

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

**TO THE SHAREHOLDERS AND BOARD OF DIRECTORS
AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED**

We have audited the consolidated balance sheets of AEON Thana Sinsap (Thailand) Public Company Limited and its subsidiaries and the separate balance sheets of AEON Thana Sinsap (Thailand) Public Company Limited as at February 20, 2011 and 2010, and the related consolidated and separate statements of income, changes in shareholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the aforementioned 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 20, 2011 and 2010, and the results of operations and cash flows for the years then ended in conformity with generally accepted accounting principles.

BANGKOK
April 19, 2011

Niti Jungnitnirundr
Certified Public Accountant (Thailand)
Registration No. 3809
DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT FEBRUARY 20, 2011 AND 2010

BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2011	2010	2011	2010
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		1,873,954,985	1,520,499,180	1,693,216,453	1,476,996,515
Accounts receivable - net	5	32,616,622,882	32,460,141,839	29,329,772,798	31,460,949,077
Participation amount in Special Purpose Vehicle					
for Securitization due within one year	8	-	-	1,869,557,202	1,063,310,810
Subordinated lendings due within one year	9	124,366,800	217,035,005	124,366,800	217,035,005
Other current assets					
Other receivable		184,619,648	149,878,806	344,822,962	167,178,484
Receivables per currency swap contracts	27.5	541,632,000	538,628,489	541,632,000	538,628,489
Others	6	78,992,107	90,668,316	78,992,107	90,668,316
		<u>805,243,755</u>	<u>779,175,611</u>	<u>965,447,069</u>	<u>796,475,289</u>
Total Current Assets		<u>35,420,188,422</u>	<u>34,976,851,635</u>	<u>33,982,360,322</u>	<u>35,014,766,696</u>
NON-CURRENT ASSETS					
Accounts receivable - net	5	1,210,021,336	1,132,402,810	1,210,021,336	1,132,402,810
Investments in subsidiaries	7.1	-	-	31,200	20,800
Other long-term investments					
Related companies	7.2	64,149,519	118,733,253	64,149,519	118,733,253
Other companies	7.3	20,800	20,800	20,800	20,800
		<u>64,170,319</u>	<u>118,754,053</u>	<u>64,170,319</u>	<u>118,754,053</u>
Participation in Special Purpose Vehicle					
for Securitization	8	-	-	1,467,121,972	195,814,892
Subordinated lendings	9	2,107,678,402	744,000,000	2,107,678,402	744,000,000
Equipment - net	10	456,055,693	406,599,070	456,055,693	406,599,070
Intangible assets - net	11	783,673,956	872,250,380	783,673,956	872,250,380
Receivables per currency swap contracts	27.5	374,715,700	776,884,320	374,715,700	776,884,320
Other non-current assets	12	154,918,725	115,348,266	154,918,725	115,348,266
Total Non-Current Assets		<u>5,151,234,131</u>	<u>4,166,238,899</u>	<u>6,618,387,303</u>	<u>4,362,074,591</u>
TOTAL ASSETS		<u><u>40,571,422,553</u></u>	<u><u>39,143,090,534</u></u>	<u><u>40,600,747,625</u></u>	<u><u>39,376,841,287</u></u>

Notes to the financial statements form an integral part of these statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (CONTINUED)

AS AT FEBRUARY 20, 2011 AND 2010

BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2011	2010	2011	2010
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short-term loans from financial institutions	13	630,000,000	4,846,225,102	630,000,000	4,846,225,102
Current portion of :					
Long-term loans	14	5,987,181,948	7,982,763,700	5,987,181,948	7,982,763,700
Long-term debentures	15	552,945,439	1,296,473,547	552,945,439	1,296,473,547
Accounts payable		641,423,993	532,574,217	641,423,993	532,574,217
Other current liabilities					
Accrued income tax		258,202,184	201,087,038	141,380,271	177,327,303
Accrued interest expense		311,267,114	253,206,838	307,359,273	248,798,038
Accrued expenses - others		192,108,696	146,868,831	183,808,148	142,804,526
Other payable		174,192,363	151,392,462	332,648,538	417,443,255
Payables per currency swap contracts	27.5	74,030,416	61,229,044	74,030,416	61,229,044
Others		53,582,984	17,344,136	53,582,983	17,344,136
		<u>1,063,383,757</u>	<u>831,128,349</u>	<u>1,092,809,629</u>	<u>1,064,946,302</u>
Total Current Liabilities		<u>8,874,935,137</u>	<u>15,489,164,915</u>	<u>8,904,361,009</u>	<u>15,722,982,868</u>
NON-CURRENT LIABILITIES					
Long-term loans	14	23,610,500,874	16,193,661,830	23,610,500,874	16,193,661,830
Long-term debentures	15	1,595,044,056	1,535,295,135	1,595,044,056	1,535,295,135
Payables per currency swap contracts	27.5	258,081,322	68,772,700	258,081,322	68,772,700
Total Non-Current Liabilities		<u>25,463,626,252</u>	<u>17,797,729,665</u>	<u>25,463,626,252</u>	<u>17,797,729,665</u>
TOTAL LIABILITIES		<u>34,338,561,389</u>	<u>33,286,894,580</u>	<u>34,367,987,261</u>	<u>33,520,712,533</u>

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (CONTINUED)

AS AT FEBRUARY 20, 2011 AND 2010

BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2011	2010	2011	2010
LIABILITIES AND SHAREHOLDERS' EQUITY					
(CONTINUED)					
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
	16				
Authorized share capital					
250,000,000 ordinary shares of Baht 1 each		250,000,000	250,000,000	250,000,000	250,000,000
Issued and paid-up share capital					
250,000,000 ordinary shares of Baht 1 each, fully paid		250,000,000	250,000,000	250,000,000	250,000,000
PREMIUM ON ORDINARY SHARE CAPITAL		478,000,000	478,000,000	478,000,000	478,000,000
UNREALIZED GAIN FROM REVALUATION					
ON INVESTMENTS	7.2	-	57,415,539	-	57,415,539
RETAINED EARNINGS					
Appropriated					
Legal reserve	17	25,000,000	25,000,000	25,000,000	25,000,000
Reserve for business expansion	16	4,250,000,000	3,750,000,000	4,250,000,000	3,750,000,000
Unappropriated		1,229,772,364	1,295,721,215	1,229,760,364	1,295,713,215
TOTAL COMPANY'S SHAREHOLDERS' EQUITY		6,232,772,364	5,856,136,754	6,232,760,364	5,856,128,754
MINORITY INTEREST		88,800	59,200	-	-
TOTAL SHAREHOLDERS' EQUITY		6,232,861,164	5,856,195,954	6,232,760,364	5,856,128,754
TOTAL LIABILITIES AND					
SHAREHOLDERS' EQUITY					
		40,571,422,553	39,143,090,534	40,600,747,625	39,376,841,287

