	-	989,553	-		1,248,065	
Financial assets derecognized	(318,120)	(17,554)	453,702	-		118,028	
Written-off bad debts	-	-	(6,048,861)	-		(6,048,861)	
Foreign exchange rate differences	3,988	(3,774)	(14,211)	-		(13,997)	
Balance as at February 28, 2021	5,969,416	1,578,830	4,044,973	-		11,593,219	

* The Group and the Company have adhered to the Accounting Guidance in staging (see Note 2.6)

	SEPARATE FINANCIAL STATEMENTS						
	Allowance for expected credit loss			Allowance for doubtful accounts	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	Baht '000		
Balance as at February 29, 2020	-	-	-	3,824,720	3,824,720		
Impact of adoption of TFRS 9	5,959,780	1,403,865	3,426,151	(3,824,720)	6,965,076		
Balance as at March 1, 2020	5,959,780	1,403,865	3,426,151	-	10,789,796		
Changes in staging*	2,473,919	(5,313,083)	2,839,164	-	-		
Changes in risk parameters	(2,603,336)	5,519,822	2,346,370	-	5,262,856		
New financial assets originated or purchased	258,512	-	989,553	-	1,248,065		
Financial assets derecognized	(275,868)	(120,792)	(94,184)	-	(490,844)		
Written-off bad debts	-	-	(5,918,070)	-	(5,918,070)		
Balance as at February 28, 2021	5,813,007	1,489,812	3,588,984	-	10,891,803		

* The Company has adhered to the Accounting Guidance in staging (see Note 2.6)

Allowance for doubtful accounts as at February 29, 2020 are as follows:

	CONSOLIDATED	SEPARATE
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
	2020	2020
	Baht '000	Baht '000
Beginning balance	2,879,968	2,806,641
Bad debts and doubtful accounts	6,646,262	6,352,815
Gain on devaluation of long-term borrowings under securitization project	-	160,116
Written-off bad debts	(5,564,530)	(5,494,852)
Ending balance	3,961,700	3,824,720

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:

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

* ATS Rabbit Special Purpose Vehicle Company Limited (Subsidiary)

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

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

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

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

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

	ATS Rabbit*	
	As at	As at
	February 28,	February 29,
	2021	2020
	Baht '000	Baht '000
Statements of financial position		
Total assets	1,960,327	1,974,821
Total liabilities	1,960,283	1,974,777
Total shareholders' equity	44	44
	For the years ended	
	February 28,	February 29,
	2021	2020
	Baht '000	Baht '000
Statements of profit or loss		
Total revenues	408,574	466,850
Bad debts and doubtful accounts	157,482	160,116
Other operating expenses	108,262	117,493
Interest expenses	81,844	84,476
Income tax expense	12,197	20,953
Net profit	48,789	83,812

* ATS Rabbit Special Purpose Vehicle Company Limited (ATS Rabbit) is the Company's subsidiary (see Notes 2.4 and 9.2).

For the years ended February 28, 2021 and February 29, 2020, transactions relating to the transfers of financial assets under the securitization projects are summarized as follows:

	For the years ended	
	February 28,	February 29,
	2021	2020
	Million	Million
	Baht	Baht
Transfers of future receivables and additional receivables (at book value)		
- Loans receivable (ATS Rabbit)	527	969
	527	969
Cash collection on behalf of Special Purpose Vehicles		
- Loans receivable (ATS Rabbit)	960	1,265
	960	1,265
Servicing income on cash collection from Special Purpose Vehicles		
- Loans receivable (ATS Rabbit)	86	93
	86	93

6. OTHER RECEIVABLES

Other receivables as at February 28, 2021 and February 29, 2020 consist of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	February 28,	February 29,	February 28,	February 29,
	2021	2020	2021	2020
	Baht '000	Baht '000	Baht '000	Baht '000
Other receivables - related companies (see Note 35.2.1)	5,93	2,23	92,91	83,623
Other receivables - other companies	507,22	641,719	443,63	615,233
Prepaid expenses	169,01	172,254	135,66	133,690
Advance payment	60,74	37,431		506
Accrued income	25,63	21,17	1	-
Refundable corporate income tax	58,05	67,23	-	-
Total	826,60	942,04	672,23	833,052

7. FIXED DEPOSITS AT BANKS UNDER OBLIGATIONS

As at February 28, 2021 and February 29, 2020, 4 subsidiaries have fixed deposits at banks under obligations as follows:

	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	As at	As at
	February 28, 2021	February 29, 2020
	Baht '000	Baht '000
Pledge as collateral for bank's letters of guarantee issued for debt collection service	1,600	1,583
Reserve in accordance with insurance regulations	3,000	3,000
Legal reserve of the foreign subsidiaries	34,368	34,700
Total	38,968	39,283

8. LONG-TERM LOAN TO A SUBSIDIARY

As at February 28, 2021, the Company has long-term loan to a subsidiary amounting to USD 4 million or equivalent to Baht 119.49 million which will be due in 2026. The loan is unsecured and has interest rate at 8.5% per annum (see Note 35.2.1). (As at February 29, 2020: USD 4 million or equivalent to Baht 125.86 million).

9. INVESTMENTS IN AN ASSOCIATE AND SUBSIDIARIES

Investments in an associate and subsidiaries consist of:

9.1 Investment in an associate in the consolidated financial statements

As at February 28, 2021 and February 29, 2020, the Company had investment in an associate and is accounted for using the equity method in the consolidated financial statements as follows:

	Paid-up	Owners hip	CONSOLIDATED FINANCIAL STATEMENTS			
			As at February 28, 2021		As at February 29, 2020	
	capital	method	method	method	method	method
	%	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Investment in an associate						
ACS Trading Vietnam Company Limited	VND 50,000 million	20.00	16,819.3	-	16,819.3	25,430.9
<u>Less</u> Allowance for impairment of investment			(16,819.3)	-	-	-
Total investment in an associate			-	-	16,819.3	25,430.9

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

ACS Trading Vietnam Company Limited

	As at	As at
	February 28,	February 29,
	2021	2020
	Baht '000	Baht '000
Total assets	1,377,135	1,763,267
Total liabilities	1,523,235	1,678,237
	For the years ended	
	February 28,	February 29,
	2021	2020
	Baht '000	Baht '000
Total revenues	453,155	553,628
Net loss	243,809	63,325

The consolidated statements of profit or loss for the years ended February 28, 2021 and February 29, 2020, recognized share of loss of an associate using equity method according to the proportion of the ownership interest in an associate as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	For the years ended	
	February 28,	February 29,
	2021	2020
	Baht '000	Baht '000
Share of loss of an associate using equity method		
ACS Trading Vietnam Company Limited	25,431	12,665

Reconciliation of the above summarized financial information to the carrying amount of the interest in an associate recognized in the consolidated financial statements for the years ended February 28, 2021 and February 29, 2020, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	For the years ended	
	February 28,	February 29,
	2021	2020
	Baht '000	Baht '000
Net assets of an associate	(146,100)	85,030
Proportion of the ownership interest in an associate (%)	20.00	20.00
	(29,220)	17,006
Goodwill	-	-
Other adjustments		
- Exchange differences on acquisition date	29,220	8,425
Carrying amount of the investment in an associate	-	25,431

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

As at February 28, 2021 and February 29, 2020, the Company had investments in an associate and subsidiaries which are accounted for using the cost method in the separate financial statements as follows:

	SEPARATE FINANCIAL STATEMENTS			
	As at February 28, 2021		As at February 29, 2020	
	Ownersh ip	Cost	Ownersh ip	Cost
		method		method
	%	Baht '000	%	Baht '000
Investment in an associate and subsidiaries				
Investment in an associate (see Note 35.1)				
ACS Trading Vietnam Company Limited	20.00	16,819.3	20.00	16,819.3
Less Allowance for impairment of investment		(16,819.3)		-
Total investment in an associate		-		16,819.3
Investments in subsidiaries (see Note 35.1)				
ACS Servicing (Thailand) Company Limited	100.00	175,349.1	100.00	175,349.1
AEON Insurance Service (Thailand) Company Limited	100.00	149,224.3	100.00	149,224.3
AEON Specialized Bank (Cambodia) Plc.	50.00	323,580.0	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	92.58	103,069.1	92.58	103,069.1
ATS Rabbit Special Purpose Vehicle Company Limited	48.75	19.5	48.75	19.5
Total investments in subsidiaries		1,206,645.3		1,206,645.3
Total investments in an associate and subsidiaries		1,206,645.3		1,223,464.6

10. INVESTMENTS IN EQUITY SECURITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS AND LONG-TERM INVESTMENTS IN RELATED COMPANIES

10.1 Investments in equity securities designated at fair value through profit or loss as at February 28, 2021 consist of the following:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at February 28, 2021	
	Ownership %	Fair Value Baht '000
AEON (Thailand) Co., Ltd. ⁽¹⁾	3.82	-
PT. AEON Credit Service Indonesia ⁽²⁾	2.59	5,062
Total		5,062

⁽¹⁾ 340,000 shares of Baht 100 each, Baht 25 called up

⁽²⁾ 173 shares of IDR 30 million each, par value of IDR 30 million, fully paid

10.2 Long-term investments in related companies as at February 29, 2020 consist of the following:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at February 29, 2020	
	Ownership %	Cost Baht '000
AEON (Thailand) Co., Ltd. ⁽¹⁾	3.82	8,500
PT. AEON Credit Service Indonesia ⁽²⁾	2.59	19,071
		27,571
Less Allowance for impairment of investment		(8,500)
Total		19,071

⁽¹⁾ 340,000 shares of Baht 100 each, Baht 25 called up

⁽²⁾ 173 shares of IDR 30 million each, par value of IDR 30 million, fully paid

11. SELLER LOAN IN SPECIAL PURPOSE VEHICLE FOR SECURITIZATION

Seller loan in Special Purpose Vehicle for securitization as at February 28, 2021 and February 29, 2020, are as follows:

	SEPARATE FINANCIAL STATEMENTS	
	As at February 28, 2021 Baht '000	As at February 29, 2020 Baht '000
Seller loan in Special Purpose Vehicle for securitization (see Note 35.2.1)		
ATS Rabbit Special Purpose Vehicle Company Limited (ATS Rabbit)	219,626	235,074
Total Seller loan in Special Purpose Vehicle for securitization	219,626	235,074

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

12. SUBORDINATED LENDINGS AND SUBORDINATED BORROWINGS

12.1 Subordinated lendings to Special Purpose Vehicle as at February 28, 2021 and February 29, 2020, are as follows:

	SEPARATE FINANCIAL STATEMENTS	
	As at February 28, 2021 Baht '000	As at February 29, 2020 Baht '000
Subordinated lendings (see Note 35.2.1)		
ATS Rabbit Special Purpose Vehicle Company Limited (ATS Rabbit)	84,074	84,074
Total subordinated lendings	84,074	84,074

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.

12.2 Subordinated borrowings of Special Purpose Vehicle as at February 28, 2021 and February 29, 2020, are as follows:

	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	As at	As at
	February 28,	February 29,
	2021	2020
	Baht '000	Baht '000
Subordinated borrowings		
ATS Rabbit Special Purpose Vehicle Company Limited (ATS Rabbit)	84,074	84,074
Total subordinated borrowings	84,074	84,074

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.

13. LEASEHOLD IMPROVEMENT AND EQUIPMENT

Leasehold improvement and equipment as at February 28, 2021 and February 29, 2020 consist of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	February 28,	February 29,	February 28,	February 29,
	2021	2020	2021	2020
	Baht '000	Baht '000	Baht '000	Baht '000
Cost	3,995,970	4,019,359	3,227,719	3,276,104
<u>Less</u> Accumulated depreciation	(3,202,515)	(3,133,864)	(2,583,936)	(2,551,059)
Total leasehold improvement and equipment	793,455	885,495	643,783	725,045

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

CONSOLIDATED FINANCIAL STATEMENTS							
	Beginning balance as at	Additions	Disposals/ Write-off	Transfer in (out)	Exchange differences on translating		Ending balance as at
	March 1, 2019					financial statements	February 29, 2020
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	
Cost							
Leasehold improvement	1,151,31	44,83	(48,88)	28,213	(5,53)	1,169,94	
Furniture and office equipment	2,605,80	176,40	(57,76)	128,594	(11,73)	2,841,31	
Assets under installation	69,52	95,35	-	(156,807)	-	8,10	
Total	3,826,63	316,63	(106,64)	-	(17,26)	4,019,35	
Accumulated depreciation							
Leasehold improvement	(819,37)	(139,11)	42,96	-	2,83	(912,68)	
Furniture and office equipment	(2,050,43)	(234,40)	56,90	-	6,75	(2,221,17)	
Total	(2,869,80)	(373,51)	99,87	-	9,59	(3,133,86)	
Total leasehold improvement and equipment	956,82						885,49

		SEPARATE FINANCIAL STATEMENTS				
		Beginning	Additions	Disposals/	Transfer	Ending
		balance		Write-off	in (out)	balance
		as at				as at
		March 1,				February 28,
		2020				2021
		Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Cost						
Leasehold improvement		955,494	83,856	(76,750)	26,637	989,237
Furniture and office equipment		2,312,502	61,276	(212,460)	8,982	2,170,300
Assets under installation		8,108	95,693	-	(35,619)	68,182
Total		3,276,104	240,825	(289,210)	-	3,227,719
Accumulated depreciation						
Leasehold improvement		(761,176)	(124,212)	72,912	-	(812,476)
Furniture and office equipment		(1,789,883)	(190,526)	208,949	-	(1,771,460)
Total		(2,551,059)	(314,738)	281,861	-	(2,583,936)
Total leasehold improvement and equipment		725,045				643,783
SEPARATE FINANCIAL STATEMENTS						
		Beginning	Additions	Disposals/	Transfer	Ending
		balance		Write-off	in (out)	balance
		as at				as at
		March 1,				February 29,
		2019				2020
		Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Cost						
Leasehold improvement		946,694	11,354	(30,767)	28,213	955,494
Furniture and office equipment		2,110,754	124,406	(51,252)	128,594	2,312,502
Assets under installation		69,524	95,391	-	(156,807)	8,108
Total		3,126,972	231,151	(82,019)	-	3,276,104
Accumulated depreciation						
Leasehold improvement		(676,238)	(110,302)	25,364	-	(761,176)
Furniture and office equipment		(1,647,515)	(193,283)	50,915	-	(1,789,883)
Total		(2,323,753)	(303,585)	76,279	-	(2,551,059)
Total leasehold improvement and equipment		803,219				725,045

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	February 28,	February 29,	February 28,	February 29,
	2021	2020	2021	2020
	Baht '000	Baht '000	Baht '000	Baht '000
Depreciation	387,375	373,519	314,738	303,585

As at February 28, 2021 and February 29, 2020, costs of fully depreciated leasehold improvement and equipment still in use are as follows:

			As at	As at
			February 28,	February 29,
			2021	2020
		Baht '000		Baht '000
Consolidated financial statements			2,095,632	2,154,179
Separate financial statements			1,869,209	1,923,894

14. RIGHT-OF-USE ASSETS

The movements of right-of-use assets during the year are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS					
	Beginning	Impacts	Additions	Disposal	Exchange	Ending
balance	from the				difference on	balance
as at	adoption of				translation	as at
March 1,	TFRS 16				financial	February 28,
2020	(see Note 2.6)				statements	2021
Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Cost						
Buildings	-	1,423,358	254,145	(353,831)	(86)	1,322,808
Office equipment	-	183,374	49,612	(66,329)	-	166,657
Vehicles	-	129,952	25,440	(94,363)	706	61,735
Total	-	1,736,684	329,197	(514,523)	(15)	1,551,200
Accumulated depreciation	-					
Buildings	-	(616,369)	(490,374)	355,985	940	(749,81)
Office equipment	-	(111,533)	(49,062)	58,568	-	(102,02)
Vehicles	-	(87,384)	(37,577)	91,876	(52)	(33,60)
Total	-	(815,286)	(577,013)	506,429	418	(885,45)
Total right-of-use assets	-					665,748

SEPARATE FINANCIAL STATEMENTS					
	Beginning	Impacts	Additions	Disposal	Ending
	balance	from the			balance
	as at	adoption of			as at
	March 1,	TFRS 16			February 28,
	2020	(see Note 2.6)			2021
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Cost					
Buildings	-	1,176,108	218,325	(339,272)	1,055,161
Office equipment	-	181,830	41,004	(66,328)	156,506
Vehicles	-	107,383	20,860	(75,162)	53,081
Total	-	1,465,321	280,189	(480,762)	1,264,748
Accumulated depreciation					
Buildings	-	(530,196)	(417,196)	343,680	(603,712)
Office equipment	-	(110,560)	(43,553)	58,569	(95,544)
Vehicles	-	(71,992)	(34,364)	77,046	(29,310)
Total	-	(712,748)	(495,113)	479,295	(728,566)
Total right-of-use assets	-				536,182

	CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
	Baht '000	Baht '000
Depreciation for the year ended February 28, 2021	552,985	471,085

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 20.

