

Translation

No. 24/2019

December 30, 2019

To: The President

The Stock Exchange of Thailand

Subject: Notification of the connected transaction relating to provide financial assistance to subsidiary company

The Board of Director's Meeting of AEON Thana Sinsap (Thailand) Plc. No. 14/2019 held on December 30, 2019 passed the resolution of the connected transaction relating to provide financial assistance to AEON Specialized Bank (Cambodia) Plc. ("ASB Cambodia") by proportionally to its shareholding. A subordinated loan in the total amount of 8 million USD or approximately 242.76 million baht, consisted of 4 million USD or approximately 121.38 million baht is provided by AEON Thana Sinsap (Thailand) Plc. ("AEONTS") and another 4 million USD or approximately 121.38 million baht by AFS Corporation Co., Ltd., which is a subsidiary company of AEON Financial Service Co. Ltd., ("AFS") that holds 100% of total shares of AFS Corporation Co., Ltd. The details are as follows;

1. Date of Transaction

Within February, 2020

2. Related Parties

Name of the provider of the financial assistance	- AEON Thana Sinsap (Thailand) Plc. is a major shareholder of AEON Specialized Bank (Cambodia) Plc., holding 50% of total shares. - AFS Corporation Co., Ltd. is the subsidiary of AFS and AFS also a major shareholder, holding 35.12% shares of AEONTS, while ASB Cambodia is held evenly at 50% by AFS Corporation and AEONTS.
Name of the recipient of the financial assistance	- AEON Specialized Bank (Cambodia) Plc.

3. General Explanation Regarding Nature of the Connected Transaction

Details of the connected transaction relating to provide financial assistance are as follows;

Type of the Transaction	: Connected Transaction relating to provide Financial Assistance
Amount	: 4 million USD or approximately 121.38 million baht ¹
Interest Rate	: 8.5% per annum ²
Duration	: 7 years
Interest Payment	: Semi annual
Repayment	: Principle shall be paid in full or partially by 20% starting from the year 4 th to 7 th according to National Bank of Cambodia's regulation
Early repayment	: Within 36 months, principle can be repaid with both parties' agreements while National Bank Cambodia's approval shall be obtained
Objectives	: To support business expansion of subsidiary company which has a high growth retail finance business in Cambodia and also comply with the regulations of National Bank of Cambodia. The source of subordinated loan is from working capital of AEONTS

Note: ¹Exchange Rate as of 26th December, 2019: 1 USD / 30.3448 THB

²Interest rate is calculated based on local banks lending rate of USD long term loan plus spread margin and considered as within range of market rate comparing other subordinated loans in Cambodia and exchange rate risk.

4. Total Value and Criteria to Value the Transaction

AEONTS will provide the financial assistance to ASB Cambodia in the amount of 4 million USD or approximately 121.38 million baht or 0.65% of AEONTS's net tangible asset (NTA) by calculating from the reviewed consolidated financial statements as of August 31, 2019. In addition, the AEONTS approved the connected transaction within the last six months as follows:

- Board of Director's meeting No. 08/2019 held on July 5, 2019, approved selling the shares of AEON Credit Service Systems (Philippines) Inc to AFS with book value as of December 31, 2018 in the amount of 0.46 million baht or 0.003% of the company NTA and approved entering into "Business Administration Agreement" with AFS and pay management fee in the amount not more than 92.58 million baht or 0.51% of the Company NTA.
- Board of Director's meeting No. 10/2019 held on September 10, 2019, approved providing Finance and Accounting operation services to ACS Capital Corporation Limited in the amount of 0.78 million baht or 0.004% 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 215.2 million baht or 1.16%. The size of the transaction more than 0.03% but less than 3% of NTA of the Company, the Company is required to get approval from the Board of Director's meeting and discloses information to the Stock Exchange of Thailand.

However, the Company has provided the financial assistance to subsidiary company as proportionally to its shareholding and based on general trading conditions, the Company will be exempted from an approval of the Shareholders' Meeting for this transaction according to the Notification of the Market Supervisory Board No. Tor Jor. 21/2551 Re: Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand entitled Disclosure of information and Others Acts of Listed Companies Concerning the Connected Transaction B.E. 2546 ("Connected Transaction Rules"), and its amendments.

5. 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 ^{1,3}	-	-
ASB Cambodia	20,000,000 USD/ 20,000,000 shares	Mr. Kenji Fujita ^{2,3}	-	-

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

²Mr. Kenji Fujita is the Chairman of the Board of Directors of ASB Cambodia and the Managing Director of AEONTS

³Mr. Hideki Wakabayashi and Mr. Kenji Fujita, were connected person who had conflict of interest on this transaction. They had no right to vote for the connected transaction and did not attend the meeting during approval of this transaction.

6. Conditions that affects the shareholders

None

7. Opinion of the Audit Committee:

The audit committee had considered and agreed to approve the Company to enter into the subordinated loan agreement with ASB Cambodia at the interest rate, loan period, repayment schedule and other terms and conditions as deemed appropriate, to provide financial assistant to the subsidiary company in Cambodia.

8. Opinion of the Board of Director:

The Board of Directors has considered this transaction and has an opinion that the transaction is necessary and reasonable. No directors had different opinion from the audit committee opinion.