Notes to the financial statements form an integral part of these statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE YEARS ENDED FEBRUARY 20, 2011 AND 2010

BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2011	2010	2011	2010
REVENUES					
Credit card income	19	4,030,354,125	3,353,830,856	3,271,462,623	2,843,204,873
Loan income		3,765,210,887	4,073,136,744	3,765,210,887	4,073,136,744
Hire purchase income		1,352,587,913	1,172,765,989	1,352,587,913	1,172,765,989
Other income					
Bad debt recovery		636,741,846	614,617,580	578,409,208	564,055,894
Outsource collection service income		35,074,919	58,500,237	35,074,919	58,500,237
Gain on sale of fixed assets		20,592,323	516,102	20,592,323	516,102
Gain on sale of investment	7.2	51,051,536	-	51,051,536	-
Others		179,866,782	127,861,596	174,089,469	122,987,669
		<u>923,327,406</u>	<u>801,495,515</u>	<u>859,217,455</u>	<u>746,059,902</u>
Total Revenues		<u>10,071,480,331</u>	<u>9,401,229,104</u>	<u>9,248,478,878</u>	<u>8,835,167,508</u>
EXPENSES					
Operating and administrative expenses		3,651,236,561	3,469,074,384	3,555,401,558	3,415,387,753
Directors and managements remuneration	20	54,820,176	49,097,570	54,820,176	49,097,570
Bad debts and doubtful accounts		<u>3,309,173,518</u>	<u>2,802,801,686</u>	<u>2,988,807,580</u>	<u>2,483,812,068</u>
Total Expenses		<u>7,015,230,255</u>	<u>6,320,973,640</u>	<u>6,599,029,314</u>	<u>5,948,297,391</u>
INCOME BEFORE FINANCE COST					
AND INCOME TAX		3,056,250,076	3,080,255,464	2,649,449,564	2,886,870,117
FINANCE COST		<u>1,653,884,074</u>	<u>1,691,438,578</u>	<u>1,490,210,485</u>	<u>1,545,146,578</u>
INCOME BEFORE INCOME TAX		1,402,366,002	1,388,816,886	1,159,239,079	1,341,723,539
INCOME TAX	21	<u>443,304,893</u>	<u>404,526,566</u>	<u>200,226,370</u>	<u>357,462,819</u>
NET INCOME		<u>959,061,109</u>	<u>984,290,320</u>	<u>959,012,709</u>	<u>984,260,720</u>
PROFIT ATTRIBUTABLE TO					
Equity holders of the parent company		959,016,709	984,260,720	959,012,709	984,260,720
Minority interest		<u>44,400</u>	<u>29,600</u>	<u>-</u>	<u>-</u>
		<u>959,061,109</u>	<u>984,290,320</u>	<u>959,012,709</u>	<u>984,260,720</u>
BASIC EARNINGS PER SHARE	BAHT	3.84	3.94	3.84	3.94
WEIGHTED AVERAGE NUMBER OF					
ORDINARY SHARES	SHARES	250,000,000	250,000,000	250,000,000	250,000,000

Notes to the financial statements form an integral part of these statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED FEBRUARY 20, 2011 AND 2010

BAHT

CONSOLIDATED FINANCIAL STATEMENTS								
Notes	Issued and Paid-up Share Capital	Premium on Ordinary Shares	Unrealized gain from revaluation on investments	Appropriated Retained Earnings Legal Reserve	Retained Earnings Reserve for Business Expansion	Unappropriated Retained Earnings	Minority Interest	Total Shareholders' Equity
Beginning balance, February 21, 2009	250,000,000	478,000,000	34,933,347	25,000,000	3,100,000,000	1,486,426,895	59,200	5,374,419,442
Available-for-sale investments								
Gain recognized in shareholders' equity	4.3	-	22,482,192	-	-	-	-	22,482,192
Total revenues recognized in shareholders' equity		-	22,482,192	-	-	-	-	22,482,192
Net income		-	-	-	-	984,260,720	29,600	984,290,320
Total revenues recognized during the year		-	22,482,192	-	-	984,260,720	29,600	1,006,772,512
Appropriation for the previous year:								
Reserve for business expansion	16	-	-	-	650,000,000	(650,000,000)	-	-
Dividend	16	-	-	-	-	(262,483,200)	(29,600)	(262,512,800)
Appropriation for the current year:								
Interim dividend	16	-	-	-	-	(262,483,200)	-	(262,483,200)
Ending balance, February 20, 2010	<u>250,000,000</u>	<u>478,000,000</u>	<u>57,415,539</u>	<u>25,000,000</u>	<u>3,750,000,000</u>	<u>1,295,721,215</u>	<u>59,200</u>	<u>5,856,195,954</u>

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEARS ENDED FEBRUARY 20, 2011 AND 2010

BAHT

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)								
Notes	Issued and Paid-up Share Capital	Premium on Ordinary Shares	Unrealized gain from revaluation on investments	Appropriated Retained Earnings Legal Reserve	Reserve for Business Expansion	Unappropriated Retained Earnings	Minority Interest	Total Shareholders' Equity
Beginning balance, February 21, 2010	250,000,000	478,000,000	57,415,539	25,000,000	3,750,000,000	1,295,721,215	59,200	5,856,195,954
Available-for-sale investments								
Transferred to recognize gain on sale of investment	4.3	-	-	(57,415,539)	-	-	-	(57,415,539)
Total revenues recognized in shareholders' equity		-	-	(57,415,539)	-	-	-	(57,415,539)
Net income		-	-	-	-	959,016,709	44,400	959,061,109
Total revenues recognized during the year		-	-	(57,415,539)	-	959,016,709	44,400	901,645,570
Appropriation for the previous year:								
Reserve for business expansion	16	-	-	-	500,000,000	(500,000,000)	-	-
Dividend	16	-	-	-	-	(262,483,200)	(44,400)	(262,527,600)
Appropriation for the current year:								
Interim dividend	16	-	-	-	-	(262,482,360)	-	(262,482,360)
Issued and paid up share capital - new subsidiary		-	-	-	-	-	29,600	29,600
Ending balance, February 20, 2011		<u>250,000,000</u>	<u>478,000,000</u>	<u>-</u>	<u>25,000,000</u>	<u>4,250,000,000</u>	<u>1,229,772,364</u>	<u>6,232,861,164</u>