	CONSOLIDATED D FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
	For the year ended	For the year ended
	February 28, 2021	February 28, 2021
	Baht '000	Baht '000
Amounts recognized in profit or loss		
Depreciation on right-of-use assets	552,985	471,085
Interest expense on lease liabilities	24,626	17,268
Gain on discount received from lease agreements	(1,184)	(1,184)
(Gain) loss on cancellation of lease agreements	(3,491)	1,832

For the year ended February 28, 2021, the total cash outflow for leases amounting to Baht 565.39 million and Baht 475.57 million in consolidated and separate financial statements, respectively.

15. INTANGIBLE ASSETS OTHER THAN GOODWILL

Intangible assets other than goodwill as at February 28, 2021 and February 29, 2020 consist of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
	Baht '000	Baht '000	Baht '000	Baht '000
Cost	4,362,54	4,131,46	3,828,76	3,666,871
Less Accumulated amortization	(3,665,989)	(3,484,982)	(3,298,384)	(3,155,494)
Total intangible assets other than goodwill	696,55	646,48	530,38	511,377

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

	CONSOLIDATED FINANCIAL STATEMENTS						
	Beginning balance as at	Additio ns	Dispos als/ Write- off	Transfer in (out)	Exchange differenc es on translatin g	Ending balance as at	
	March 1, 2020				financial statement s	February 28, 2021	
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Cost							
Computer software	4,034,69 9	101,287	(2,136)	141,247	942	4,276,03 9	
Computer software under installation	96,764	130,989	-	(141,247)	-	86,506	
Total	4,131,46 3	232,276	(2,136)	-	942	4,362,54 5	
Accumulated amortization							
Computer software	(3,484,982)	(182,510)	970	-	533	(3,665,989)	
Total intangible assets other than goodwill	646,481					696,556	

CONSOLIDATED FINANCIAL STATEMENTS						
	Beginning balance as at	Additions	Disposals/ Write-off	Transfer in (out)	Exchange difference s on translatin g	Ending balance as at
	March 1, 2019				financial statement s	February 29, 2020
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Cost						
Computer software	3,771,331	174,349	(6,211)	107,012	(11,782)	4,034,699
Computer software under installation	124,853	143,599	(64,674)	(107,012)	(2)	96,764
Total	3,896,184	317,948	(70,885)	-	(11,784)	4,131,463
Accumulated amortization						
Computer software	(3,321,678)	(175,051)	6,211	-	5,536	(3,484,982)
Allowance for impairment						
Computer software under installation	(44,913)	-	44,913	-	-	-
Total intangible assets other than goodwill	529,593					646,481

SEPARATE FINANCIAL STATEMENTS						
	Beginning	Additio ns	Disposa ls/	Transfer		Ending
	balance		Write-off	in (out)		balance
	as at					as at
	March 1,					February 28,
	2020					2021
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	
Cost						
Computer software	3,582,139	53,132	-	106,566		3,741,837
Computer software under installation	84,732	108,761	-	(106,566)		86,927
Total	3,666,871	161,893	-	-		3,828,764
Accumulated amortization						
Computer software	(3,155,494)	(142,890)	-	-		(3,298,384)
Total intangible assets other than goodwill	511,377					530,380

	SEPARATE FINANCIAL STATEMENTS				
	Beginning	Additio ns	Disposa ls/	Transfer	Ending
balance		Write- off	in (out)	balance	
as at					as at
March 1,					February 29,
2019					2020
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Cost					
Computer software	3,344,116	146,383	-	91,640	3,582,139
Computer software under installation	123,286	117,729	(64,643)	(91,640)	84,732
Total	3,467,402	264,112	(64,643)	-	3,666,871
Accumulated amortization					
Computer software	(3,008,854)	(146,640)	-	-	(3,155,494)
Allowance for Impairment					
Computer software under installation	(44,913)	-	44,913	-	-
Total intangible assets other than goodwill	413,635				511,377

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	February 28,	February 29,	February 28,	February 29,
	2021	2020	2021	2020
	Baht '000	Baht '000	Baht '000	Baht '000
Amortization	182,510	175,051	142,890	146,640

As at February 28, 2021 and February 29, 2020, costs of fully amortized computer software still in use are as follows:

			As at	As at
			February 28,	February 29,
			2021	2020
			Baht '000	Baht '000
Consolidated financial statements			3,209,771	3,036,742
Separate financial statements			2,983,422	2,821,384

16. DEFERRED TAX ASSETS

Deferred tax assets as at February 28, 2021 and February 29, 2020 consist of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
	Baht '000	Baht '000	Baht '000	Baht '000
Deferred tax assets				
Allowance for expected credit loss	2,256,201	775,917	2,178,361	764,944
Non-accrual of interest income	1,815	73,406	-	71,755
Cumulative loss from fair value measurement investments in equity securities	4,502	-	4,502	-
Allowance for impairment of investment and assets	12,400	6,900	15,764	6,900
Provisions for employee benefit	95,669	78,683	86,320	70,518
Deferred revenue from customer loyalty programs	81,899	59,373	81,899	59,373
Lease agreements	11,998	-	11,550	-
Derivatives	629,102	-	629,102	-
Others	29,109	24,878	15,737	16,516
	3,122,695	1,019,157	3,023,235	990,006
Deferred tax liabilities				
Unrealized loss on exchange rate of currency swap contracts	-	93,155	-	93,155
Lease agreements	154	-	-	-
	154	93,155	-	93,155
Deferred tax assets	3,122,541	926,002	3,023,235	896,851

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

	CONSOLIDATED FINANCIAL STATEMENTS				
	Beginning balance as at March 1, 2020	Impacts from the adoption of TFRS 9 and TFRS 16	Items as recognized in profit or loss	Items as recognized in other comprehensive income	Ending balance as at February 28, 2021
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Deferred tax assets					
Allowance for expected credit loss	775,917	1,411,908	68,376	-	2,256,201
Non-accrual of interest income	73,406	-	(71,591)	-	1,815
Cumulative loss from fair value measurement investments in equity securities	-	1,700	2,802	-	4,502
Allowance for impairment of investment and assets	6,900	(1,700)	7,200	-	12,400
Provisions for employee benefit	78,683	-	11,522	5,464	95,669
Deferred revenue from customer loyalty programs	59,373	-	22,526	-	81,899
Lease agreements	-	1,798	10,200	-	11,998
Derivatives	-	562,147	179,772	(112,817)	629,102
Others	24,878	-	4,231	-	29,109
	1,019,157	1,975,853	235,038	(107,353)	3,122,695
Deferred tax liabilities					
Unrealized loss on exchange rate of currency swap contracts	93,155	-	(93,155)	-	-
Lease agreements	-	(968)	1,122	-	154
	93,155	(968)	(92,033)	-	154
Deferred tax assets	926,002	1,976,821	327,071	(107,353)	3,122,541

	CONSOLIDATED FINANCIAL STATEMENTS				
	Beginning balance as at March 1, 2019	Items as recognized in profit or loss	Items as recognized in other comprehensive income	Ending balance as at February 29, 2020	
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Deferred tax assets					
Allowance for doubtful accounts	567,38	208,52	-	-	775,91
Non-accrual of interest income	47,20	26,20	-	-	73,40
Allowance for impairment of investment and asset	19,01	(12,11)	-	-	6,90
Provisions for employee benefit	54,26	12,77	11,64	-	78,68
Deferred revenue from customer loyalty programs	48,87	10,50	-	-	59,37
Others	9,67	15,20	-	-	24,87
	746,41	261,09	11,64	-	1,019,15
Deferred tax liabilities					
Unrealized loss on exchange rate of currency swap contracts	124,55	(31,39)	-	-	93,15
Others	20	(20)	-	-	-
	124,76	(31,60)	-	-	93,15
Deferred tax assets	621,65	292,70	11,64	-	926,00

	SEPARATE FINANCIAL STATEMENTS				
	Beginning balance as at March 1, 2020	Impacts from the adoption of TFRS 9 and TFRS 16	Items as recognized in profit or loss	Items as recognized in other comprehensive income	Ending balance as at February 28, 2021
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Deferred tax assets					
Allowance for expected credit loss	764,944	1,393,015	20,402	-	2,178,361
Non-accrual of interest income	71,755	-	(71,755)	-	-
Cumulative loss from fair value measurement investments in equity securities	-	1,700	2,802	-	4,502
Allowance for impairment of investment and assets	6,900	(1,700)	10,564	-	15,764
Provisions for employee benefit	70,518	-	10,171	5,631	86,320
Deferred revenue from customer loyalty programs	59,373	-	22,526	-	81,899
Lease agreements	-	1,798	9,752	-	11,550
Derivatives	-	562,147	179,772	(112,817)	629,102
Others	16,516	-	(779)	-	15,737
	990,006	1,956,960	183,455	(107,186)	3,023,235
Deferred tax liabilities					
Unrealized loss on exchange rate of currency swap contracts	93,155	-	(93,155)	-	-
Deferred tax assets	896,851	1,956,960	276,610	(107,186)	3,023,235

	SEPARATE FINANCIAL STATEMENTS				
	Beginning balance as at March 1, 2019	Items as recognized in profit or loss	Items as recognized in other comprehensive income	Ending balance as at February 29, 2020	
	Baht '000	Baht '000	Baht '000	Baht '000	
Deferred tax assets					
Allowance for doubtful accounts	561,32	203,61	-	764,944	
Non-accrual of interest income	45,96	25,79	-	71,755	
Allowance for impairment of investment and asset	19,01	(12,11)	-	6,900	
Provisions for employee benefit	48,50	11,09	10,913	70,518	
Deferred revenue from customer loyalty programs	44,35	15,02	-	59,373	
Others	5,44	11,07	-	16,516	
	724,60	254,48	10,913	990,006	
Deferred tax liabilities					
Unrealized loss on exchange rate of currency swap contracts	124,55	(31,39)	-	93,155	
Deferred tax assets	600,05	285,886	10,913	896,851	

17. OTHER NON-CURRENT ASSETS

Other non-current assets as at February 28, 2021 and February 29, 2020 consist of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
	Baht '000		Baht '000	
Deposits	191,986		211,673	
Total	191,986		211,673	

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

Bank overdrafts and short-term borrowings from financial institutions as at February 28, 2021 and February 29, 2020, consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS			
	As at February 28, 2021		As at February 29, 2020	
	Interest rate		Interest rate	
	p.a. (%)	Baht '000	p.a. (%)	Baht '000
Overdrafts in THB currency	-	-	1.45	56
Short-term borrowings in THB currency	0.69 - 0.97	7,860,000	1.17 - 2.40	3,400,000
Short-term borrowings in USD currency	0.96 - 6.12	1,367,909	2.52 - 6.05	2,229,481
Short-term borrowings in LAK currency	5.70 - 6.60	266,339	6.50 - 6.70	280,013
Short-term borrowings in MMK currency	10.00 - 13.00	884,823	11.70 - 12.50	1,301,683
Total		10,379,071		7,211,233

	SEPARATE FINANCIAL STATEMENTS			
	As at February 28, 2021		As at February 29, 2020	
	Interest rate		Interest rate	
	p.a. (%)	Baht '000	p.a. (%)	Baht '000
Overdrafts in THB currency	-	-	1.45	56
Short-term borrowings in THB currency	0.69 - 0.97	7,860,000	1.17 - 2.40	3,400,000
Total		7,860,000		3,400,056

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.

