

(Translation)

No.18/2019

July 5, 2019

President

The Stock Exchange of Thailand

Re: Notification of the Resolution of the Board of Directors' Meeting No. 8/2019

We, AEON Thana Sinsap (Thailand) Public Company Limited ("Company"), hereby report the resolutions passed at the meeting of the Board of Directors No. 8/2019 held on July 5, 2019 from 10:00 a.m. as follows:

1. Unanimously approved the reviewed financial statements of the Company for the first quarter ended May 31, 2019.
2. Approved an increase registered capital in Company's subsidiary, AEON Microfinance (Myanmar) Co., Ltd. with the capital injection of 5.8 million USD or approximately 9,000 million Kyats (180 million baht). The source of fund is mainly from the Company's working capital, and the Company still maintains 100% of shareholding in AEON Myanmar.

AEON Microfinance (Myanmar) Co., Ltd., a retail finance business in Myanmar established in November 2012, is now under the process of business expansion in high potential market. At present, AEON Microfinance (Myanmar) Co., Ltd. has a registered of 8,260 million Kyats, and will increase its registered capital to be 17,260 million Kyats. The capital injection shall be used for both further business expansion from rapidly growth of demand for loans and comply with the new requirement of D/E ratio issued by Financial Regulatory Department (FRD) in Myanmar.

Details of Capital Injection:

(Unit: Share)

Shareholder	Current Capital		Capital Injection	After Capital Injection	
AEON Thana Sinsap (Thailand) Public Company Limited	8,259,600	100%	9,000,000	17,259,600	100%
ACS Capital Corporation Limited	1	0%	-	1	0%
Total	8,259,601	100%	9,000,000	17,259,601	100%

*Par value of 1,000 Kyats per share

The transaction is not considered as a connected transaction, according to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions, and not considered as acquisition of assets, according to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets.

3. Approved the related transactions with the related companies (Details as attachment)

Please be informed accordingly

Yours sincerely,

Kenji Fujita
Managing Director

Connected transactions

The Board of Director's meeting of AEON Thana Sinsap (Thailand) PLC. No.8/2019 held on July 5, 2019 had a resolution of the connected transaction as follows:

1. Date of agreement:

1.1 Selling shares of AEON Credit Service Systems (Philippines)

Company	Date of agreement
AEON Credit Service Systems (Philippines) INC. ("AEON Systems")	Within August 2019 (After the Board of Director of AEON Thana Sinsap (Thailand) PLC approval)

1.2 Business Administration and Support

Company	Date of agreement
AEON Financial Service Co., Ltd. ("AFS")	Agreement period is 11 months from April 1, 2019 to February 28, 2020.

2. Contractual parties with AEON Thana Sinsap (Thailand) PLC. ("AEONTS") and its subsidiaries companies:

Company	Business	Relationship with AEONTS
AEON Systems	System Development	- AEON Systems is 90% owned by AFS - AEON Systems is 3.3% owned by AEONTS
AFS	Finance	- Major shareholder of AEONTS, holding 35.12% of AEONTS' s shares

3. AEONTS's subsidiaries:

Company	Business	% of shares held by AEONTS
1). AEON Specialized bank (Cambodia) Private Company Limited ("ASB Cambodia")	Specialized bank	50%
2). AEON Insurance Service (Thailand) Company Limited ("AIS")	Non-life and Life Insurance Broker	100%
3). ACS Servicing (Thailand) Company Limited ("ACSS")	Collection Service	100%
4.) AEON Microfinance (Myanmar) Company Limited ("AMF Myanmar")	Retail Finance	100%
5.) AEON Leasing Service (Lao) Company Limited ("ALS Lao")	Retail Finance	92.58%

4. General characteristics of transactions:

1. AEON Credit Service Systems (Philippines) (“AEON Systems”) has started the system development business in 2007 with share capital of 100,000,000 PHP, AEONTS held 10% of share portion. Since the capital injection in 2016 was raised the capital to 300,000,000 PHP. The Board of Director’s meeting of AEONTS held on August 26, 2016, had resolution to waive of pre-emptive rights of new shares. As a result, the portion of shareholding of the Company decreased from 10% to 3.3%, respectively.

The Board of Director’s Meeting No. 8/2019 held on July 5, 2019 had considered and approved selling the shares of AEON Systems to AFS with the book value as of December 31, 2018 in the amount of 753,850 PHP (equivalent to 460,301 baht). Since AEON Systems is system development business, which is not directly related to AEONTS is main business.