Notes to the financial statements form an integral part of these statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED FEBRUARY 20, 2011 AND 2010

BAHT

	Notes	SEPARATE FINANCIAL STATEMENTS						Total Shareholders' Equity
		Issued and Paid-up Share Capital	Premium on Ordinary Shares	Unrealized gain from revaluation on investments	Appropriated Legal Reserve	Retained Earnings Reserve for Business Expansion	Unappropriated Retained Earnings	
Beginning balance, February 21, 2009		250,000,000	478,000,000	34,933,347	25,000,000	3,100,000,000	1,486,418,895	5,374,352,242
Available-for-sale investments								
Gain recognized in shareholders' equity	4.3	-	-	22,482,192	-	-	-	22,482,192
Total revenues recognized in shareholders' equity		-	-	22,482,192	-	-	-	22,482,192
Net income		-	-	-	-	-	984,260,720	984,260,720
Total revenues recognized during the year		-	-	22,482,192	-	-	984,260,720	1,006,742,912
Appropriation for the previous year:								
Reserve for business expansion	16	-	-	-	-	650,000,000	(650,000,000)	-
Dividend	16	-	-	-	-	-	(262,483,200)	(262,483,200)
Appropriation for the current year:								
Interim dividend	16	-	-	-	-	-	(262,483,200)	(262,483,200)
Ending balance, February 20, 2010		<u>250,000,000</u>	<u>478,000,000</u>	<u>57,415,539</u>	<u>25,000,000</u>	<u>3,750,000,000</u>	<u>1,295,713,215</u>	<u>5,856,128,754</u>

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEARS ENDED FEBRUARY 20, 2011 AND 2010

BAHT

	Notes	SEPARATE FINANCIAL STATEMENTS (CONTINUED)						Total Shareholders' Equity
		Issued and Paid-up Share Capital	Premium on Ordinary Shares	Unrealized gain from revaluation on investments	Appropriated Retained Earnings Legal Reserve	Reserve for Business Expansion	Unappropriated Retained Earnings	
Beginning balance, February 21, 2010		250,000,000	478,000,000	57,415,539	25,000,000	3,750,000,000	1,295,713,215	5,856,128,754
Available-for-sale investments								
Transferred to recognize gain on sale of investment	4.3	-	-	(57,415,539)	-	-	-	(57,415,539)
Total revenues recognized in shareholders' equity		-	-	(57,415,539)	-	-	-	(57,415,539)
Net income		-	-	-	-	-	959,012,709	959,012,709
Total revenues recognized during the year		-	-	(57,415,539)	-	-	959,012,709	901,597,170
Appropriation for the previous year:								
Reserve for business expansion	16	-	-	-	-	500,000,000	(500,000,000)	-
Dividend	16	-	-	-	-	-	(262,483,200)	(262,483,200)
Appropriation for the current year:								
Interim dividend	16	-	-	-	-	-	(262,482,360)	(262,482,360)
Ending balance, February 20, 2011		<u>250,000,000</u>	<u>478,000,000</u>	<u>-</u>	<u>25,000,000</u>	<u>4,250,000,000</u>	<u>1,229,760,364</u>	<u>6,232,760,364</u>

Notes to the financial statements form an integral part of these statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED FEBRUARY 20, 2011 AND 2010

BAHT

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2011	2010	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	1,402,366,002	1,388,816,886	1,159,239,079	1,341,723,539
Adjustments:				
Bad debts and doubtful accounts	3,309,173,518	2,802,801,686	2,988,807,580	2,483,812,068
Depreciation	164,276,307	159,152,295	164,276,307	159,152,295
Amortization of cost of software	299,634,656	271,269,582	299,634,656	271,269,582
Gain on sale of fixed assets	(20,592,323)	(516,102)	(20,592,323)	(516,102)
Gain on sale of investments	(51,051,536)	-	(51,051,536)	-
Interest income	(5,801,835,543)	(4,837,794,188)	(4,180,656,430)	(3,974,510,986)
Dividend income	(3,812,577)	(4,900,111)	(3,812,577)	(4,900,111)
Finance cost	1,653,884,074	1,691,438,578	1,490,210,485	1,545,146,578
	<u>952,042,578</u>	<u>1,470,268,626</u>	<u>1,846,055,241</u>	<u>1,821,176,863</u>
Operating assets (increase) decrease				
Accounts receivable	(3,479,889,178)	(8,127,267,214)	(17,896,040,740)	(15,013,054,148)
Other current assets	(21,342,474)	10,898,434	(164,246,112)	6,200,600
Other non-current assets	(20,060,879)	2,964,112	(20,060,879)	2,964,112
Operating liabilities increase (decrease)				
Accounts payable	108,849,777	251,420,491	108,849,777	251,420,491
Factoring payables	-	(185,410)	-	(185,410)
Other current liabilities	112,048,526	4,497,833	166,993,179	24,549,223
Cash received (paid) for operations	(2,348,351,650)	(6,387,403,128)	(15,958,449,534)	(12,906,928,269)
Proceeds from interest income	5,738,451,634	4,852,993,129	4,167,984,499	3,979,455,746
Finance cost paid	(1,649,696,914)	(1,722,153,991)	(1,544,732,862)	(1,575,861,991)
Income tax paid	(386,189,747)	(413,443,102)	(236,173,401)	(362,345,072)
Net cash provided by (used in) operating activities	<u>1,354,213,323</u>	<u>(3,670,007,092)</u>	<u>(13,571,371,298)</u>	<u>(10,865,679,586)</u>

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEARS ENDED FEBRUARY 20, 2011 AND 2010