19. OTHER PAYABLES

Other payables as at February 28, 2021 and February 29, 2020 are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at February 28, 2021	As at February 29, 2020	As at February 28, 2021	As at February 29, 2020
	Baht '000	Baht '000	Baht '000	Baht '000
Other payable - related companies (see Note 35.2.1)	67,737	73,967	163,774	277,431
Other payable - other companies	359,229	425,034	182,734	125,696
Deferred revenue from customer loyalty programs	413,018	300,500	409,496	296,863
Interest payable	194,491	501,135	188,652	495,559
Accrued expenses	349,784	389,732	322,278	373,358
Total	1,384,259	1,690,368	1,266,934	1,568,907

20. LEASE LIABILITIES

Lease liabilities as at February 28, 2021 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at February 28, 2021		As at February 28, 2021	
	Baht '000	Baht '000		
Maturity analysis:				
Year 1	466,032		394,070	
Year 2	187,610		144,480	
Year 3	54,285		32,675	
Year 4	3,699		-	
Year 5	1,248		-	
	712,874		571,225	
<u>Less</u> Deferred interest	(23,245)		(12,630)	
Total	689,629		558,595	
Classification analysis:				
Current	453,755		384,411	
Non-current	235,874		174,184	
Total	689,629		558,595	

21. LONG-TERM BORROWINGS

As at February 28, 2021 and February 29, 2020, the Company entered into various long-term borrowings agreements in THB and foreign currencies as follows:

CONSOLIDATED FINANCIAL STATEMENTS				
As at February 28, 2021				
	Due within the year	Interest rate p.a. (%)	Foreign currency Million	Baht equivalent Baht '000
Borrowings in JPY currency	2021 - 2025	2.06 - 4.84	20,642.05	5,931,678
Borrowings in USD currency	2021 - 2027	1.85 - 8.50	699.29	21,127,341
Borrowings in THB currency	2021 - 2024	1.54 - 3.29	15,800.00	15,800,000
<u>Less</u> Borrowings issuance cost				(37,398)
				42,821,621
<u>Less</u> Current portion of long-term borrowings				(3,839,423)
Total long-term borrowings				38,982,198
CONSOLIDATED FINANCIAL STATEMENTS				
As at February 29, 2020				
	Due within the year	Interest rate p.a. (%)	Foreign currency Million	Baht equivalent Baht '000
Borrowings in JPY currency	2020 - 2023	2.96 - 5.26	29,742.05	8,729,499
Borrowings in USD currency	2020 - 2025	2.03 - 3.69	667.49	21,156,598
Borrowings in THB currency	2020 - 2024	2.41 - 3.41	15,400.00	15,400,000
<u>Less</u> Borrowings issuance cost				(26,486)
				45,259,611
<u>Less</u> Current portion of long-term borrowings				(11,445,597)
Total long-term borrowings				33,814,014
SEPARATE FINANCIAL STATEMENTS				
As at February 28, 2021				
	Due within the year	Interest rate p.a. (%)	Foreign currency Million	Baht equivalent Baht '000
Borrowings in JPY currency	2021 - 2025	2.06 - 4.84	20,642.05	5,931,678
Borrowings in USD currency	2021 - 2025	1.85 - 3.38	627.29	18,952,452
Borrowings in THB currency	2021 - 2024	1.54 - 3.29	15,800.00	15,800,000
<u>Less</u> Borrowings issuance cost				(37,398)
				40,646,732
<u>Less</u> Current portion of long-term borrowings				(3,839,423)
Total long-term borrowings				36,807,309
SEPARATE FINANCIAL STATEMENTS				
As at February 29, 2020				
	Due within the year	Interest rate p.a. (%)	Foreign currency Million	Baht equivalent Baht '000
Borrowings in JPY currency	2020 - 2023	2.96 - 5.26	29,742.05	8,729,499
Borrowings in USD currency	2020 - 2025	2.03 - 3.38	628.49	19,973,678
Borrowings in THB currency	2020 - 2024	2.41 - 3.41	15,400.00	15,400,000
<u>Less</u> Borrowings issuance cost				(26,486)
				44,076,691
<u>Less</u> Current portion of long-term borrowings				(10,960,296)
Total long-term borrowings				33,116,395

In the consolidated and separate financial statements as at February 28, 2021, the Company has a long-term borrowing in JPY currency from a related company which is a bank in Japan amounting to JPY 2,500 million or equivalent to Baht 718.15 million with interest rate at 4.84% per annum which is unsecured and will be due in the year 2021 (see Note 35.2.1) (As at February 29, 2020: JPY 2,500 million or equivalent to Baht 732.93 million).

As at February 28, 2021 and February 29, 2020, the Company can maintain financial ratios and other requirements according to the conditions as specified in the agreement.

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

		CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS		
		As at February 29, 2020		
	Notional amount	Carrying amount		
		Within 1 year	1 - 5 years	Total
	Baht '000	Baht '000	Baht '000	Baht '000
Receivables per currency swap contracts				
Cross Currency Swap Contracts				
JPY currency	5,197,000	151,056	64,814	215,870
USD currency	4,876,045	-	145,258	145,258
	10,073,045	151,056	210,072	361,128
Payables per currency swap contracts				
Cross Currency Swap Contracts				
JPY currency	3,535,000	(64,479)	(153,892)	(218,371)
USD currency	15,628,150	(135,408)	(540,367)	(675,775)
	19,163,150	(199,887)	(694,259)	(894,146)

22. LONG-TERM BORROWINGS UNDER SECURITIZATION PROJECT

As at February 28, 2021 and February 29, 2020, 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 1,489.62 million and Baht 1,662.55 million, respectively.

23. LONG-TERM DEBENTURES

Long-term debentures, represent unsubordinated and unsecured debentures, as at February 28, 2021 and February 29, 2020, 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, 2021	As at February 29, 2020
								Baht '000	Baht '000
Company									
25/03/20 16	25/03/20 20	70	USD	1,000,000	70,000,00 0	USD-LIBOR 6M + 0.65	Semi-annual	-	2,224,62
28/03/20 16	27/03/20 20	15	USD	1,000,000	15,000,00 0	USD-LIBOR 6M + 0.50	Semi-annual	-	476,70
22/08/20 16	20/08/20 21	15	USD	1,000,000	15,000,00 0	USD-LIBOR 6M + 0.85	Semi-annual	453,198	476,70
21/12/20 16	21/12/20 21	1,000,000	THB	1,000	1,000,000 ,000	3.48	Quarterly	1,000,000	1,000,00
30/12/20 16	30/12/20 21	30	USD	1,000,000	30,000,00 0	USD-LIBOR 6M + 0.65	Semi-annual	906,396	953,41
18/08/20 17	18/08/20 20	200,000	THB	1,000	200,000,0 00	2.50	Quarterly	-	200,00
14/09/20 17	14/09/20 20	300,000	THB	1,000	300,000,0 00	2.50	Semi-annual	-	300,00
21/09/20 17	21/09/20 20	100,000	THB	1,000	100,000,0 00	2.50	Semi-annual	-	100,00
15/12/20 17	15/12/20 20	2,000,000	THB	1,000	2,000,000 ,000	2.37	Semi-annual	-	2,000,00
15/12/20 17	15/12/20 22	1,000,000	THB	1,000	1,000,000 ,000	2.93	Semi-annual	1,000,000	1,000,00
15/11/20 18	15/11/20 20	2,000,000	THB	1,000	2,000,000 ,000	2.96	Semi-annual	-	2,000,00
15/11/20 18	15/11/20 21	800,000	THB	1,000	800,000,0 00	3.26	Semi-annual	800,000	800,00
15/11/20 19	15/11/20 22	2,800,000	THB	1,000	2,800,000 ,000	2.27	Semi-annual	2,800,000	2,800,00
15/11/20 19	15/11/20 24	1,000,000	THB	1,000	1,000,000 ,000	2.57	Semi-annual	1,000,000	1,000,00
								7,959,594	15,331,45
<u>Less</u> Debentures issuance cost									
								(7,27	(16,56
								7,952,319	15,314,88
<u>Less</u> Current portion of long-term debentures									
								(3,156,0	(7,298,78
Total long-term debentures in separate financial statements								4,796,279	8,016,10
ATS Rabbit Special Purpose Vehicle Company Limited									
29/09/20 18	28/10/20 25	1,473, 082	THB	1,000	1,473,082,0 00	2.84	Monthly	1,473,082	1,473,08
Total long-term debentures in consolidated financial statements								6,269,361	9,489,18

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

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

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

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

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

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

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

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

On August 24, 2016, the Company issued and offered debentures amounting to Baht 400 million to a non-financial market mutual fund institution investors in Thailand with interest rate of 2.50% per annum, payable on a quarterly basis, and 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 will be due on December 21, 2021.

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

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

- (3) 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 will be 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 will be 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.

- (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, 2021 and February 29, 2020, 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-year period after the first issuance date, and thereafter with a fixed interest rate equal to the corporate bond yield per annum as prescribed in the conditions.

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

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

As at February 28, 2021 and February 29, 2020, the Company can maintain financial ratios and other requirements according to the conditions as specified in the agreement.

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

		CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS		
		As at February 29, 2020		
		Notional amount	Carrying amount	
		amount	Within 1 year	1 - 5 years
		Baht '000	Baht '000	Baht '000
Payables per currency swap contracts				
Cross Currency Swap Contracts				
USD currency		4,630,900	(326,366)	(173,082)
		4,630,900	(326,366)	(173,082)
				(499,448)

24. DERIVATIVE FINANCIAL INSTRUMENTS

The fair values and notional amounts of derivative instruments are set out as follows:

		CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS		
		As at February 28, 2021		
		Fair value		Notional amount
		Assets	Liabilities	
		Baht '000	Baht '000	Baht '000
Derivatives designated as cash flow hedges				
Cross currency swaps		-	2,780,776	26,243,724
Interest rate swaps		-	364,729	9,000,000
		-	3,145,505	35,243,724
<u>Less</u> Current portion of derivative liabilities		-	(1,287,130)	(4,699,532)
Total derivative liabilities		-	1,858,375	30,544,192

25. 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, 2021 and February 29, 2020, amounts recognized in the statements of profit or loss in respect of the post-employment benefit plans are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
	Baht '000	Baht '000	Baht '000	Baht '000
Past service cost				
- From loss on settlement of benefit paid	-	7	-	-
Current service cost	70,746	57,432	62,612	49,495
Interest cost	6,458	7,872	5,779	7,322
Loss on settlement	36,342	1,324	27,604	1,324
Total	113,546	66,635	95,995	58,141

For the years ended February 28, 2021 and February 29, 2020, amounts recognized in other comprehensive income in respect of the post-employment benefit plans are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
	Baht '000	Baht '000	Baht '000	Baht '000
(Gain) loss on remeasurements of defined benefit plans				
- From financial assumptions changes	3,594	26,429	2,056	22,666
- From demographic assumptions changes	32,298	28,085	32,347	28,616
- From experience adjustments	(8,571)	3,727	(6,242)	3,287
Total	27,321	58,241	28,161	54,569

Movements in the present value of the provisions for post-employment benefits for the years ended February 28, 2021 and February 29, 2020 are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
	Baht '000	Baht '000	Baht '000	Baht '000
Beginning balance	393,419	271,321	352,594	242,534
Past service cost				
- From loss on settlement of benefit paid	-	7	-	-
Current service cost	70,746	57,432	62,612	49,495
Interest cost	6,458	7,872	5,779	7,322
Loss on settlement	36,342	1,324	27,604	1,324
Loss on remeasurements of defined benefit plans	27,321	58,241	28,161	54,569
Benefits paid	(55,940)	(2,778)	(45,144)	(2,650)
Ending balance	478,346	393,419	431,606	352,594

The significant actuarial assumptions used to calculate the provisions for post-employment benefits as at February 28, 2021 and February 29, 2020, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	As at February 28, 2021	As at February 29, 2020
	% per annum	% per annum
Financial assumptions		
Discount rate	0.96 - 1.66	1.47 - 1.80
Expected rate of salary increase	5.0	5.0
Demographic assumptions		
Turnover rate		
Monthly staff	0.0 - 28.0	0.0 - 30.0
	Subject to range of age of employees	Subject to range of age of employees
Daily & Temporary staff	0.0 - 54.0	0.0 - 52.0
	Subject to range of age of employees	Subject to range of age of employees

	SEPARATE FINANCIAL STATEMENTS	
	As at February 28, 2021	As at February 29, 2020
	% per annum	% per annum
Financial assumptions		
Discount rate	1.66	1.69
Expected rate of salary increase	5.0	5.0
Demographic assumptions		
Turnover rate		
Monthly staff	0.0 - 17.0	0.0 - 18.0
	Subject to range of age of employees	Subject to range of age of employees
Daily staff	0.0 - 52.0	0.0 - 52.0
	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, 2021 and February 29, 2020, as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
	Baht '000	Baht '000	Baht '000	Baht '000
Financial assumptions				
Discount rate				
- 1% increase	(68,251)	(57,051)	(62,532)	(51,992)
- 1% decrease	82,738	69,450	75,910	63,373
Expected rate of salary increase				
- 1% increase	75,106	61,737	69,057	56,371
- 1% decrease	(63,122)	(51,809)	(57,986)	(47,253)
Demographic assumptions				
Turnover rate				
- 1% increase	(71,941)	(60,470)	(65,799)	(55,016)
- 1% decrease	40,870	33,853	36,659	30,176

26. SHAREHOLDERS' EQUITY

26.1 On June 21, 2019, the Annual General Meeting of shareholders had the resolutions to approve the declaration of final dividends for the year ended February 28, 2019 at the rate of Baht 2.35 per share, totaling Baht 587.50 million. The aforementioned shareholders included 1,200 shares of foreign shareholders who had no rights to receive dividend in accordance with regulation of Thailand Securities Depository, thus the Company paid dividend to shareholders amounting to Baht 587.50 million on July 18, 2019 in addition to the interim dividends which had been paid to all shareholders at Baht 2.35 per share, totaling Baht 587.50 million on November 1, 2018.

26.2 On October 7, 2019, the Company's Board of Directors' meeting passed the resolution to declare interim dividends for the year ended February 29, 2020 at the rate of Baht 2.45 per share to shareholders, totaling Baht 612.50 million. The aforementioned shareholders included 1,000 shares of foreign shareholders who had no rights to receive dividend in accordance with

regulation of Thailand Securities Depository, thus the Company paid dividend to shareholders amounting to Baht 612.50 million on November 4, 2019.

26.3 On June 24, 2020, the Annual General Meeting of Shareholders had the resolutions to approve the declaration of final dividends for the year ended February 29, 2020 at the rate of Baht 2.55 per share, totaling Baht 637.50 million. The aforementioned shareholders included 1,800 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 July 20, 2020 in addition to the interim dividends which had been paid to all shareholders at Baht 2.45 per share, totaling Baht 612.50 million on November 4, 2019.

26.4 On October 6, 2020, the Company's Board of Directors' meeting passed the resolution to declare interim dividends for the year ended February 28, 2021 at the rate of Baht 1.85 per share to shareholders, totaling Baht 462.50 million. The aforementioned shareholders included 1,100 shares of foreign shareholders who had no rights to receive dividend in accordance with regulation of Thailand Securities Depository, thus the Company paid dividend to shareholders amounting to Baht 462.50 million on November 5, 2020.

26.5 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.

27. 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, 2021 and February 29, 2020, the Company's legal reserve equals to 10% of the registered share capital.

28. 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.

29. OTHER COMPONENTS OF SHAREHOLDERS' EQUITY

Other components of shareholders' equity as at February 28, 2021 and February 29, 2020 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
	Baht '000	Baht '000	Baht '000	Baht '000
Beginning balance	(177,795)	(123,078)	-	-
Impacts from the adoption of TFRS 9	(1,346,848)	-	(1,346,848)	-
Beginning balance after adjustment	(1,524,643)	(123,078)	(1,346,848)	-
Increase (decrease) in exchange differences on translating financial statements of foreign operations	56,570	(54,717)	-	-
Gain on cash flow hedges	451,273	-	451,273	-
Ending balance	(1,016,800)	(177,795)	(895,575)	-

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.

30. REVENUES RELATING TO SECURITIZATION TRANSACTION

For the years ended February 28, 2021 and February 29, 2020, the details of revenues from securitization transaction incurred from sales of loans receivable to ATS Rabbit Special Purpose Vehicle Company Limited are included in Loan Income for presentation as follows:

	SEPARATE FINANCIAL STATEMENTS	
	For the years ended	
	February 28, 2021	February 29, 2020
	Baht '000	Baht '000
Loan income (see Note 35.2.2)		
Interest income from subordinated lendings	10,089	10,117
Revenue from seller loan in Special Purpose Vehicle	26,050	24,055
Dividend from investment in Special Purpose Vehicle	24,394	41,906
Collection servicing income	85,616	92,719
Total	146,149	168,797

31. DIRECTORS AND MANAGEMENTS' REMUNERATION

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

For the years ended February 28, 2021 and February 29, 2020, directors and managements' remuneration are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
	Baht '000	Baht '000	Baht '000	Baht '000
Short-term employee benefits				
Directors' remuneration	35,497	38,343	26,786	24,244
Managements' remuneration	118,884	127,493	66,574	73,551
Post-employment benefits	4,668	6,070	3,495	3,721
Total	159,049	171,906	96,855	101,516

For the years ended February 28, 2021 and February 29, 2020, 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, 2020 and June 21, 2019, respectively.