- The structure of shares (before and after selling the shares)

Current				After		
Shareholder	No of Shares	Capital (PHP)	%	No of Shares	Capital (PHP)	%
AFS	2,699,993	2,699,993,000	90%	2,999,993	2,999,993,000	100%
ACSA	100,000	100,000,000	3.33%	0	0	0%
AEONTS	100,000	100,000,000	3.33%	0	0	0%
ACSM	100,000	100,000,000	3.33%	0	0	0%
Other Individual Investors	7	7,000	0.00%	7	7,000	0%
Total	3,000,000	3,000,000,000	100%	3,000,000	3,000,000,000	100%

Note: ACSA – AEON Credit Service (Asia) Co., Ltd, Hong Kong

ACSM – AEON Credit Service (M) Berhad, Malaysia

The transaction size is neither classified as any transaction class under the Notification of the Capital Market Supervisory Board No. Tor Chor. 20/2551 Re: Rules for Entering into a Substantial Transaction Classified as an Acquisition or Disposal of Assets, dated 31 August 2008, and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Required Practice for Listed Companies relating to Acquisition or Disposal of Assets, dated 29 October 2004. In addition, during the past six months, the Company did not have any other acquisition transactions of other assets before the date of entry into this transaction.

The transaction is the connected transaction under the Notification of the Capital Market Supervisory Board No. Thor Chor. 21/2551 Re: Rules on Connected Transactions, dated 31 August 2008, and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transaction, dated 19 November 2003. However, the Company is required to disclose the aforementioned information to the Stock Exchange of Thailand in accordance with the Notification of the Stock Exchange of Thailand Re: Rules, Conditions and Procedures Governing the Disclosure of Information and Other Acts of a Listed Company.

2. AFS provides the business administration and support to the overseas subsidiaries in order to grow and develop AFS subsidiaries' business. AEONTS and its subsidiaries enter into "Business Administration Agreement" and pay management fee to AFS in the amount not more than 92,582,570 baht. This amount was calculated based on the cost (labor cost, administration cost, equipment cost etc.) of AFS who works for subsidiaries including overseas business, and the cost is allocated to the subsidiaries of AFS group.

5. Value of consideration:

(Unit: Baht)

Related company name	Amount
Selling shares of AEON Systems	
AEON Systems	460,301
Business Administration Agreement	
AEONTS	78,758,950
ACSS	3,531,470
AIS	2,728,740
ASB Cambodia	4,024,670
AMF Myanmar	2,932,480
ALS Lao	606,260
Total	92,582,570
Total transaction	93,042,871

6. Name, position and shareholding proportion of the connected persons

Related company name	Paid Up Capital No. of shares	Name of connected persons	Share (s) in related company	% of share in AEONTS
AFS	45,698,196,100 JPY/ 225,510,128 shares	Mr. Hideki Wakabayashi ¹	-	-
AEON Systems	300,000,000 PHP/ 3,000,000 shares	Mr. Junichi Iwakami ²	1	-

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

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

The measurement of total transactions

By measurement in percentage of the Company Net Tangible Assets (NTA), total transaction is 93.04 million baht or 0.51% which more than 0.03% but less than 3.00% of NTA of the Company. So this transaction is the connected transaction pursuant to the Notifications which shall be approved by Audit Committee and Board of Director as well as disclose to the Stock Exchange of Thailand.

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

- Board of Director's meeting No. 01/2019 held on January 10, 2019, approved to engage outsourcing service agreement in the system development and maintenance of the systems which need for each company's from AEON Systems with cost of totally not more than 60.56 million baht or 0.36% of the company NTA.

- Board of Director's meeting No. 04/2019 held on March 21, 2019, approved to the provides the support on the business operation to ACS Capital and receives support fee for the amount of totally not more than 1.2 million baht and ACSS provides the support on debt collection and litigation operations to ACS Capital and receives support fee for the amount of totally not more than 9 million baht. Total transaction amount of the transaction is 10.20 million baht or 0.06% of the company NTA.

Therefore, the total connected transaction approved by the Board of Directors' meeting in the last six months period including this time was 163.80 million baht or 0.93% which more than 0.03% of the Company NTA but less than 3% of NTA of the Company.

Opinion of the Audit Committee:

- For the selling shares of AEON Systems, the Audit Committee has considered and resolved that the transaction would be approved due to AEON Systems is system development business, which is not directly related to AEONTS is main business and be proposed to the Board of Directors for further approval.

- For the management fee, the Audit Committee has considered and resolved that the transaction is reasonable and be proposed to the Board of Directors for further approval.

Opinion of the Board of Director:

The Board of Directors has considered the transaction and has opinion that the selling shares of AEON Systems and management fee are necessary and reasonable.