BAHT

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2011	2010	2011	2010
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash payments for investment in subsidiaries	-	-	(10,400)	-
Cash proceeds from sale of investment available for sale	60,880,244	-	60,880,244	-
Cash payment for investment in related companies	(12,660,513)	-	(12,660,513)	-
Cash proceeds from sale of fixed assets	25,444,425	1,662,133	25,444,425	1,662,133
Cash payments for fixed assets acquisition	(206,240,104)	(106,583,945)	(206,240,104)	(106,583,945)
Cash payments for purchase of software	(218,268,552)	(350,036,051)	(218,268,552)	(350,036,051)
Dividend received	3,812,577	4,900,111	3,812,577	4,900,111
Net cash used in investing activities	<u>(347,031,923)</u>	<u>(450,057,752)</u>	<u>(347,042,323)</u>	<u>(450,057,752)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from sale of additional revolving receivables under securitization projects	-	2,599,703,364	14,788,314,754	9,837,264,902
Proceeds from subordinated lending	166,989,803	795,651,830	166,989,803	795,651,830
Cash repayments for subordinated lending	(1,438,000,000)	-	(1,438,000,000)	-
Proceeds from short-term loans from financial institutions	12,170,000,000	12,881,300,000	12,170,000,000	12,881,300,000
Cash repayments for short-term loans from financial institutions	(16,386,300,000)	(13,525,000,000)	(16,386,300,000)	(13,525,000,000)
Proceeds from long-term loans	13,460,044,562	7,180,755,000	13,460,044,562	7,180,755,000
Cash repayments for long-term loans	(7,447,450,000)	(5,227,250,000)	(7,447,450,000)	(5,227,250,000)
Proceeds from long-term debenture	646,000,000	-	646,000,000	-
Cash repayments for long-term debenture	(1,300,000,000)	(700,000,000)	(1,300,000,000)	(700,000,000)
Dividend paid	(262,527,600)	(262,513,000)	(262,483,200)	(262,483,200)
Interim dividend paid	(262,482,360)	(262,483,000)	(262,482,360)	(262,483,200)
Net cash provided by (used in) financing activities	<u>(653,725,595)</u>	<u>3,480,164,194</u>	<u>14,134,633,559</u>	<u>10,717,755,332</u>
Net increase (decrease) in cash and cash equivalents	353,455,805	(639,900,650)	216,219,938	(597,982,006)
Cash and cash equivalents at beginning of the years	<u>1,520,499,180</u>	<u>2,160,399,830</u>	<u>1,476,996,515</u>	<u>2,074,978,521</u>
Cash and cash equivalents at the end of the years	<u><u>1,873,954,985</u></u>	<u><u>1,520,499,180</u></u>	<u><u>1,693,216,453</u></u>	<u><u>1,476,996,515</u></u>

Notes to the financial statements form an integral part of these statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED FEBRUARY 20, 2011 AND 2010

1. OPERATIONS AND GENERAL INFORMATION

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 office is located at 388, 27th Floor, Exchange Tower, Sukhumvit Road, Klongtoey, Bangkok. The Company's main objective is to do the business in credit card, hire purchase and personal loans.

AEON Credit Service Company Limited, incorporated in Japan, and ACS Capital Corporation Limited, incorporated in Thailand, are major shareholders with 35.12% and 19.20% shareholding, respectively. AEON Credit Service Company Limited is the ultimate parent company.

Eternal 3 Special Purpose Vehicle Company Limited (ESPT) and Eternal 4 Special Purpose Vehicle Company Limited (Eternal 4) are subsidiaries of the Company which were incorporated under the Civil and Commercial Code of Thailand, and under the Securitization Law. Main objectives of subsidiaries are to operate as a special purpose juristic person in securitization projects and to engage in any activities 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 February 3, 2006 and June 21, 2007, respectively.

On April 5, 2010, Eternal 5 Special Purpose Vehicle Company Limited (Eternal 5), a new subsidiary of the Company, was registered as a special purpose company under the Civil and Commercial Code of Thailand and the Securitization Law. The main objective of Eternal 5 is to operate as a special purpose juristic person in securitization project and to engage in any activities 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 May 19, 2010. On May 20, 2010, the Company entered into the Receivables Sales and Purchase Agreement with Eternal 5 of Baht 4,355 million (see Note 5.6).

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

- 2.1 The Company and subsidiaries maintain its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with accounting standards and practices generally accepted in Thailand.
- 2.2 The consolidated and separate financial statements are prepared in compliance with the Notification of the Department of Commercial Registration dated January 30, 2009 regarding "The Brief Particulars in the Financial statements B.E. 2552". In addition, these financial statements have been prepared in accordance with the Regulation of The Stock Exchange of Thailand (SET) date January 22, 2001 regarding the preparation and submission of financial statements and reports for the financial position and results of operations of listed companies B.E. 2544.

- 2.3 The consolidated financial statements for the year ended February 20, 2011 included the accounts of the Company and 3 subsidiaries being ESPT, Eternal 4 and Eternal 5. Significant transactions and balances between the Company and the subsidiaries have been eliminated.

The consolidated financial statements for the year ended February 20, 2010 included the accounts of the Company and 2 subsidiaries being ESPT and Eternal 4. Significant transactions and balances between the Company and the subsidiaries had been eliminated.

The Company has holdings in share capital of ESPT, Eternal 4 and Eternal 5 (“the subsidiaries”) since December 21, 2005, February 22, 2007 and April 5, 2010, respectively, in accordance with the approved conditions required by the Office of the Securities and Exchange Commission of Thailand. The Company holds 26% each of the subsidiaries’ authorized share capital.

The accounting period and significant accounting policies used for the financial statements of the subsidiaries are the same as those of the Company.

- 2.4 In 2010, the Federation of Accounting Professions has issued the Notifications regarding the new and revised Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS), Thai Accounting Standard Interpretations (TSI) and Thai Financial Reporting Interpretation (TFRI), which are not yet effective for the current period as follows:

- TASs, TFRSs, TSI and TFRI which are effective as from January 1, 2011:

TAS

TAS 1 (Revised 2009)	Presentation of Financial Statements
TAS 2 (Revised 2009)	Inventories
TAS 7 (Revised 2009)	Statement of Cash Flows
TAS 8 (Revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2009)	Events after the Reporting Period
TAS 11 (Revised 2009)	Construction Contracts
TAS 16 (Revised 2009)	Property, Plant and Equipment
TAS 17 (Revised 2009)	Leases
TAS 18 (Revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (Revised 2009)	Borrowing Costs
TAS 24 (Revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (Revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (Revised 2009)	Interests in Joint Venture
TAS 33 (Revised 2009)	Earnings Per Share
TAS 34 (Revised 2009)	Interim Financial Reporting
TAS 36 (Revised 2009)	Impairment of Assets
TAS 37 (Revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2009)	Intangible Assets
TAS 40 (Revised 2009)	Investment Property

TFRS

TFRS 2	Share-based Payment
TFRS 3 (Revised 2009)	Business Combinations
TFRS 5 (Revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources

TSI

TSI 31	Revenue - Barter Transactions Involving Advertising Services
--------	--

TFRI

TFRI 15	Agreements for the Construction of Real Estate
---------	--

- TASs and TSIs, which are effective as from January 1, 2013:

TAS

TAS 12	Income Taxes
TAS 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates

TSI

TSI 10	Government Assistance - No Specific Relation to Operating Activities
TSI 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSI 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The Company's management will adopt the above TAS, TFRS, TSI and TFRI relevant to the Company in preparing the Company's financial statements as and when they become effective. The Company's management has assessed the effects of these standards and believes that they will not have any significant impact on the financial statements for the period in which they will be first applied except for TAS 12 "Income Taxes" and TAS19 "Employee Benefits" which the Company's management considers that they will have material impact on the financial statements, therefore, the Company has been required to apply retrospectively to the financial statements when they become effective.