32. 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, 2021 and February 29, 2020, the Company contributed to the provident fund and recorded as expenses, as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
	Baht '000	Baht '000	Baht '000	Baht '000
Contributory provident fund	64,264	60,085	54,311	51,215

33. EXPENSES BY NATURE

Total expenses for the years ended February 28, 2021 and February 29, 2020 comprised of the followings:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
			For the years ended	
	February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
	Baht '000	Baht '000	Baht '000	Baht '000
Staff costs	2,677,354	3,037,922	1,840,835	2,195,486
Marketing expenses	1,538,972	1,831,226	1,473,509	1,773,777
Equipment expenses	580,361	649,360	455,465	526,837
Depreciation and amortization	1,122,870	548,570	928,713	450,225
Communication expenses	245,187	307,877	207,980	268,427
Premises' expenses	229,324	801,018	177,278	671,544
Outsource collection expenses	525,983	581,069	974,204	1,002,798
Special business tax and duty stamp	558,642	613,005	540,338	594,947
Printing material expenses	162,264	201,446	149,187	188,842
Transportation expenses	148,075	201,036	95,721	137,616
Fees and commissions	182,737	183,981	155,527	157,424
Other expenses	171,870	134,718	80,311	88,627
Directors and managements' remuneration	159,049	171,906	96,855	101,516
Loss on revaluation of investment	14,009	-	14,009	-
Loss on impairment of investment	-	-	16,819	-
Loss on sale of investment	-	539	-	539
Loss on sale and write-off of leasehold improvement and equipment	6,802	25,393	6,780	24,866
Total Expenses	8,323,499	9,289,066	7,213,531	8,183,471

34. 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, 2021 and February 29, 2020. The foreign subsidiaries used 20% - 25% for corporate income tax and deferred tax calculations for the years ended February 28, 2021 and February 29, 2020.

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

For the years ended February 28, 2021 and February 29, 2020, income tax expense consists of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
	Baht '000	Baht '000	Baht '000	Baht '000
Current tax expense for the years	1,294,151	1,316,260	1,153,468	1,152,024
Deferred income tax revenue	(327,071)	(292,704)	(276,610)	(285,886)
Income tax expense per statements of profit or loss	967,080	1,023,556	876,858	866,138

Reconciliations for effective tax rates for the years ended February 28, 2021 and February 29, 2020 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
	Baht '000	Baht '000	Baht '000	Baht '000
Accounting profit before income tax	4,647,114	5,143,787	4,687,808	4,710,887
Permanent differences	(26,215)	(77,733)	(60,324)	(74,112)
Temporary differences	1,644,661	1,463,720	1,383,050	1,429,429
Income exempt from tax	-	-	(243,194)	(306,086)
Taxable profit	6,265,560	6,529,77 4	5,767,340	5,760,118
Normal income tax rate (%)	20.00 - 25.00	20.00 - 25.00	20.00	20.00
Income tax for the period currently payable	1,294,151	1,316,260	1,153,468	1,152,024
Deferred tax from temporary differences	(327,071)	(292,704)	(276,610)	(285,886)
Income tax expense per statements of profit or loss	967,080	1,023,556	876,858	866,138
Effective tax rate (%)	20.81	19.90	18.71	18.39

35. TRANSACTIONS WITH RELATED PARTIES

The consolidated and separate financial statements include certain transactions with the subsidiaries, associate and related parties. The relationship may be by shareholding or the companies may have the same group of shareholders or directors. The consolidated and separate financial statements reflect the effects of these transactions on the basis determined by the Company, the subsidiaries, associate and the related parties which are as follows:

35.1 Investments in an associate and subsidiaries (see Note 9.2) as at February 28, 2021 and February 29, 2020 are as follows:

		SEPARATE FINANCIAL STATEMENTS					
		As at February 28, 2021			As at February 29, 2020		
Related parties	Relations hip	Owners hip	Paid-up	Cost	Owners hip	Paid-up	Cost
		capital		method		capital	
		%	Baht' 000	Baht '000	%	Baht' 000	Baht '000
Investments in an associate and subsidiaries							
Investment in an associate							
ACS Trading Vietnam Company Limited	Associate	20.00	84,096.3	16,819.3	20.00	84,096.3	16,819.3
Less Allowance for impairment in investment				(16,819.3)			-
Total investment in an associate				-			16,819.3
Investments in subsidiaries							
ACS Servicing (Thailand) Company Limited	Subsidiary	100.00	75,349.1	175,349.1	100.00	75,349.1	175,349.1
AEON Insurance Service (Thailand) Company Limited	Subsidiary	100.00	49,224.3	149,224.3	100.00	49,224.3	149,224.3
AEON Specialized Bank (Cambodia) Plc.	Subsidiary	50.00	543,720.4	323,580.0	50.00	543,720.4	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	92.58	11,402.9	103,069.1	92.58	11,402.9	103,069.1
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	48.75	40.0	19.5	48.75	40.0	19.5
Total investments in subsidiaries				1,206,64 5.3			1,206,6 45.3
Total investments in an associate and subsidiaries				1,206,64 5.3			1,223,4 64.6

35.2 Business transactions with related parties

35.2.1 Balances with related parties as at February 28, 2021 and February 29, 2020, are as follows:

Related parties	Relationship	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at Februa ry 28, 2021	As at Februa ry 29, 2020	As at Februa ry 28, 2021	As at Februa ry 29, 2020
		Baht '000	Baht '000	Baht '000	Baht '000
Other receivables (see Note 6)					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	37,974	31,673
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	2,964	1,089
AEON Financial Service Co., Ltd.	Major shareholder	154	1,065	105	215
AEON Credit Service Company Limited	Common ultimate holding company	-	60	-	-
ACS Capital Corporation Limited	Shareholder and	5,672	1,024	376	1
	one common director				
AEON Leasing Service (Lao) Company Limited	Subsidiary	-	-	-	464
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	49,828	48,381
AEON Specialized Bank (Cambodia) Plc.	Subsidiary	-	-	1,663	1,800
AEON (Cambodia) Company Limited	Common ultimate holding company	80	-	-	-
AEON Bank Ltd.	Common ultimate holding company	-	82	-	-
AEON (Thailand) Ltd.	Common ultimate holding company	24	-	-	-
		5,930	2,231	92,910	83,623

Long-term loan to a subsidiary (see Note 8)							
AEON Specialized Bank (Cambodia) Plc.	Subsidiary	-	-		119,494	125,858	
Seller loan in Special Purpose Vehicle							
for securitization (see Note 11)							
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-		219,626	235,074	
Subordinated lendings (see Note 12.1)							
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-		84,074	84,074	

		CONSOLIDATED			SEPARATE	
		FINANCIAL STATEMENTS			FINANCIAL STATEMENTS	
Related parties	Relationship	As at	As at	As at	As at	As at
		Februar y 28,	Februar y 29,	Februar y 28,	Februar y 29,	
		2021	2020	2021	2020	
		Baht '000	Baht '000	Baht '000	Baht '000	
Trade payables						
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	163	80	
Other payables (see Note 19)						
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	2,046	9,085	
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	59,897	145,924	
AEON (Thailand) Company Limited	Common ultimate	1,176	11,346	1,176	11,346	
	holding company					
AEON Financial Service Co., Ltd.	Major shareholder	56,883	45,438	48,037	40,355	
AEON Credit Service Company Limited	Common ultimate holding company	3,653	12,346	1,891	8,996	
AEON Credit Service Systems (Philippines) Inc.	Holding shares	3,590	1,619	-	-	
AEON Bank Ltd.	Common ultimate	1,682	1,847	1,682	1,847	
	holding company					
AEON Credit Service (Asia) Company Limited	Common ultimate holding company	78	-	-	-	
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	49,045	59,878	
AEON Insurance Service Company Limited (JP)	Common ultimate holding company	672	1,371	-	-	
ACS Capital Corporation Limited	Common ultimate holding company	3	-	-	-	
		67,737	73,967	163,774	277,431	

Long-term borrowings (see Note 21)						
AEON Bank Ltd.	Common ultimate holding company	718,151	732,928	718,151	732,928	
Long-term borrowing under securitization project (see Note 22)						
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	1,489,622	1,662,552	
Deposit Received						
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	4,163	4,163	
Deferred Revenue						
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	78,809	82,872	

35.2.2 Transactions with related parties for the years ended February 28, 2021 and February 29, 2020, are as follows:

Related parties	Relationship	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		For the years ended Februar y 28, 2021	Februar y 29, 2020	For the years ended Februar y 28, 2021	Februar y 29, 2020
		Baht '000	Baht '000	Baht '000	Baht '000
Sale promotion income					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	1,751	2,613
Credit card income					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	339,108	366,645
Revenue relating to securitization transaction (included in loan income) (see Note 30)					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	146,149	168,797
Collection income					
ACS Capital Corporation Limited	Shareholder and	912	2,708	-	-
	one common director				
Dividend income					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	130,000	92,500
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	88,800	171,680
		-	-	218,800	264,180

Other income						
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	60,593	51,796	
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	12,901	8,473	
ACS Capital Corporation Limited	Shareholder and	15,807	9,247	4,243	3,261	
	one common director					
AEON Specialized Bank (Cambodia) Plc.	Subsidiary	-	-	10,559	1,800	
		15,807	9,247	88,296	65,330	
Operating and administrative expenses						
Collection service fee						
ACS Servicing (Thailand) Co., Ltd.	Subsidiary	-	-	466,409	446,887	
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	6,697	8,807	
		-	-	473,106	455,694	

		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
Related parties	Relationship	For the years ended		For the years ended	
		Februar y 28,	Februar y 29,	Februar y 28,	Februar y 29,
		2021	2020	2021	2020
		Baht '000	Baht '000	Baht '000	Baht '000
Others					
AEON Financial Service Co., Ltd.	Major shareholder	136,778	101,725	104,215	93,331
AEON Credit Service Company Limited	Common ultimate holding company	32,651	44,190	10,396	19,190
AEON Bank Ltd.	Common ultimate holding company	17,871	8,848	5,339	2,788
AEON (Thailand) Company Limited	Common ultimate holding company	17,667	24,626	17,667	24,626
AEON Credit Service Systems (Philippines) Inc.	Holding shares	843	6,168	843	4,077
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	23,986	17,574
AEON Credit Service (Asia) Company Limited	Common ultimate holding company	-	1,814	-	-
AEON Leasing Service (Lao) Company Limited	Subsidiary	-	-	2,320	-
AEON Insurance Service Company Limited (JP)	Common ultimate holding company	4,165	128	-	-
		209,975	187,499	164,766	161,586
Finance costs					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	377,858	440,108
AEON Bank Ltd.	Common ultimate holding company	11,287	8,416	6,579	8,416
AEON Financial Service Co., Ltd.	Major shareholder	12,844	2,412	-	-
		24,131	10,828	384,437	448,524
Dividend paid					
AEON Financial Service Co., Ltd.	Major shareholder	386,320	421,440	386,320	421,440
ACS Capital Corporation Limited	Shareholder and one common	211,200	230,400	211,200	230,400

	director						
AEON Holding (Thailand) Limited	Common ultimate holding company	96,800		105,600		96,800	105,600
		694,320		757,440		694,320	757,440

- Other income for the years ended February 28, 2021 and February 29, 2020 include the computer fee charged to ACS Capital Corporation Limited at the rate of Baht 130,000 per month from September 2019 onwards, and charged to AEON Insurance Service (Thailand) Company Limited and ACS Servicing (Thailand) Company Limited at the rate of Baht 550,000 per month and Baht 770,000 per month, respectively, and from March 2020 onwards, Finance and Accounting operation services fee charged to ACS Capital Corporation Limited, AEON Insurance Service (Thailand) Company Limited and ACS Servicing (Thailand) Company Limited at the rate of Baht 97,000 per month, Baht 580,000 per month and Baht 760,000 per month, respectively, and from January 2021 onwards, Finance and Accounting operation services fee charged to ACS Capital Corporation Limited, AEON Insurance Service (Thailand) Company Limited and ACS Servicing (Thailand) Company Limited at the rate of Baht 50,000 per month, Baht 330,000 per month and Baht 720,000 per month, respectively. The 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.
- Computer programs purchasing price is paid to AEON Credit Service Systems (Philippines) Inc. as specified in the agreement.

36. LONG-TERM OPERATING LEASE AND SERVICE AGREEMENTS

As at February 29, 2020, the Company has long-term operating lease and service agreements with third parties as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	Future minimum lease payments		Future minimum lease payments	
	As at February 29, 2020		As at February 29, 2020	
	Within 1 year	Over 1 to	Within 1 year	Over 1 to
		5 years		5 years
	Baht '000	Baht '000	Baht '000	Baht '000
Buildings	399,638	349,438	353,075	301,221
Office equipment	53,758	23,640	52,956	23,436
Vehicles	39,752	12,669	24,955	11,304

For the year ended February 29, 2020, the Group and the Company recorded expense according to long-term operating lease and service agreements in the consolidated and separate statements of profit or loss of Baht 448.51 million and Baht 398.16 million, respectively.

37. 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:

37.1 Operating result classified by business for the years ended February 28, 2021 and February 29, 2020 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS				
	For the year ended February 28, 2021				
	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	18,665,030	1,574,368	1,062,504	-	21,301,902
Inter - segment revenues	643,712	(6,364)	468,972	(1,106,320)	-
	19,308,742	1,568,004	1,531,476	(1,106,320)	21,301,902
Expenses					
Operating and administrative expenses	7,054,212	755,634	1,200,298	(866,505)	8,143,639
Directors and managements' remuneration	96,855	27,952	34,242	-	159,049
Loss on revaluation of investment	14,009	-	-	-	14,009
Loss on impairment of investment	16,819	-	-	(16,819)	-
(Gain) loss on sale and write-off of leasehold improvement and equipment	6,780	358	(336)	-	6,802
Total expenses	7,188,675	783,944	1,234,204	(883,324)	8,323,499
Finance costs	1,779,026	325,279	2,507	(10,559)	2,096,253
Expected credit loss (reversal)	5,599,822	610,018	(235)	-	6,209,605
Share of loss of an associate using equity method	-	-	-	25,431	25,431
Profit (loss) before income tax	4,741,219	(151,237)	295,000	(237,868)	4,647,114
Income tax expense	892,419	19,515	55,146	-	967,080
Profit (loss) for the year	3,848,800	(170,752)	239,854	(237,868)	3,680,034

		CONSOLIDATED FINANCIAL STATEMENTS				
		For the year ended February 29, 2020				
		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	20,739,996		1,424,508	1,136,448	-	23,300,952
Inter - segment revenues	693,709		5,252	436,250	(1,135,211)	-
	21,433,705		1,429,760	1,572,698	(1,135,211)	23,300,952
Expenses						
Operating and administrative expenses	8,054,941		656,849	1,230,499	(851,061)	9,091,228
Directors and managements' remuneration	101,516		38,300	32,090	-	171,906
Loss on sale of investment	539		-	-	-	539
(Gain) loss on sale and write-off of leasehold improvement and equipment and intangible assets	24,866		599	(72)	-	25,393
Total expenses	8,181,862		695,748	1,262,517	(851,061)	9,289,066
Finance costs	1,965,165		243,993	14	-	2,209,172
Bad debts and doubtful accounts (reversal)	6,512,931		133,909	(578)	-	6,646,262
Share of loss of an associate using equity method	-		-	-	12,665	12,665
Profit before income tax	4,773,747		356,110	310,745	(296,815)	5,143,787
Income tax expense	887,091		77,204	59,261	-	1,023,556
Profit for the year	3,886,656		278,906	251,484	(296,815)	4,120,231

37.2 Financial position classified by business as at February 28, 2021 and February 29, 2020 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS					
	As at February 28, 2021					
	Retail finance services			Other business	Elimination	Total
	Domestic	Foreign		Domestic		
	Baht '000	Baht '000		Baht '000	Baht '000	Baht '000
Trade and other receivables	71,456,826		4,958,981	439,019	(188,876)	76,665,950
Leasehold improvement and equipment and						
intangible assets other than goodwill	1,174,163		173,771	149,019	(6,942)	1,490,011
Other assets	8,701,283		1,069,615	810,686	(1,349,043)	9,232,541
Total assets	81,332,272		6,202,367	1,398,724	(1,544,861)	87,388,502
Total liabilities	64,820,381		5,160,685	334,830	(307,058)	70,008,838
	CONSOLIDATED FINANCIAL STATEMENTS					
	As at February 29, 2020					
	Retail finance services			Other business	Elimination	Total
	Domestic	Foreign		Domestic		
	Baht '000	Baht '000		Baht '000	Baht '000	Baht '000

	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Trade and other receivables	81,232,942	5,797,829	421,700	(240,623)	87,211,848
Leasehold improvement and equipment and					
intangible assets	1,236,422	203,540	98,956	(6,942)	1,531,976
Other assets	6,561,997	625,348	807,177	(1,342,735)	6,651,787
Total assets	89,031,361	6,626,717	1,327,833	(1,590,300)	95,395,611
Total liabilities	68,915,446	5,386,901	283,164	(315,047)	74,270,464

38. DISCLOSURE OF INFORMATION RELATING TO FINANCIAL INSTRUMENTS

38.1 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.