In addition, the Federation of Accounting Professions has issued the Notification of Federation of Accounting Professions No. 49/2553 dated November 24, 2010 that have been announced in the Royal Gazette on December 15, 2010, regarding the renumbering of certain TAS. The numbers of TAS as referred to in these financial statements have already complied with such Notification.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared on the historical cost except as disclosed in the accounting policies.

3.1 Cash and cash equivalents

Cash and cash equivalents are cash on hand, deposits at financial institutions' saving accounts, current accounts and fixed accounts with original maturities within 3 months and excluding deposits at financial institutions used as collateral.

3.2 Accounts receivable

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

3.3 Allowance for doubtful accounts and bad debts

The Company and subsidiaries' allowance for doubtful accounts have been complied with the notification of the Office of the Securities and Exchange Commission by fully providing for all receivables which are over 3 installments contractually past due. The Company has written off debts that are determined to be irrecoverable.

Furthermore, the Company and subsidiaries had set aside an additional allowance for doubtful accounts by taking into consideration the estimated collection losses on receivables at the end of the year. Such estimated losses are based on the Company's collection experience.

3.4 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. Any 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 income.

Losses from troubled debt restructuring arising from reductions of principal and interest are included in the statement of income.

3.5 Securitization transaction

Since there are no Thai accounting standards in dealing with securitization transaction, the Company applied the following guidelines for accounting for securitizations:

3.5.1 Securitization Projects which were approved by the SEC prior to February 3, 2006

For securitization transactions under the Projects which were approved by the SEC prior to February 3, 2006, the Company applied the US Accounting Standards, namely Financial Accounting Standard Board (FASB) Statement No. 140 regarding "Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities".

A transfer of financial assets in which the transferor surrenders control over those assets is accounted for as a sale to the extent that consideration other than beneficial interests in the transferred assets is received in exchange. And such beneficial interests do not include other retained interests in the transferred assets.

Servicing assets and other retained interests in the transferred assets are measured by allocating the previous carrying amount between the assets sold, if any, and retained interests, if any, based on their relative fair values at the date of transfer, if practicable.

The qualifying special purpose entities shall not be consolidated in the financial statements of a transferor or its related.

3.5.2 Securitization Projects which were approved by the SEC since February 3, 2006

For securitization transactions under the Projects which were approved by the SEC since February 3, 2006, the Company recognized the sales of credit card receivables to a Special Purposes Vehicle (“Securitization Plan”), according to the approval conditions required by the Securities Exchange Commission of Thailand. The conditions related to the accounting treatment are as follows:

- (1) The Company will prepare its financial statements in accordance with the accounting standards and exposure draft of the accounting guideline issued by the Federation of Accounting Professions. Therefore, the Company will prepare consolidated financial statements to combine the financial statements of Eternal 3 Special Purpose Vehicle Company Limited (ESPT), Eternal 4 Special Purpose Vehicle Company Limited (Eternal 4) and Eternal 5 Special Purpose Vehicle Company Limited (Eternal 5).
- (2) The Company is able to derecognize the credit card receivables, which were transferred to the SPV, and the debentures under the securitization project in the amount that the risks and rewards on the receivables have been transferred to the debenture holders for both initial receivables transferred on the initial cut off date and additional revolving receivables transferred during the revolving period.

For those receivables whose risks and rewards were not transferred to the debenture holders, the Company has recorded it as Subordinated Lending Account which is separately presented in the balance sheet.

In order to derecognize the credit card receivables and the debentures under the securitization project which the risks and rewards on the receivables have been transferred to the debenture holders, the Company has considered that the risks and rewards have been transferred when the transferor surrenders control over those assets to the transferee and accounted for as a sale to the extent that consideration other than beneficial interests in the transferred assets is received in exchange. And such beneficial interests do not include other retained interests in the transferred assets.

Servicing assets and other retained interests in the transferred assets are measured by allocating the previous carrying amount between the assets sold, if any, and retained interests, if any, based on their relative fair values at the date of transfer, if practicable.

3.6 Investments

Available-for-sale securities are stated at fair value. The fair value of equity securities which are listed securities are estimated by using the bidding prices at the Stock Exchange on the last business day of the year.

Securities for general investment are stated at cost, less allowances for impairment (if any).

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

Gain or loss on the change in fair value of available-for-sale securities is presented as an item in shareholders' equity. In case impairment in value of investment has occurred, the resultant loss for all classification of investment is recognized in the statement of income.

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

3.7 Equipment

Equipment is stated at cost less accumulated depreciation.

Depreciation is calculated by the straight-line method, based on the estimated useful life of the assets of 3 - 5 years.

3.8 Intangible assets

Intangible assets are computer software which is amortized by the straight-line method over the estimated useful lives of 5 years.

3.9 Foreign currency transactions

Transactions during the year denominated in foreign currencies are translated into Baht at the rates of exchange ruling on the transaction dates. Monetary assets and liabilities at the balance sheet date denominated in foreign currencies are translated into Baht at the reference exchange rate announced by the Bank of Thailand at that date. Gains or losses on exchange arising on settlements or translations are recognized as income or expense when incurred.

3.10 Financial instruments

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

Income or expense from Interest Rate Swap Agreements used to manage interest rate exposures are recognized as adjustments to interest income or expense in the statement of income.

Gains or losses on Cross Currency Swap Agreements designated as hedges of existing assets and liabilities are recognized as income or expense in the statement of income.

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

3.11 Recognition of revenues and expenses

Interest income from purposed loan (since February 21, 2008), hire-purchase receivable (since February 21, 2008), credit card receivable and personal loan are recognized on an accrual basis which is calculated by the effective interest method.

Interest income from purposed loan (before February 21, 2008) and hire-purchase receivable (before February 21, 2008) are recognized on an accrual basis which is calculated by the sum-of-the-digits method over term of the contracts.

The Company has stopped recognizing income from debtors who are over 3 consecutive installments contractually past due by stopping income recognition of such receivables since the 4th installment, in accordance with the notification of the Office of the Securities and Exchange Commission (“the SEC”) dated April 30, 2004 regarding “The Opinion on Provision for Doubtful Accounts for Consumer Finance Business”.

Other income and expense are recognized on an accrual basis.

3.12 Provident fund

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

3.13 Income tax

Income tax expense is based on tax paid and accrued for the year.

3.14 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.