38.2 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.

38.2.1 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 38.2.2). Cross currency swap contracts assets and liabilities are presented in "Derivative assets" and "Derivative liabilities" within the statement of financial position (see Note 24 for further details).

38.2.2 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.

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, 2021 and their related hedged items.

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS					
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)
		Foreign currency	Functional currency		
	% per annum	Million	Baht '000	Baht '000	Baht '000
Cash flow hedges					
Cross currency and interest rate swap contracts					
JPY currency					
Less than 1 year	0.78	5,000.00	1,436,795	-	172,826
1 to 5 years	0.36 - 0.40	15,642.05	4,494,883	-	326,322
			5,931,678	-	499,148
USD currency					
Less than 1 year	0.77 - 1.11	107.99	3,262,737	-	504,485
1 to 5 years	0.89 - 1.45	564.30	17,049,309	-	1,777,143
			20,312,046	-	2,281,628
Interest rate swap contracts					
THB currency					
Less than 1 year	-	-	-	-	-
1 to 5 years	0.93 - 1.25	-	9,000,000	-	364,729
			9,000,000	-	364,729
			35,243,724	-	3,145,505

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, 2021							
	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		
Cash flow hedges							
Cross currency and interest rate swap contracts							
JPY currency	(19,806)	-	-	(40,097)	6,072	Finance costs	
				229,621	-	Other income	
USD currency	(433,292)	-	-	45,714	11,586	Finance costs	
				623,622	-	Other income	
Interest rate swap contracts							
THB currency	118,330	-	-	22,340	-	Finance costs	
Total	(334,768)	-		881,200	17,658		

38.3 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.

38.3.1 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, 2021, 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, 2021							
	Notes	External credit rating	12-month or lifetime ECL	Gross carrying amount	Allowance for ECL	Net carrying amount	
				Baht '000	Baht '000	Baht '000	
Trade receivables	5	N/A	12-month ECL	79,446,594	(5,969,416)	73,477,178	
			Lifetime ECL	7,985,968	(5,623,803)	2,362,165	
Fixed deposits at banks under obligations	7	N/A	12-month ECL	38,968	-	38,968	
				87,471,530	(11,593,219)	75,878,311	

SEPARATE FINANCIAL STATEMENTS							
As at February 28, 2021							
	Notes	External credit rating	12-month or lifetime ECL	Gross carrying amount	Allowance for ECL	Net carrying amount	
				Baht '000	Baht '000	Baht '000	
Trade receivables	5	N/A	12-month ECL	74,480,252	(5,813,007)	68,667,245	
			Lifetime ECL	7,245,972	(5,078,796)	2,167,176	
Long-term loan to a subsidiary	8	N/A	12-month ECL	119,494	-	119,494	
				81,845,718	(10,891,803)	70,953,915	

38.4 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 additional undrawn facilities that the Group and the Company have to further reduce liquidity risk are disclosed in Note 39.

38.4.1 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 may be required to pay.

As at February 28, 2021, 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, 2021						
	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
Financial assets							
Cash and cash equivalents	5,105,168	-	-	-	-	-	5,105,168
Trade receivables	-	73,525,984	2,313,359	-	-	-	75,839,343
Other receivables	-	826,607	-	-	-	-	826,607
Fixed deposits at banks under obligations	-	-	38,968	-	-	-	38,968
Investment in equity securities designated at fair value through profit or loss	-	-	-	-	-	5,062	5,062
Total financial assets	5,105,168	74,352,591	2,352,327	-	5,062		81,815,148

		CONSOLIDATED FINANCIAL STATEMENTS					
		As at February 28, 2021					
	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
Financial liabilities							
Bank overdrafts and short-term borrowings from financial institutions	-	10,379,071	-	-	-	-	10,379,071
Trade payables	-	556,154	-	-	-	-	556,154
Other payables	-	1,189,768	-	-	-	-	1,189,768
Interest payable	-	194,491	-	-	-	-	194,491
Long-term borrowings	-	3,839,423	38,982,198	-	-	-	42,821,621
Long-term debentures	-	3,156,040	6,269,361	-	-	-	9,425,401
Derivative liabilities	-	1,287,130	1,858,375	-	-	-	3,145,505
Lease liabilities	-	453,755	234,962	912	-	-	689,629
Subordinated borrowings	-	-	84,074	-	-	-	84,074
Total financial liabilities	-	21,055,832	47,428,970	912	-	-	68,485,714
SEPARATE FINANCIAL STATEMENTS							
As at February 28, 2021							
	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
Financial assets							
Cash and cash equivalents	3,157,192	-	-	-	-	-	,157,192
Trade receivables	-	69,057,533	1,776,888	-	-	-	70,834,421
Other receivables	-	672,233	-	-	-	-	672,233
Seller loan in Special Purpose Vehicle for securitization	-	219,626	-	-	-	-	219,626
Long-term loan to a subsidiary	-	-	-	119,494	-	-	119,494
Investment in equity securities designated at fair value through profit or loss	-	-	-	-	5,062	-	5,062
Subordinated lendings	-	-	84,074	-	-	-	84,074
Total financial assets	3,157,192	69,949,392	1,860,962	119,494	5,062	-	75,092,102
Financial liabilities							
Bank overdrafts and short-term borrowings from financial	-	7,860,0	-	-	-	-	7,860,0

institutions			00						00
Trade payables	-		413,004		-	-	-	-	413,004
Other payables	-		1,078,282		-	-	-	-	1,078,282
Interest payable	-		188,652		-	-	-	-	188,652
Long-term borrowings	-		3,839,423		36,807,309	-	-	-	40,646,732
Long-term borrowings under securitization project	-		-		1,489,622	-	-	-	1,489,622
Long-term debentures	-		3,156,040		4,796,279	-	-	-	7,952,319
Derivative liabilities	-		1,287,130		1,858,375	-	-	-	3,145,505
Lease liabilities	-		384,411		174,184	-	-	-	558,595
Total financial liabilities	-		18,206,942		45,125,769	-	-	-	63,332,711

38.5 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 18, Note 21 and Note 22, long-term debentures in Note 23, lease liabilities in Note 20 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 26.

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, 2021 is as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
	Baht '000	Baht '000
Debt	63,399,796	58,507,268
Cash and cash equivalents (including cash and bank balances in a disposal group held for sale)	(5,105,168)	(3,157,192)
Net debt	58,294,628	55,350,076
Equity	17,379,664	16,498,411
Net debt to equity ratio	3.35	3.35

Debt consists of short-term and long-term borrowings in Note 18, Note 21 and Note 22, long-term debentures in Note 23 and lease liabilities in Note 20.

Equity includes all capital and reserves of the Group and the Company that are managed as capital.

38.6 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 are subjected to discounted cash flows net of allowance for expected credit loss and allowance for bad debts.
- 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.
- 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 as at February 28, 2021

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, 2021:

		CONSOLIDATED FINANCIAL STATEMENTS				
		As at February 28, 2021				
		Carrying amount			Fair value	
		FVTPL - derivatives designated in hedge relationships	FVTPL - designated	Amortized cost		Fair value hierarchy
		Baht '000	Baht '000	Baht '000	Baht '000	
Financial assets						
Cash and cash equivalents		-	-	5,105,168	5,105,168	Level 2
Trade receivables		-	-	75,839,343	75,839,343	Level 3
Other receivables		-	-	826,607	826,607	Level 3
Fixed deposits at banks under obligations				38,968	38,968	Level 3
Investment in equity securities designated at fair value through profit or loss		-	5,062	-	5,062	Level 3
Total financial assets		-	5,062	81,810,086	81,815,148	
Financial liabilities						
Bank overdrafts and short-term borrowings from financial institutions		-	-	10,379,071	10,379,071	Level 2
Trade payables		-	-	556,154	556,154	Level 3
Other payables		-	-	1,189,768	1,189,768	Level 3
Interest payable		-	-	194,491	194,491	Level 3
Long-term borrowings		-	-	42,821,621	42,855,929	Level 2
Long-term debentures		-	-	9,425,401	9,454,304	Level 2
Derivative liabilities		3,145,505	-	-	3,145,505	Level 2
Lease liabilities		-	-	689,629	689,629	Level 3
Subordinated borrowings		-	-	84,074	84,074	Level 3
Total financial liabilities		3,145,505	-	65,340,209	68,548,925	

		SEPARATE FINANCIAL STATEMENTS				
		As at February 28, 2021				
		Carrying amount			Fair value	
		FVTPL - derivatives designated in hedge relationships	FVTPL - designated	Amortized cost		Fair value hierarchy
		Baht '000	Baht '000	Baht '000	Baht '000	
Financial assets						
Cash and cash equivalents		-	-	3,157,192	3,157,192	Level 2
Trade receivables		-	-	70,834,421	70,834,421	Level 3
Other receivables		-	-	672,233	672,233	Level 3
Seller loan in Special Purpose Vehicle for securitization		-	-	219,626	219,626	Level 3
Long-term loan to a subsidiary		-	-	119,494	117,424	Level 2
Investment in equity securities designated at fair value through profit or loss		-	5,062	-	5,062	Level 3
Subordinated lendings		-	-	84,074	84,074	Level 3
Total financial assets		-	5,062	75,087,040	75,090,032	
Financial liabilities						
Bank overdrafts and short-term borrowings from financial institutions		-	-	7,860,000	7,860,000	Level 2
Trade payables		-	-	413,004	413,004	Level 3
Other payables		-	-	1,078,282	1,078,282	Level 3
Interest payables		-	-	188,652	188,652	Level 3
Long-term borrowings		-	-	40,646,732	40,680,980	Level 2
Long-term borrowings under securitization project		-	-	1,489,622	1,489,622	Level 3
Long-term debentures		-	-	7,952,319	7,989,222	Level 2
Derivative liabilities		3,145,505	-	-	3,145,505	Level 2
Lease liabilities		-	-	558,595	558,595	Level 3
Total financial liabilities		3,145,505	-	60,187,206	63,403,862	

2) Fair value as at February 29, 2020

Cash and cash equivalents, trade and other current receivables, bank overdrafts and short-term borrowings from financial institutions and trade and other current payables; the carrying values of outstanding balances approximate their fair values due to relatively short period to maturity.

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

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

2.1) 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 29, 2020:

	Carrying amount	Fair value	Fair value hierarchy
	Baht '000	Baht '000	
As at February 29, 2020			
Consolidated financial statements			
Financial liabilities			
Long-term borrowings bearing fixed interest rate	9,423,476	9,495,653	Level 2
Long-term borrowings bearing floating interest rate	35,836,135	35,854,083	Level 2
Long-term debentures bearing fixed interest rate	11,190,902	11,337,213	Level 2
Long-term debentures bearing floating interest rate	5,597,064	5,604,534	Level 2
Separate financial statements			
Financial liabilities			
Long-term borrowings bearing fixed interest rate	8,240,556	8,312,732	Level 2
Long-term borrowings bearing floating interest rate	35,836,135	35,854,083	Level 2
Long-term debentures bearing fixed interest rate	11,190,902	11,337,213	Level 2
Long-term debentures bearing floating interest rate	4,123,982	4,131,452	Level 2

2.2) Estimated fair values of receivables and/or payables per cross currency swap contracts are estimated based on the discounted cash flows. Future cash flows are estimated based on relevant market price of hedged position, i.e. interest rate, foreign exchange rate, discounted at a rate that reflects the credit risk of various counterparties. Fair values of receivables and/or payables per cross currency swap contracts are determined at Level 2.

The carrying amount and estimated fair values of receivables and/or payables per cross currency swap contracts are as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
	As at February 29, 2020				
	Carrying amount			Fair value	
	Within 1 year	Over 1 - 5 years	Total	Assets (Liabilities)	
	Baht '000	Baht '000	Baht '000	Baht '000	
Receivables per currency swap contracts					
Cross Currency Swap Contracts		210,07	361,12	(93,88	
	151,056				
Payables per currency swap contracts					
Cross Currency Swap Contracts	(526,253)	(867,34	(1,393,59	(2,233,79	

39. CREDIT FACILITIES AND LETTERS OF GUARANTEE

- 39.1 As at February 28, 2021 and February 29, 2020, the Company has unused committed and unsecured revolving credit facility agreements with some financial institutions totaling Baht 3,000 million.
- 39.2 As at February 28, 2021 and February 29, 2020, the Company has unused overdraft facilities with various banks totaling Baht 3,090 million. Such overdraft facilities are unsecured.
- 39.3 As at February 28, 2021 and February 29, 2020, 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.
- 39.4 As at February 28, 2021 and February 29, 2020, two subsidiaries have letters of guarantee issued by banks in the amounts of Baht 5.78 million and Baht 5.38 million, respectively.

40. SIGNIFICANT AGREEMENTS RELATING TO SECURITIZATION TRANSACTION

- 40.1 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.
- 40.2 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.
- 40.3 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.

41. SALE OF WRITTEN-OFF RECEIVABLES

41.1 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 2.02 million and Baht 2.48 million as bad debt recovery in the consolidated and separate statements of profit or loss for the years ended February 28, 2021 and February 29, 2020, respectively, and recorded outstanding deferred revenue of Baht 22.73 million and Baht 24.75 million as other current liabilities in the separate statement of financial position as at February 28, 2021 and February 29, 2020, 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.

41.2 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 1.78 million and Baht 0.93 million as bad debt recovery in the consolidated and separate statements of profit or loss for the year ended February 28, 2021 and February 29, 2020, respectively, and recorded outstanding deferred revenue of Baht 55.95 million and Baht 57.83 million as other current liabilities in the separate statements of financial position as at February 28, 2021 and February 29, 2020, 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.

41.3 On October 28, 2019, 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 247.94 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 October 28, 2019, 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 247.94 million in the consolidated and separate statements of profit or loss for the year ended February 29, 2020.

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. The claim was to be settled with the final payment which the Company would receive from the buyer. However, the Company believed that such damage was not significant, therefore, the Company had not recorded such claim in the financial statements for the year ended February 29, 2020. In addition, if the buyer wished to sell or transfer loan that were intended to be a portfolio sale to a third-party, the Company was entitled to a right to first negotiate with the buyer with regard to a purchase of the portfolio before any third-party. If the negotiation did not conclude within three months or the Company decided not to make a purchase, the buyer might sell such loan to a third-party.

41.4 On February 27, 2020, 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 329.19 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 February 27, 2020, which is the closing date as specified in the agreement, the Company received the initial payment of Baht 164.65 million, from the buyer. The Company has already recognized gain on sale of written-off receivables totaling 329.19 Baht million in the consolidated and separate statements of profit or loss for the year ended February 29, 2020, and recorded outstanding receivables of Baht 164.54 million as other receivables in the consolidated and separate statements of financial position as at February 29, 2020. As at February 28, 2021, the Company already received the full payment from the buyer.

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. The claim was to be settled with the final payment which the Company would receive from the buyer. However, the Company believed that such damage was not significant, therefore, the Company had not recorded such claim in the financial statements for the year ended February 29, 2020. In addition, if the buyer wished to sell or transfer loan that were intended to be a portfolio sale to a third-party, the Company was entitled to a right to first negotiate with the buyer with regard to a purchase of the portfolio before any third-party. If the negotiation did not conclude within three months or the Company decided not to make a purchase, the buyer might sell such loan to a third-party.

41.5 On October 30, 2020, 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 249.70 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 October 30, 2020, which is the closing date as specified in the agreement and as at February 28, 2021 the Company received the initial payment of Baht 74.90 million and Baht 77.68 million, respectively. The buyer has agreed to pay the remaining amount of purchase price amounting to Baht 97.12 million in 5 installments of Baht 19.42 million per each and last installment will be on July 30, 2021. The Company has already recognized gain on sale of written-off receivables totaling Baht 249.70 million in the consolidated and separate statements of profit or loss for the year ended February 28, 2021, and recorded outstanding receivables of Baht 97.12 million as other receivables in the consolidated and separate statements of financial position as at February 28, 2021.

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. The claim was to be settled with the final payment which the Company would receive from the buyer. However, the Company believed that such damage was not significant, therefore, the Company had not recorded such claim in the financial statements for the year ended February 28, 2021. In addition, under the Asset Sale and Purchase Agreement, if the buyer wished to sell or transfer loan to a third part, 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.

42. EVENT AFTER THE REPORTING PERIOD

On March 29, 2021, AEON Thana Sinsap (Thailand) Public Company Limited ("AEON"), 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, AEON and HUMAN holds 77%, 18% and 5%, respectively, of the shares. The initial registered capital is Baht 800 million.

The Joint Venture Company's main objective is to provide lending services through digital platform under the brand "Rabbit Cash".

The Joint Venture Agreement was approved by the Board of Directors' Meeting on February 3, 2021.

43. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved for issue by the Company's Board of Director on April 27, 2021.

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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 (%) (28/02/21)	Family Relationship with Directors and Executives	Working Experience for the last 5 years				
					Time Period	Position	Organization/Company/Type of business		
Mr. Hideki Wakabayashi ¹ Chairman of the Board (Authorized Directors) Appointed effective on 12 June 2014	63	Bachelor Degree of Faculty of law Sophia University Japan	None	None	Aeon Group				
		Training/Seminar - AFS Compliance Awareness-raising Training - AEON Top Seminar - AFS Group Director and Management Training Programme 2020			2010 – Present	Director	AEON Financial Service Co., Ltd. / Retail Finance ²		
					2012 – 2013	Director	ACS Credit Management Co., Ltd. / Debt Collection Service		
					2011 – 2014	Auditor	AEON Credit Card (Taiwan) Co., Ltd. / Credit card business		
					2011 – 2014	Auditor	AEON Credit Service (Taiwan) Co., Ltd. / Hire Purchase Business		
					2012 – 2013	Director	AEON Housing Loan Service Co., Ltd. / Mortgage business		
					2010 – 2013	Auditor	AEON S.S.Insurance Co., Ltd. / Small Amount and Short Term Insurance Business		
					2013 – 2014	Auditor	AEON Product Finance Co., Ltd. / Credit Guarantee Business		
					2013 – 2018	Director	AEON Credit Service Co., Ltd. / Retail Finance ³		
					2014 – Present	Chairman of the Board	AEON Thana Sinsap (Thailand) PLC / Retail Finance		
					2018 - Present	Director	Aeon Insurance Service Co.,Ltd.		
					Other listed company				
					None				
					Other non-listed company				
					None				

Name – Surname	Age (Years)	Education Background	Shareholding (%) (28/02/21)	Family Relationship with Directors and Executives	Working Experience for the last 5 years		
					Time Period	Position	Organization/Company/Type of business
Mr. Tsutomu Omodera ^{1,4} Vice Chairman of the Board and Managing Director (Authorized Directors) Appointed effective on 24 June 2020	57	<p>Bachelor Degree of Faculty of Engineering Kobe University Japan</p> <p>Training/Seminar</p> <ul style="list-style-type: none"> - AFS Group Director and Management Training Programme 2020 	None	None	Aeon Group		
					2006-2013	Executive Officer	AEON Bank, Ltd., AEON Credit Service Co., Ltd.
					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	ACS Servicing (Thailand) Co., Ltd.
					Other listed company		
Mrs. Suporn Wattanavekin ¹ Director (Authorized Directors) Appointed effective on 18 February 2000	56	<p>Master Degree in Business Administration National Institute of Development Administration</p> <p>Training/Seminar</p> <ul style="list-style-type: none"> - Director Diploma Examination / IOD - Director Certification Program (DCP) / IOD - Capital Market Academy Greater Mekong Sub region - Ultra Wealth Programme - AFS Group Director and Management Training Programme 2020 - Advanced Master of Management Program (AMM) 	0.0800	None	Aeon Group		
					2000 – Present	Director	AEON Thana Sinsap (Thailand) PLC / Retail Finance
					2005 – Present	Director	Aeon Insurance Service Co.,Ltd./ Insurance and Life Insurance Broker
					2007 - 2018	Vice Chairman	Aeon Thailand Foundation / Foundation
					2019 - Present	Chairman of the Board	Aeon Thailand Foundation / Foundation
					Other listed company		
					2020 - Present	Vice Chairman Chairman of the Board	Global Consumer PLC/ Packaging Industry
					Other non-listed company		
					2016 - Present	Director	The Ultrawealth Group Co., Ltd.

Name – Surname	Age (Years)	Education Background	Shareholding (%) (28/02/21)	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	51	Master of Business Administration Griffith University Australia Training/Seminar - AFS Group Director and Management Training Programme 2020	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
					2014 – Present	President Director	AEON Thana Sinsap (Thailand) PLC / Retail Finance
					2015 – 2016	Director	AEON Credit Service (M) Berhad / Retail Finance
					2016 – Present	Chairman of the Board	AEON Leasing Service (Lao) Company Limited / Leasing
					2018 - Present	Director	ACS Trading Vietnam Co., Ltd / Retail Finance
					Other listed company		
					None		
Ms. Suriporn Thammawatid Director - Appointed effective on 22 June 2018	53	Master of Management Srinakharinwirot University Training/Seminar - AFS Group Director and Management Training Programme 2020	None	None	Aeon Group		
					2004 – 2006	Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance
					2006 – 2007	Senior Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance
					2007 – Present	Director	ACS Servicing (Thailand) PLC / 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
					Other listed company		
					None		
					Other non-listed company		
					None		

Name – Surname	Age (Years)	Education Background	Shareholding (%) (28/02/21)	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	40	Master of Business Administration (Finance) National Institute of Development Administration Bachelor Degree of Sociology Hosei University, Japan Training/Seminar - AFS Group Director and Management Training Programme 2020 - Business Analyst through Financial Statements /Federation of Accounting Professions - TLCA CFO Professional Development Programme / Thai Listed Companies Association - TFRS version 2019 & 2020: Practical Implication / Deloitte Touche Tohmatsu Jaiyos Co., Ltd. - E-Learning CFO's Refresh Course/ The Stock Exchange of Thailand	None	None	Aeon Group 2014 – Present 2014 - Jun 2018 2016 – 2019 2018 - Present 2018 – Present 2018 – Present Jun 2019 - Present	Director Director Senior Executive Vice President Auditor Director Chief Financial Officer Director	ACS Capital Corporation Limited/ Leasing Aeon Leasing Service (Lao) Company Limited AEON Thana Sinsap (Thailand) PLC / Retail Finance Aeon Leasing Service (Lao) Company Limited ACS Trading Vietnam Co., Ltd / Retail Finance AEON Thana Sinsap (Thailand) PLC / Retail Finance AEON Thana Sinsap (Thailand) PLC / Retail Finance
					Other listed company None		
					Other non-listed company None		

Name – Surname	Age (Years)	Education Background	Shareholding (%) (28/02/21)	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	59	Bachelor of Science in Business Administration University of Southern California USA	5.8800	None	Aeon Group		
		Training/Seminar			2000 – Present	Director	AEON Thana Sinsap (Thailand) PLC / Retail Finance
		- Director Accreditation Program (DAP) / IOD			2007 - Present	Director	Aeon Thailand Foundation / Foundation
		- Corporate Governance for Capital Market Intermediaries (CGI) / IOD			Other listed company		
					1993 – Present	Director and Managing Director	True Corporation PLC/ Telecommunication
					2001 – Present	Independent Director and Audit Committee Member	Frasets Property (Thailand) Public company Limited / Property & Construction
					2013 – Present	Chairman	Finansia Syrus Securities PLC / Securities Business
					2014 – Present	Director	WP Energy PLC / Resources
					2017 - Present	Independent Director and Audit Committee Member	SVI PLC / Technology
					Other non-listed company		
					2000 - Present	President and CEO	Telecom Holding Co., Ltd. / Holding Company

Name – Surname	Age (Years)	Education Background	Shareholding (%) (28/02/21)	Family Relationship with Directors and Executives	Working Experience for the last 5 years				
					Time Period	Position	Organization/Company/Type of business		
Mr. Kenji Fujita Director - Appointed effective on 21 June 2019	51	Master of Business Administration International University of Japan, Japan Bachelor of Arts (Humanity) Yamaguchi University, Japan	None	None	Aeon Group				
					2014 – 2019	Managing Director	AEON Credit Service (M) Berhad		
		Training/Seminar - AEON Top Seminar - AFS Group Director and Management Training Programme 2020			2014 – 2019	Non-Executive Director	AEON Credit Service (India) Private Limited		
					2014 – 2019	Commissioner	PT.AEON Credit Service Indonesia		
					Mar 2019 – Jun 2019	Chairman of the Board			
					Jun 2019 – 2020	Non-Executive Director	AEON Thana Sinsap (Thailand) PLC / Retail Finance		
					2019 – 2020	Vice Chairman of the Board and Managing Director	AEON Thana Sinsap (Thailand) PLC / Retail Finance		
					2019 – 2021	Chairman of the Board	ACS Servicing (Thailand) PLC / Collection Servicer		
					2021 - Present	Chairman of the Board	AEON Specialized Bank (Cambodia) PLC / Specialized Bank		
						President and CEO	AEON Financial Service Co.,Ltd.		
		Other listed company							
		None							
		Other non-listed company							
		None							

Name – Surname	Age (Years)	Education Background	Shareholding (%) (28/02/21)	Family Relationship with Directors and Executives	Working Experience for the last 5 years		
					Time Period	Position	Organization/Company/Type of business
Mr. Masanori Kosaka Director - Appointed effective on 28 June 2017	64	Bachelor Degree of Faculty of law Kyoto Sangyo University, Japan	None	None	Aeon Group		
		Training/Seminar			2011 – 2012	Director	AEON Credit Service Co., Ltd./ Retail Finance4
		- AFS Group Director and Management Training Programme 2020			2013 – 2015	Managing Director	AEON Credit Holdings (Hong Kong) Co., Ltd.
					2013 – 2014	Chairman of the Board	AEON Thana Sinsap (Thailand) PLC / Retail Finance
					2015 – 2017	Audit Division	AEON Financial Service Co.,Ltd. / Retail Finance
					2017 – Present	Managing Director	ACS Servicing (Thailand) PLC / Collection Servicer
					2017 – Present	Director	AEON Thana Sinsap (Thailand) PLC / Retail Finance
					2017 – 2018	Chairman of the Board	AEON Microfinance(Myanmar) Co.,Ltd. / Retail Finance
					2018 – 2019	Chairman of the Board	AEON Specialized Bank (Cambodia) PLC / Specialized Bank
					Feb 2019 – Present	Chairman of the Board	AEON Microfinance(Myanmar) Co.,Ltd. / Retail Finance
					Mar 2019 - Jun 2019	Vice Chairman of the Board	AEON Thana Sinsap (Thailand) PLC / Retail Finance
					Other listed company		
					None		
					Other non-listed company		
					None		

Name – Surname	Age (Years)	Education Background	Shareholding (%) (28/02/21)	Family Relationship with Directors and Executives	Working Experience for the last 5 years		
					Time Period	Position	Organization/Company/Type of business
Mr. Noppun Muangkote Independent Director and Chairman of Audit Committee - Appointed effective on 7 August, 2001	73	Master Degree in Law New York University, USA Training/Seminar - Director Accreditation Program (DAP) / IOD	None	None	Aeon Group		
					2015 – Present	Director	AEON Fantasy (Thailand) Co., Ltd. / Amusement park
					2001 – Present	Independent Director and Chairman of Audit Committee	AEON Thana Sinsap (Thailand) PLC / Retail Finance
					2005 - Present	Director	AEON Holdings (Thailand) Co., Ltd. / Holding
					2007 - Present	Director	AEON Thailand Foundation / Foundation
					Other listed company		
					1990 - Present	Director and Vice Chairman	Sahakol Equipment PLC / Construction Contractor / Energy
					2001 - Present	Independent Director and Audit Committee Member	Amata Corporation PLC / Property Development
					Other non-listed company		
					1981 - Present	Chairman	International Business Lawyers Co., Ltd. / Legal Advisor
					2005 - Present	Director	PF Controls Group Co., Ltd. /Water Treatment
					2007 - Present	Independent Director and Chairman of Audit Committee	Charoensin Asset Co., Ltd. /Property Development