3.15 Significant use of accounting judgments and estimations

In the application of the Company's accounting policies described above, the management is required to make judgments, 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 revenue and expense during the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates. Significant accounting estimates are as follows:

(1) Allowance for doubtful accounts and bad debts

The determination of the additional allowance for doubtful accounts from the notification of the Office of the Securities and Exchange Commission requires the use of various assumptions and judgments by the management, which includes the estimated collection losses on receivables, based on the Company's collection experience. The management reviews these estimates and assumptions on a regular basis.

(2) Fair value of financial instruments

For the disclosures of fair value of financial instrument, management's considerable judgment is necessarily required in estimation of fair value. Accordingly, the estimated fair value presented herein is not necessarily indicative of the amount that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value.

4. SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

Non-cash items for the years ended February 20, 2011 and 2010 are as follows:

4.1 Cash paid for purchase of equipment and cost of software for the years ended February 20, are as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	2011	2010
	Baht	Baht
Equipment		
Liabilities recorded - brought forward	22,960,874	14,324,652
Purchase of equipment	218,585,032	142,807,522
Increase (decrease) in deposits for equipment	1,943,340	(27,587,355)
	<u>243,489,246</u>	<u>129,544,819</u>
<u>Less</u> Cash payments for purchase of equipment and deposits for equipment	<u>(206,240,104)</u>	<u>(106,583,945)</u>
Liabilities recorded - carried forward	<u>37,249,142</u>	<u>22,960,874</u>
Cost of software		
Liabilities recorded - brought forward	14,743,850	43,902,527
Purchase of software	211,058,232	320,877,374
	<u>225,802,082</u>	<u>364,779,901</u>
<u>Less</u> Cash payments for investment in cost of software	<u>(218,268,552)</u>	<u>(350,036,051)</u>
Liabilities recorded - carried forward	<u>7,533,530</u>	<u>14,743,850</u>

- 4.2 During the years ended February 20, 2011 and 2010, the Company had non-cash item relating to sale of the right on credit card receivables as the Company sold additional revolving credit card receivables to subsidiaries during the revolving period which was settled by increasing the Seller Participation Account of Baht 2,077.55 million and Baht 619.95 million, respectively, instead of cash receipt.
- 4.3 For the year ended February 20, 2010, the Company recorded unrealized gain from revaluation on available-for-sales securities of Baht 22.48 million.

For the year ended February 20, 2011, the Company sold investment in available-for-sale securities to a related party. The Company recognized unrealized gain from revaluation on available-for-sale securities at the beginning of the year of Baht 57.42 million to gain on sale of such investment of Baht 51.05 million in the income statement (see note 7.2).

5. ACCOUNTS RECEIVABLE - NET

- 5.1 Accounts receivable - net as at February 20, consist of:

CONSOLIDATED FINANCIAL STATEMENTS						
	2011			2010		
	Due within	Due after	Total	Due within	Due after	Total
	1 year	1 year		1 year	1 year	
	Baht	Baht	Baht	Baht	Baht	Baht
Hire-purchase receivable						
Hire-purchase and accrued						
interest receivable	5,318,666,465	802,462,478	6,121,128,943	5,534,963,253	814,977,362	6,349,940,615
<u>Less</u> Unearned financing income	<u>(579,120,573)</u>	<u>(84,839,032)</u>	<u>(663,959,605)</u>	<u>(580,459,504)</u>	<u>(88,569,824)</u>	<u>(669,029,328)</u>
	4,739,545,892	717,623,446	5,457,169,338	4,954,503,749	726,407,538	5,680,911,287
<u>Less</u> Allowance for doubtful						
accounts	<u>(143,831,533)</u>	<u>-</u>	<u>(143,831,533)</u>	<u>(115,813,713)</u>	<u>-</u>	<u>(115,813,713)</u>
Hire-purchase and accrued						
interest receivable - net	<u>4,595,714,359</u>	<u>717,623,446</u>	<u>5,313,337,805</u>	<u>4,838,690,036</u>	<u>726,407,538</u>	<u>5,565,097,574</u>
Loans receivable						
Loans and accrued interest						
receivable	19,217,350,060	492,397,890	19,709,747,950	18,406,937,288	405,995,272	18,812,932,560
<u>Less</u> Allowance for doubtful						
accounts	<u>(796,146,797)</u>	<u>-</u>	<u>(796,146,797)</u>	<u>(567,381,002)</u>	<u>-</u>	<u>(567,381,002)</u>
Loans and accrued interest						
receivable - net	<u>18,421,203,263</u>	<u>492,397,890</u>	<u>18,913,601,153</u>	<u>17,839,556,286</u>	<u>405,995,272</u>	<u>18,245,551,558</u>
Credit card receivable						
Credit card and accrued						
interest receivable	9,821,908,544	-	9,821,908,544	9,979,797,541	-	9,979,797,541
<u>Less</u> Allowance for doubtful						
accounts	<u>(222,203,284)</u>	<u>-</u>	<u>(222,203,284)</u>	<u>(197,902,024)</u>	<u>-</u>	<u>(197,902,024)</u>
Credit card and accrued						
interest receivable - net	<u>9,599,705,260</u>	<u>-</u>	<u>9,599,705,260</u>	<u>9,781,895,517</u>	<u>-</u>	<u>9,781,895,517</u>
Total accounts receivable - net	<u>32,616,622,882</u>	<u>1,210,021,336</u>	<u>33,826,644,218</u>	<u>32,460,141,839</u>	<u>1,132,402,810</u>	<u>33,592,544,649</u>