Name – Surname	Age (Years)	Education Background	Shareholding (%) (28/02/21)	Family Relationship with Directors and Executives	Working Experience for the last 5 years		
					Time Period	Position	Organization/Company/Type of business
Dr. Suchart Koontanakulvong Independent Director and Audit Committee Appointed effective on 17 Jun 2010	65	<ul style="list-style-type: none"> - Doctor in Agricultural Engineering (Civil) - Master in Agricultural Engineering (Civil) - Bachelor Degree in Chemical Engineering KYOTO University, Japan <p>Training/Seminar</p> <ul style="list-style-type: none"> - Director Certification Program (DCP) / IOD - Independent Director Forum 2017 Updated COSO Enterprise Risk Management: Integrating with Strategy and Performance / Thai Institute of Directors Association 	None	None	Aeon Group		
					2010 - May 2017	Independent Director	AEON Thana Sinsap (Thailand) PLC / Retail Finance
					May 2017 - Present	Independent Director and Audit Committee Member	AEON Thana Sinsap (Thailand) PLC / Retail Finance
					Other listed company		
					2009 - Present	Independent Director & Audit Committee Member	Siam Steel Service Center PLC / Steel
					Other non-listed company		
					1996 - Present	Associate Professor, Faculty of Engineering,	Chulalongkorn University / University

Name – Surname	Age (Years)	Education Background	Shareholding (%) (28/02/21)	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 - Appointed effective on 21 June 2018	51	<p>Ph.D. of Business Administration (Accounting) Thammasat University</p> <p>Training/Seminar</p> <ul style="list-style-type: none"> - Director Accreditation Program (DAP) / IOD - Director Certification Program (DCP) / IOD - Audit Committee Program (ACP) / IOD - Monitoring the Internal Audit Function (MIA)/ IOD - Successful Formulation & Execution of Strategy (SFE)/ IOD - How to Measure the Success of Corporate Strategy (HMS)/ IOD - Chartered Director Class (CDC)/ IOD - Boardroom Success through Financing and Investment (BFI) / IOD - Thai Standard on Auditing - Thai Financial Reporting Standard - Internal Control and Internal Audit - Thai Standard on Auditing - Thai Financial Reporting Standard 	None	None	<p>Aeon Group</p> <table> <tr> <td>Jun 2018 - Jun 2019</td> <td>Independent Director</td> <td>AEON Thana Sinsap (Thailand) PLC / Retail Finance</td> </tr> <tr> <td>Jun 2019 - Present</td> <td>Independent Director and Audit Committee</td> <td>AEON Thana Sinsap (Thailand) PLC / Retail Finance</td> </tr> </table> <p>Other listed company</p> <table> <tr> <td>2011 - Present</td> <td>Independent Director and Audit Committee Member</td> <td>CPL Group Public Company Limited</td> </tr> <tr> <td>2015 - Present</td> <td>Independent Director and Audit Committee Member</td> <td>Sahakol Equipment Public Company Limited</td> </tr> <tr> <td>2016 - Present</td> <td>Independent Director, Chairman of Audit Committee and Risk Management Committee Member</td> <td>Applied DB Public Company Limited</td> </tr> </table> <p>Other non-listed company</p> <table> <tr> <td>2015 – Present</td> <td>Independent Director, Audit Committee and Risk Management Committee Member</td> <td>Charoensin Asset Co., Ltd</td> </tr> <tr> <td>2018 - Present</td> <td>Auditor</td> <td>Karin Audit Co.,Ltd.</td> </tr> </table>	Jun 2018 - Jun 2019	Independent Director	AEON Thana Sinsap (Thailand) PLC / Retail Finance	Jun 2019 - Present	Independent Director and Audit Committee	AEON Thana Sinsap (Thailand) PLC / Retail Finance	2011 - Present	Independent Director and Audit Committee Member	CPL Group Public Company Limited	2015 - Present	Independent Director and Audit Committee Member	Sahakol Equipment Public Company Limited	2016 - Present	Independent Director, Chairman of Audit Committee and Risk Management Committee Member	Applied DB Public Company Limited	2015 – Present	Independent Director, Audit Committee and Risk Management Committee Member	Charoensin Asset Co., Ltd	2018 - Present	Auditor	Karin Audit Co.,Ltd.		
Jun 2018 - Jun 2019	Independent Director	AEON Thana Sinsap (Thailand) PLC / Retail Finance																										
Jun 2019 - Present	Independent Director and Audit Committee	AEON Thana Sinsap (Thailand) PLC / Retail Finance																										
2011 - Present	Independent Director and Audit Committee Member	CPL Group Public Company Limited																										
2015 - Present	Independent Director and Audit Committee Member	Sahakol Equipment Public Company Limited																										
2016 - Present	Independent Director, Chairman of Audit Committee and Risk Management Committee Member	Applied DB Public Company Limited																										
2015 – Present	Independent Director, Audit Committee and Risk Management Committee Member	Charoensin Asset Co., Ltd																										
2018 - Present	Auditor	Karin Audit Co.,Ltd.																										

Name – Surname	Age (Years)	Education Background	Shareholding (%) (28/02/21)	Family Relationship with Directors and Executives	Working Experience for the last 5 years		
					Time Period	Position	Organization/Company/Type of business
Mr.Kenji Hayashi Independent Director - Appointed effective on 17 June 2016	70	Bachelor Degree in German Language Tokyo University of Foreign Studies Japan	None	None	Aeon Group		
					2015 – Present	Non-Executive Director	AEON Credit Service Co., Ltd./ Retail Finance ³
					2016 – Present	Independent Director	AEON Thana Sinsap (Thailand) PLC / Retail Finance
					2016 - Present	Independent Director	AEON Credit Service (Asia) Co., Ltd. / Retail Finance
					Other listed company		
					None		
					Other non-listed company		
					2007 – 2557	President & CEO	Sigma Base Capital Corporation
					2014 – Present	Founder	Institute of Corporate Governance, Japan
					2017 - Present	Non-Executive Director	XTIA Inc.
Mr. Ryuichi Hasuo ⁵ Independent Director - Appointed effective on 24 June 2020	68	Master Degree of Department of Physics Kyushu University, Japan	None	None	Aeon Group		
					2002 - 2007	Senior Vice President	Tripetch Isuzu Sales Co.,Ltd. (Thailand)
					2007 – 2010	Chief Executive Officer	MC Automobile (Europe) N.V
					2012 – 2014	Executive Officer	Mitsubishi Motors Corporation (Japan)
					2015 - 2017	Adviser	Mitsubishi Motors Corporation (Japan)
					2016 - 2019	Head of International Relations Officer	National Astronomical Observatory of Japan at National Institutes of Natural Sciences
					Other listed company		
					None		
					Other non-listed company		
					None		

Name – Surname	Age (Years)	Education Background	Shareholding (%) (28/02/21)	Family Relationship with Directors and Executives	Working Experience for the last 5 years				
					Time Period	Position	Organization/Company/Type of business		
Ms. Supannee Asawasuan Senior Executive Vice President (Company Secretary) - Appointed effective on 21 September 2009	53	<ul style="list-style-type: none"> - Master of Business Administration Eastern Michigan University - Bachelor Degree of Accounting Assumption University - Certified Public Accountant (CPA) 	0.0025	None	Aeon Group				
					2005 – 2009	Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance		
					2009 – Present	Senior Executive Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance		
		Training/Seminar <ul style="list-style-type: none"> - Advances for Corporate Secretary Program 			2020 – Present	Director	ACS Trading Vietnam Co., Ltd / Retail Finance		
					Other listed company				
					None				
					Other non-listed company				
					1997 - 2001	Senior Analyst	The Stock Exchange of Thailand		
Mr. Somsak Hempiam Senior Executive Vice President - Auto Finance Department - Appointed effective on 1 October 2015	56	Bachelor's degree in Computer Tokyo Computer, Japan	None	None	Aeon Group				
					2015 - Present	Senior Executive Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance		
					Other listed company				
					None				
					Other non-listed company				
					2010 - 2015	Senior Vice President	Corporate Planning & Support/Summit Capital Leasing Co., Ltd./Leasing		

Name – Surname	Age (Years)	Education Background	Shareholding (%) (28/02/21)	Family Relationship with Directors and Executives	Working Experience for the last 5 years		
					Time Period	Position	Organization/Company/Type of business
Ms. Ryoko Yao ⁶ Senior Executive Vice President - Customer Service Department - Appointed effective on 1 March 2012 - Resigned from Senior Executive Vice President Customer Service Department effective on 20 September 2020	46	Diploma / Department of Literature St. Agnes College Japan	None	None	Aeon Group		
					2005 – 2009	Assistant Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance
					2009 – 2012	Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance
					2012 – 2020	Senior Executive Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance
					2014 - 2020	Director	ACS Servicing (Thailand) PLC / Collection Servicer
					Other listed company		
					None		
Mrs. Chittiporn Inoue ⁷ Senior Executive Vice President Customer Service Department - Appointed effective on 27 August 2020	46	Master of Business Adminisyrative Management (MBA) Srinakharinwirot University	None	None	Aeon Group		
					2016 – 2017	Vice President	System Development Department, AEONTS
					2017 – 2018	Vice President	System Planning Section, IT Department, AEONTS
					2018 – 2020	Executive Vice President	System Planning Department, AEONTS
					2020 – Present	Senior Executive Vice President	Customer Service Department
					Other listed company		
					None		
					Other non-listed company		
					None		

Name – Surname	Age (Years)	Education Background	Shareholding (%) (28/02/21)	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	53	Bachelor Degree of Computer Science Ramkhamhaeng University	None	None	Aeon Group		
					2004 – 2010	Assistant Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance
					2010 – 2013	Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance
					2013 - Present	Senior Executive Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance
					Other listed company		
					None		
Mr. Witchasorn Suwannakindra Senior Executive Vice President - Business Control Management Department - Appointed effective on 1 March 2013	58	Master's Degree of Public Administration University of New Haven USA	0.00008	None	Aeon Group		
					2009 – 2011	Assistant Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance
					2011 – 2013	Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance
					2013 – Present	Senior Executive Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance
					2020 – Present	Director	ACS Servicing (Thailand) PLC / Collection Servicer
					Other listed company		
					None		
					Other non-listed company		
					None		

Name – Surname	Age (Years)	Education Background	Shareholding (%) (28/02/21)	Family Relationship with Directors and Executives	Working Experience for the last 5 years		
					Time Period	Position	Organization/Company/Type of business
Mr. Junichi Iwakami Senior Executive Vice President - Information Technology and Service Department - Appointed effective on 5 July 2016	61	Bachelor of Economics Waseda University Japan	None	None	Aeon Group		
					2016 – Present	Non-Executive Director Senior Executive Vice President	AEON Credit Service Systems (Philippines) Inc. AEON Thana Sinsap (Thailand) PLC / Retail Finance
					Other listed company		
					None		
					Other non-listed company		
					1998 - 2016	Executive sales department manager	IBM Japan Co., Ltd.
Mr. Tawatchai Peechapat Senior Executive Vice President - I.T. Department - Appointed effective on 1 April 2018	50	Bachelor of Science (Applied Statistics) King Mongkut's Institute of Technology Chaohunthaharn Ladkrabang Campus	None	None	Aeon Group		
					2004 – 2006	Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance
					2006 – 2015	Senior Executive Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance
					2018 - Present	Senior Executive Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance
					Other listed company		
					2015 - 2017	Senior Vice President	Bank of Ayudhya / Bank
					Other non-listed company		
					2017 - 2018	Partner	J Ventures Co., Ltd. / Software development and investment

Note

¹The authorized signatory of the Company is Mr. Hideki Wakabayashi or Mr. Tsutomu Omodera or Mrs. Suporn Wattanavekin with affixing the Company's seal. There is no family relationship between each director and the management.

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

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

⁴Mr. Tsutomu Omodera was appointed as the Vice Chairman of the Board and Managing Director with effect on June 24, 2020.

⁵Mr. Ryuichi Hasuo was appointed as the Independent Director with effect on June 24, 2020.

⁶Ms. Ryoko Yaoi had resigned from the position of Senior Executive Vice President Customer Service Department with effect September 20, 2020.

⁷Mrs. Chittiporn Inoue was appointed as the Senior Executive Vice President Customer Service Department with effect on August 27, 2020.

Head of Accounting

Name-Surname Position	Age (Years)	Education Background	Shareholding (%) (28/02/21)	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	49	Master Degree in Accounting, Thammasat University Training/Seminar - Digitalization and challenge to accountant 4.0 - Understanding TFRS for security analytic - Get ready for Robotic Process Automation(RPA) for digital accountant	None	None	Aeon Group		
					June 2016 - Oct 2018 Oct 2018 - Present	Vice President Head of Accounting (Chief Account)	AEON Thana Sinsap (Thailand) PLC / Retail Finance AEON Thana Sinsap (Thailand) PLC / Retail Finance
					Other listed company		
					None		
					Other non-listed company		
					2013 - May2016	Manager	Isuzu Motors International Operation (Thailand) Co.,Ltd.

Company Secretary

Name-Surname Position	Age (Years)	Education Background	Shareholding (%)(28/02/21)	Family Relationship with Directors and Executives	Working Experience for the last 5 years		
					Time-Period	Position	Organization/Company/Type of business
Ms. Supannee Asawasawan Senior Executive Vice President (Company Secretary) - Appointed effective on 21 September 2009	53	- Master of Business Administration Eastern Michigan University - Bachelor Degree of Accounting Assumption University - Certified Public Accountant (CPA) Training/Seminar - Advances for Corporate Secretary Program	0.0025	None	Aeon Group		
					2005 – 2009	Vice President	AEON Thana Sinsap (Thailand) PLC / Retail Finance
					2009 – Present	Senior Executive Vice President Director	AEON Thana Sinsap (Thailand) PLC / Retail Finance ACS Trading Vietnam Co., Ltd / Retail Finance
					Other listed company		
					None		
					Other non-listed company		
					1997 - 2001	Senior Analyst	The Stock Exchange of Thailand

The position information of Directors, Managements and Managerial Authorities of the company, subsidiaries and affiliated companies as of February 28, 2021

	Mr. Hideki Wakabayashi	Mr. Tsutomu Omodera	Mrs. Suporn Wattanavekin	Mr. Nuntawat Chotvijit	Ms. Suriporn Thammawatid	Mr. Kazumasa Oshima	Mr. Chatchaval Jiaravanon	Mr. Kenji Fujita	Mr. Masanori Kosaka	Mr. Noppun Muangkote	Dr. Sucharit Koontanakulvong	Dr. Mongkon Laoworapong	Mr. Kenji Hayashi	Mr. Ryuichi Hasuo	Ms. Supanee Asawasuwan	Mr. Witchasorn Suwannakindra
AEON Financial Service Co., Ltd. / Japan	X/							//								
ACS Capital Corporation Limited / Thailand						X/										
AEON Holdings (Thailand) Co., Ltd. / Thailand																
<u>Domestic Subsidiaries</u>																
ATS Rabbit Special Purpose Vehicle Company Limited					/		/									
AEON Insurance Service (Thailand) Co., Ltd.	/			/												
ACS Servicing (Thailand) Co., Ltd.		X/			/				X/							/
<u>International Subsidiaries</u>																
AEON Specialized Bank (Cambodia) PLC		X/														
AEON Microfinance (Myanmar) Company Limited						/			X/							
AEON Leasing Service (Lao) Company Limited				X/												
<u>Other Related Companies</u>																
AEON (Thailand) Co., Ltd.																
PT. AEON Credit Service Indonesia																
ACS Trading Vietnam Co., Ltd.															/	

Note:

/ = Director
 X = Chairman of the Board
 // = Executive Director

Attachment 2**Details of the directors of subsidiaries as of February 28, 2021.**

No.	Directors	AEON Thanna Sinsap (Thailand) PLC	Subsidiaries			Releated Companies
			ATS Rabbit Special Purpose Vehicle Co., Ltd.	AEON Specialized Bank (Cambodia) Plc.	AEON Insurance Service (Thailand) Co., Ltd.	
1	Mr. Hideki Wakabayashi	X/				
2	Mr. Tsutomu Omdera	//	X/		X/	
3	Mrs. Suporn Wattanavekin	//				
4	Mr. Nuntawat Chotvijit	//	/			X/
5	Ms. Suriporn Thammawatid	//			/	
6	Mr. Kazumasa Oshima	//	/		/	X/
7	Mr. Chatchaval Jiaravanon	/				
8	Mr. Kenji Fujita	/				//
9	Mr. Masanori Kosaka	/			//	X/
10	Mr. Noppun Muangkote	/				
11	Dr. Sucharit Koontanakulvong	/				
12	Dr. Mongkon Laowrapong	/				
13	Mr. Kenji Hayashi	/				
14	Mr. Ryuichi Hasuo	/				
15	Mr. Taketo Ando		//			
16	Mr. Keiichi Nambu		//			
17	Mr. Om Seng Bora		/			
18	Ms. Khieu Mealy		/			
19	Mr. Jun Kuroda		/			
20	Mr. Sakarabhop Dhivarakara			X//		
21	Mrs. Jiraporn Kongcharoenwanich			//	/	
22	Ms. Yoshie Koshiba			//		
23	Mr. Alongkorn Sattabusaya				//	
24	Ms. Pawinee Polpiya				//	
25	Ms. Naomi Mikuni				//	
26	Mr. Tsuyoshi Maeda				//	
27	Mr. Kunio Kawamura					//
28	Mrs. Supattra Rukkhumkeaw					//
29	Mr. Keiichi Kubota					/
30	Ms. Kannika Kuasirikul					/
31	Mr. Mitsuru Suzuki					//
32	Mr. Pham Hong Hai					//
33	Ms. Ratchanee Saensinchai		/			
34	Mr. Nelson Leung		/			
35	Mr. Kong Chi Keung		/			
36	Mr. Rikiei Suzuki					//
37	Mr. Witchasorn Suwannakindra				/	
38	Ms. Supanee Asawasuan					/

Note

/ = Director
 X = Chairman of the Board
 // = Executive Director

Attachment 3
Details of the Heads of the Internal Audit and Compliance Units

Details of the Heads of the Internal Audit

Name-Surname Position	Age (Years)	Education Background	Percentage of shareholding in the company (28-2-21)	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	47	Master of Business in Finance	None	None	AEON Group		
					2016 – Present	Vice President – Internal Audit Department	AEON Thana Sinsap (Thailand) PCL/ Retail Finance Service
					Other listed company		
					2014 – 2016	Senior Manager – Internal Audit Department	Siam Makro Plc.
					2013 - 2014	Manager – Profolio Manager	Berli Jucker Plc.
					2009 - 2013	Manager – Internal Audit Department	Berli Jucker Plc.
					Other non-listed company		
					None		

Details of Head of the Compliance Unit

Name-Sur-name Position	Age (Years)	Education Background	Percentage of shareholding in the company (28-2-21)	Family Relationship with Directors and Executives	Working Experience for the last 5 years		
					Time Period	Position	Organization/Company/Type of business
Mr. Junji Noda Executive Vice President	49	Bachelor's Degree in Economics Kansai University, Japan	None	None	AEON Group		
					Nov 2000 – June 2013		AEON Credit Service Co., Ltd. / Retail Finance
					July 2013 - Apr 2015		AEON Credit Service (ASIA) Co., Ltd. / Retail Finance
					May 2015 - Present	Executive Vice President	AEON Thana Sinsap (Thailand) PCL/ Retail Finance Service
					Other listed company		
					None		
					Other non-listed company		
					None		

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. Corporate Governance, Ethics Standards and Code of Business Ethics of AEON Thana Sinsap (Thailand) Public Company Limited**

The Company has been taking the importance of maintaining in good governance into consideration, which are generally accepted that it's a key factor in making fairness to the stakeholders, 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.

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

The company has a clear procedure to take care of conflicts of interest by requiring directors, executives and employees to comply with regulations, conditions and procedures of the Stock Exchange of Thailand and the Securities Exchange Commission strictly.

The Board of Directors has specified the risk management policy, covering the overall organization. Risk management section has been established to be responsible for risk management and reported to the Management on monthly basis by electronic meeting (Online Meeting) with the company's 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.

2. Corporate Governance Policy

The Company has been taking the importance of maintaining in good governance into consideration, which are generally accepted that it's a key factor in making fairness to the stakeholders, 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 5 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 abovementioned 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 2020, The company held a total of 1 shareholders' meeting and no extraordinary meeting. The 2020 general Annual General Meeting in form of electronic meeting (E-AGM) of the Company was held on June 24, 2020 at 10:00 AM at the 27th floor meeting room, 388 Exchange Tower, Sukhumvit Road, Khwaeng Klongtoey, Khet Klongtoey, Bangkok 10110 in order to prevent the spread of COVID-19. The Company published a guideline and a manual for the 2020 Annual General Meeting via SET and company websites. The Company sent two versions of the invitation letter for the shareholders' meeting to facilitate both Thai and foreign investors, containing agenda details and related appendices together with opinion of the Board of Directors, Articles of Association relating to shareholder's meeting, proxy forms, a 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 30 days before the meeting date. To comply with Public Limited Companies Act, B.E. 2535 (1992), the shareholders' notice was announced in the newspaper both Thai and English for 3 consecutive days.

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 to the notice of the Meeting. The proxy forms prepared in compliance with the specifications defined by the Department of Business Development at the Ministry of Commerce allow shareholders to exercise their voting rights as they wish. Also attached 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) On the date of shareholders' meeting, the Company allowed shareholders who had pre-registered for the electronic meeting to log in a system 1 hour before the meeting time for identification (KYC) before attending the meeting according to a AGM attending method 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.
- 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 together with shareholder volunteers to witness 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, 2020, owing to the epidemic situation of Coronavirus disease 2019 (COVID-19), the Chairman and Vice 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.
- 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 disseminates important and necessary information to shareholders, arranged shareholders' meeting annually for shareholders to exercise their rights and participate in managing the Company fairly through the following actions:

- 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 critical matter separately. The voting tickets are collected at the meeting and then summed with the pre-cast votes as prescribed in the proxy forms before announcing the resolution to the meeting. In 2020, 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 combine 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 one 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.

- 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. 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.
- The Company shall educate the directors and executive officers who have responsibilities to report the possession of the securities by himself/herself, his/her spouse and his/her minor child that when the directors or executive officers including their spouse or their minor child buy, sell, transfer or accept transfer of the securities of the Company, they have duties to submit the reports of securities holding in accordance with the rules, conditions and procedures specified in the notification of the Capital Market Supervisory Board.
- The Board of directors 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.

2.7) The Company establishes directors and executives to report on their interests and related persons' interests to the Corporate Secretary, providing a copy of such reports to the Chairman of the Board and the Chairman of Audit Committee as specified by the Securities and Exchange Act, and report on changes in such reports.

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

Section 3 Roles of Stakeholders

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

1. 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 provides assistance to the shareholders to fully exercise their rights.

● **Employee**

The company has recognized that its employees at all levels are valuable resources and key drivers of business success. The Company therefore recruits and hires qualified and experienced persons as well as supports good quality of life and good environment in the workplace, regularly educates the employees to ensure their standards of professional service to customers. The employees also receive fairly benefits and reward for their dedication to the Company on yearly basis.

● **Customer**

As customers' satisfaction is the first priority focus, the Company has provided variety of products to satisfy customers' need and committed to promote secure management of personal information and raised awareness of the need to protect personal information and comply fully with relevant laws. In addition, the Company has Contact Center Department to be responsible for customer relationship management involving inquiry, complaint resolution and protection of the customers' information in the framework of customer satisfaction approach, which is evaluated and reported to the management on monthly basis.

● **Competitor**

The Company executes the business under a fair competition and integrity approaches 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. 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 of business partners due to 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.

● **Creditor**

The Company abides by lending terms and conditions, and all legitimate duties to creditors and debenture holders. In addition, the Company values compliance with all obligations under Securitization Law 1997, as the Company raised fund through securitization by establishing Special Purpose Vehicle Company.

● **Society and Environment**

The Company is aware of the responsibility towards the public and environment by supporting activities that conserve the environment and contribute to society. (Please see more information in ESG part or Sustainability report of the company)

2. Channels for Complaints and Whistleblower Protection

The Company has more focus on the Good Corporate Governance by defining the policy as the major priority which all Management and staffs must strictly conduct and quickly examine. The Company keeps providing many courses of Code of Conduct program to all staffs per year.

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

- Our 103 branches nationwide
- Call Center at 02-665-0123
- Email: csd@aeon.co.th
- Contact with Investor Relations: ir@aeon.co.th

The Company provides a clear procedure and system for complaints whether or not the whistleblower gives their name. Complaints, including the whistleblower's information, will be treated as confidential; they cannot be accessed by unrelated persons. In case of complaints received, ombudspersons will record and solve them under appropriate procedures without delay. The findings will also be reported to the executives or the Board of Directors, as the case by case.

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

3. Preventive measures against corruption involvement and bribery prohibition

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

To ensure effectiveness and efficiency of such anti-corruption and anti-bribery efforts, the Company defines all staffs with the code of conduct concerning the gift receiving or reception entertainment. The Company policy is all staffs and related persons in family seriously not request all cash, any gifts or other benefits from vendors, supplier or the representatives, contractors, Sub-contractors, business partner or related persons who are involved in the company business. The Company strictly insists that all requests or receiving any kinds of cash, gifts or any other benefits by the staffs or their relatives could cause the conflict of interests or any bias conducts, corruption and dishonest decision or acts accordingly. In case of the necessary or inevitable circumstances the company allows its staffs to receive all suitable gifts from both the special or traditional occasions and general time. All gifts or stuffs are forbidden to be claimed as personal belongings or to be brought back their own homes or other relatives. On the other hand, staffs must register all details of gift or stuff information through the Company Form. Then, transmit that form to commander directly as well. Consequent, that form must be sent to Administration Section by Form written within 5 days after receiving.

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

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

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

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

Section 4 Information Disclosure and Transparency

1. Disclosure of Information as prescribed in Listed Company Requirements

Information disclosure is a crucial principle for Good Corporate Governance. The Company has set up clear policies, approved by the Board of Directors, relating to information disclosure for external parties in order to ensure that such disclosure information; financial and non-financial information, is accurate, adequate, timely, and equally accessible by all related recipients and also complies with related laws and regulations. Apart from annual disclosure 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. 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.

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, annual report (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 th 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

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. While the Board of Directors can invite any involved executive or personnel for inquiry during the meeting.

In addition to the meeting 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. In each meeting, the Chairman lets each director express his opinion extensively and freely. Thus, each decision is made rationally and thoroughly. Also considering each meeting agenda item is made under the proper time. The Company provides a TV conference system or 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 2020, the Board held a total of 12 board meetings. (Please see number of the meeting and number of attendance of each director in Management part).

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.

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.

3. Nomination and Remuneration for Directors and Executives, Independent of the Board, Development of the Directors, Duties of the Board of Directors and Duties of the Sub-Committee including Corporate Governance of the Company's Subsidiaries and Affiliates

Development for the Directors and executive

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

The Board of Directors' Self Assessment

The Company has annual assessment for the Board of Directors in order to evaluate the performance of the Board of Directors by reviewing performance as well as obstacles facing each director and also defining the guidelines to improve and increase operational effectiveness of the Board. Furthermore, the parent company in Japan also arranged the assessment of the managing director and executive directors' performance which evaluate each individual and overall performance. In addition, the Company also has the Personnel Management Committee which comprises managing director and executive directors that shall conduct performance evaluation of all management and determine the remuneration results on the yearly base.

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

Nomination of the Independent Director

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

1. Hold no more than 1 percent of the total number of shares with voting rights of the Company, the parent company, a subsidiary company, an associated company, a major shareholder or a controlling person of the Company. This is 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.

Roles, Duties and Responsibilities of the 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.

Nomination of the Directors and Executives

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

The Board of Directors shall operate the business of the Company under the control of the general meeting of shareholders and the articles of association of the Company. The procedure for the appointment of directors can be summarized as follows:

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

The Chairman of the Board is the representative of the AEON Financial Service, Japan, which held the Company's shares of 54.32% and he is not the Managing Director of the Company. Both of them are the representatives from the same major shareholders. In order to balance the power of management, the Company's board structure also consists of 5 independent directors which are not less than one - third of total board members

Key executives selection

The responsibilities for recruiting and selecting executives 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.

Oversight of Company's Subsidiaries and Associates

The Company has developed corporate governance for its subsidiaries and associates to control their management and operation along with the protection for the Company's interests.

To achieve the shared vision, the Company has appointed representative of the Company as directors of its subsidiaries and associates. Also, set up the mechanisms for financial information and connected transaction disclosure, under the related rules and regulations.

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, informs the Company in case where he/she has a direct or indirect interest in any contract, which is made by the Company, or he/she holds shares or debentures of the Company or an affiliated company increasingly or decreasingly.
5. The Board of Directors shall hold at least once every three months.
6. A Director who has an interest in any resolution shall have no right to vote on such resolution.
7. At any meeting, in case of equality of votes, the chairman of the meeting shall be entitled to a casting vote.

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 controls and conducts meetings with efficiency and in compliance with the Company's Articles of Association and following the sequence of the agenda
5. To have a casting vote in case of tied votes in the Board of Directors meetings

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.

Sub-Committee Information

Sub-Committee

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

The Audit Committee

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

The Governance Committee

The Governance Committee is the combination of 1) Risk Management committee and 2) Corporate Governance and Compliance committee. The Governance Committee is also recognized as "Risk Management and Compliance Committee". The policy of governance committee is latest reviewed on January 21, 2021. Board of Director reviews and determines roles and responsibilities of the governance Committee to oversee and ensure efficiency of company's risk management and compliance to regulations as well as company internal standard, this is for making a certainty to all shareholders and stakeholders of the company.

The Governance Committee is for reporting, deliberation and resolution regarding to 1) Risk Management, 2) Compliance, 3) Corporate Control, roles and responsibility of the committee are to identify risks associated with company business activities, monitor and control risks within acceptable level. Moreover, to ensure the company on compliance to the related regulatory, ISO standards and J-SOX audit by monitoring 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, respect 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 Governance Committee

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

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, 2021, 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, 2022, 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, 2021, the Company accurately and adequately disclosed financial and operation information, had appropriate and effectiveness internal control and internal audit, complied with laws and regulations, disclosed the transactions with related parties correctly, and performed duties in compliance with the Good Corporate Governance principles, with adequacy, transparency and reliability.

(Mr. Noppun Muangkote)

Chairman of the Audit Committee

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, 2021 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 Annual 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, 2021.

Mr. Tsutomu Omodera
Vice Chairman of the Board and Managing Director