SEPARATE FINANCIAL STATEMENTS

	2011			2010		
	Due within	Due after	Total	Due within	Due after	Total
	1 year	1 year		1 year	1 year	
	Baht	Baht	Baht	Baht	Baht	Baht
Hire-purchase receivable						
Hire-purchase and accrued interest receivable	5,318,666,465	802,462,478	6,121,128,943	5,534,963,253	814,977,362	6,349,940,615
<u>Less</u> Unearned financing income	<u>(579,120,573)</u>	<u>(84,839,032)</u>	<u>(663,959,605)</u>	<u>(580,459,504)</u>	<u>(88,569,824)</u>	<u>(669,029,328)</u>
	4,739,545,892	717,623,446	5,457,169,338	4,954,503,749	726,407,538	5,680,911,287
<u>Less</u> Allowance for doubtful accounts	<u>(143,831,533)</u>	<u>-</u>	<u>(143,831,533)</u>	<u>(115,813,713)</u>	<u>-</u>	<u>(115,813,713)</u>
Hire-purchase and accrued interest receivable - net	<u>4,595,714,359</u>	<u>717,623,446</u>	<u>5,313,337,805</u>	<u>4,838,690,036</u>	<u>726,407,538</u>	<u>5,565,097,574</u>
Loans receivable						
Loans and accrued interest receivable	19,217,350,060	492,397,890	19,709,747,950	18,406,937,288	405,995,272	18,812,932,560
<u>Less</u> Allowance for doubtful accounts	<u>(796,146,797)</u>	<u>-</u>	<u>(796,146,797)</u>	<u>(567,381,002)</u>	<u>-</u>	<u>(567,381,002)</u>
Loans and accrued interest receivable - net	<u>18,421,203,263</u>	<u>492,397,890</u>	<u>18,913,601,153</u>	<u>17,839,556,286</u>	<u>405,995,272</u>	<u>18,245,551,558</u>
Credit card receivable						
Credit card and accrued interest receivable	6,449,695,188	-	6,449,695,188	8,923,600,205	-	8,923,600,205
<u>Less</u> Allowance for doubtful accounts	<u>(136,840,012)</u>	<u>-</u>	<u>(136,840,012)</u>	<u>(140,897,450)</u>	<u>-</u>	<u>(140,897,450)</u>
Credit card and accrued interest receivable - net	<u>6,312,855,176</u>	<u>-</u>	<u>6,312,855,176</u>	<u>8,782,702,755</u>	<u>-</u>	<u>8,782,702,755</u>
Total accounts receivable - net	<u>29,329,772,798</u>	<u>1,210,021,336</u>	<u>30,539,794,134</u>	<u>31,460,949,077</u>	<u>1,132,402,810</u>	<u>32,593,351,887</u>

5.2 Hire-purchase and loan receivables as at February 20, classified by revenue recognition policies are as follows:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

	2011			2010		
	Effective rate	Sum-of-digit	Total	Effective rate	Sum-of-digit	Total
	Method	Method		Method	Method	
	Baht	Baht	Baht	Baht	Baht	Baht
Hire-purchase receivable						
Hire-purchase and accrued interest receivable	6,110,912,030	10,216,913	6,121,128,943	6,205,977,112	143,963,503	6,349,940,615
<u>Less</u> Unearned financing income	<u>(663,474,165)</u>	<u>(485,440)</u>	<u>(663,959,605)</u>	<u>(660,953,408)</u>	<u>(8,075,920)</u>	<u>(669,029,328)</u>
	5,447,437,865	9,731,473	5,457,169,338	5,545,023,704	135,887,583	5,680,911,287
<u>Less</u> Allowance for doubtful accounts	<u>(140,838,819)</u>	<u>(2,992,714)</u>	<u>(143,831,533)</u>	<u>(97,391,840)</u>	<u>(18,421,873)</u>	<u>(115,813,713)</u>
Hire-purchase and accrued interest receivable - net	<u>5,306,599,046</u>	<u>6,738,759</u>	<u>5,313,337,805</u>	<u>5,447,631,864</u>	<u>117,465,710</u>	<u>5,565,097,574</u>
Loans receivable						
Loans and accrued interest receivable	19,708,014,416	1,733,534	19,709,747,950	18,796,205,541	16,727,019	18,812,932,560
<u>Less</u> Allowance for doubtful accounts	<u>(794,627,573)</u>	<u>(1,519,224)</u>	<u>(796,146,797)</u>	<u>(564,233,966)</u>	<u>(3,147,036)</u>	<u>(567,381,002)</u>
Loan and accrued interest receivable - net	<u>18,913,386,843</u>	<u>214,310</u>	<u>18,913,601,153</u>	<u>18,231,971,575</u>	<u>13,579,983</u>	<u>18,245,551,558</u>

5.3 Quality of assets

Accounts receivable as at February 20, classified by aging are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Less than 3 months	34,338,839,786	33,697,443,220	31,051,989,702	32,698,250,458
3 months up	649,986,046	776,198,168	564,622,775	719,193,594
Total	34,988,825,832	34,473,641,388	31,616,612,477	33,417,444,052
<u>Less</u> Allowance for doubtful accounts	<u>(1,162,181,614)</u>	<u>(881,096,739)</u>	<u>(1,076,818,343)</u>	<u>(824,092,165)</u>
Total accounts receivable – net	<u>33,826,644,218</u>	<u>33,592,544,649</u>	<u>30,539,794,134</u>	<u>32,593,351,887</u>

5.4 Troubled debt restructuring

For the years ended February 20, 2011 and 2010, the Company had recognized interest income on restructured debts totaling Baht 139.80 million and Baht 1.35 million, respectively.

The Company had the outstanding debts as at February 20, as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	2011		2010	
	Number of debtors	Amount Baht	Number of debtors	Amount Baht
Restructured accounts receivable	69,534	1,055,395,676	2,154	89,044,964
Non-restructured accounts receivable	2,861,771	33,933,430,156	2,928,449	34,384,596,424
Total accounts receivable	<u>2,931,305</u>	<u>34,988,825,832</u>	<u>2,930,603</u>	<u>34,473,641,388</u>

	SEPARATE FINANCIAL STATEMENTS			
	2011		2010	
	Number of debtors	Amount Baht	Number of debtors	Amount Baht
Restructured accounts receivable	69,534	1,055,395,676	2,154	89,044,964
Non-restructured accounts receivable	2,520,689	30,561,216,801	2,723,672	33,328,399,088
Total accounts receivable	<u>2,590,223</u>	<u>31,616,612,477</u>	<u>2,725,826</u>	<u>33,417,444,052</u>

As at February 20, 2011 and 2010, the Company had no commitment to provide additional loans to its restructured debtors after debt restructuring.

5.5 Allowance for doubtful accounts

Allowance for doubtful accounts as at February 20, are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Beginning balances	881,096,739	859,543,823	824,092,165	769,827,587
Bad debts and doubtful accounts	3,309,173,518	2,802,801,686	2,988,807,580	2,483,812,068
Bad debts written off	<u>(3,028,088,643)</u>	<u>(2,781,248,770)</u>	<u>(2,736,081,402)</u>	<u>(2,429,547,490)</u>
Ending balances	<u>1,162,181,614</u>	<u>881,096,739</u>	<u>1,076,818,343</u>	<u>824,092,165</u>

5.6 Transfers of financial assets

The Company entered into the Receivables Sale and Purchase Agreements with four (4) Special Purposes Vehicle Companies, which 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). Under the securitization plan which was approved by the Office of the Securities and Exchange Commission, 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 Agreements and Servicing Agreements.

Details of aforementioned sales of receivables are summarized as follows:

		ECC*	ESPT**	Eternal 4***	Eternal 5****
Initial selling date		February 16, 2005	February 6, 2006	June 25, 2007	May 20, 2010
Type of transferred receivables		Credit Card Receivable	Credit Card Receivable	Credit Card Receivable	Credit Card Receivable
Revolving period		February 2005 - January 2010 (approximately)	February 2006 - January 2011 (approximately)	June 2007 - May 2012 (approximately)	May 2010 - April 2015 (approximately)
Initial sales of receivables					
Net book value of initial receivables	Baht	2,956,800,085	2,782,514,549	3,038,017,234	4,355,040,449
Proceeds from transfer of the right of receivables	Baht	2,000,000,000	2,280,000,000	2,205,000,000	2,790,000,000
Subordinated lendings (see Note 9)	Baht	816,000,000	370,000,000	744,000,000	1,438,000,000
Minimum seller participation - pari passu with debentures (see Note 8)	Baht	140,800,000	132,500,000	88,470,000	126,840,000
Number of contracts		213,872	181,389	178,751	205,485
Average principal amount outstanding	Baht	13,825	15,340	16,996	21,194
Interest rate		18% p.a.	18% p.a.	18% p.a.	20% p.a.

* Eternal Credit Card Special Purpose Vehicle Company Limited

** Eternal 3 Special Purpose Vehicle Company Limited (Subsidiary)

*** Eternal 4 Special Purpose Vehicle Company Limited (Subsidiary)

**** Eternal 5 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 May 20, 2010, the Company entered into the Receivables Sale and Purchase Agreement for transferred rights on credit card receivables under the securitization project with Eternal 5 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 May 19, 2010. Under the agreement, the total Initial Credit Card Receivables of Baht 4,355 million using the net book value of credit card receivables as at May 20, 2010 were to be transferred to Eternal 5 on the same date. As at May 24, 2010, the Company received cash proceeds of Baht 2,790 million and the remaining balance of Baht 1,565 million was paid by entering into a subordinated bridging loan agreement of Baht 1,438 million (see Note 9) with the balance of Baht 127 million to be the minimum amount of the seller participation account under the securitization project in Eternal 5 which is not subordinated and rank in order of priority pari passu with payments of principal in respect of the debentures of Eternal 5 (see Note 8). The revolving sale and purchase period of Future Receivables and Additional Receivables commenced from April 21, 2010 and will be terminated in April 2015, approximately.

Other related information is summarized as follows:

During the life of the securitization projects, the Company may repurchase the Purchased Receivables from such Special Purpose Vehicle 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. On a Monthly Purchase Date, the Company may exercise its option to repurchase any Purchased Receivables which become a defaulted receivable on the Collection Period End Date immediately preceding such Monthly Purchase Date.
3. 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.
4. 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 Companies as of February 20, 2011 and 2010, and for the years ended February 20, 2011 and 2010, is summarized as follows:

	2011				
	ESPV Baht	ECC Baht	ESPT* Baht	Eternal 4* Baht	Eternal 5* Baht
As of February 20,					
Total assets	8,919,276	13,439,813	2,368,653,477	2,459,740,100	4,890,387,976
Total liabilities	8,793,367	13,138,746	2,368,609,477	2,459,696,100	4,890,343,976
Total shareholders' equity	125,909	301,067	44,000	44,000	44,000
For the year ended February 20,					
Total income	320,423	1,075,380	580,420,285	601,172,103	957,164,731
Bad debts and doubtful accounts	-	-	91,892,148	100,863,405	127,610,386
Other operating expenses	135,940	145,390	156,419,149	170,557,923	280,534,925
Interest expenses	-	-	101,276,458	184,704,866	143,757,249
Income tax	36,776	278,997	67,212,274	41,459,877	134,406,371
Net income	147,707	650,993	163,620,256	103,586,032	270,855,800
2010 **					
	ESPV Baht	ECC Baht	ESPT* Baht	Eternal 4* Baht	
As of February 20,					
Total assets	8,665,856	26,299,165	2,128,144,671	3,193,527,483	
Total liabilities	8,687,654	18,372,486	2,128,100,671	3,193,483,483	
Total shareholders' equity (deficit)	(21,798)	7,926,679	44,000	44,000	
For the year ended February 20,					
Total income	652	452,205,826	573,474,793	610,923,494	
Bad debts and doubtful accounts	-	104,927,852	147,531,677	171,457,941	
Other operating expenses	66,450	135,808,279	157,598,831	176,539,150	
Interest expenses	-	129,196,116	116,996,771	223,958,927	
Income tax	-	14,602,640	40,262,542	6,801,205	
Net income (loss)	(65,798)	67,670,939	111,084,972	32,166,271	

* Eternal 3 Special Purpose Vehicle Company Limited (ESPT), Eternal 4 Special Purpose Vehicle Company Limited (Eternal 4) and Eternal 5 Special Purpose Vehicle Company Limited (Eternal 5) are the Company's subsidiaries (see Note 1)

** Financial information has been changed following the financial statements which have been audited.

On May 12, 2008 and February 10, 2010, ESPV and ECC redeemed the remaining debentures and subordinated lending and the Company repurchased all outstanding receivables from ESPV and ECC which led to the end of the securitization project of ESPV and ECC. Subsequently, on December 20, 2010, the Extraordinary Shareholders' Meeting of ESPV and ECC had a resolution to approve the liquidation and dissolution which ESPV and ECC registered the dissolution with the Ministry of Commerce on December 20, 2010. At the present, ESPV and ECC are in the process of liquidation.

For the years ended February 20, 2011 and 2010, transactions relating to the transfer of financial assets under the securitization projects are summarized as follows:

	2011	2010
	Million	Million
	Baht	Baht
Transfers of future credit card receivables (at book value)		
- Credit card receivable (ECC)	-	2,600
- Credit card receivable (ESPT)	3,724	3,403
- Credit card receivable (Eternal 4)	4,127	3,835
- Credit card receivable (Eternal 5)	6,938	-
	<u>14,789</u>	<u>9,838</u>
Cash collection on behalf of Special Purpose Vehicles		
- Credit card receivable (ECC)	-	3,256
- Credit card receivable (ESPT)	3,942	4,133
- Credit card receivable (Eternal 4)	4,367	4,699
- Credit card receivable (Eternal 5)	7,286	-
	<u>15,595</u>	<u>12,088</u>
Servicing income on cash collection from Special Purpose Vehicles		
- Credit card receivable (ECC)	-	107
- Credit card receivable (ESPT)	131	132
- Credit card receivable (Eternal 4)	143	149
- Credit card receivable (Eternal 5)	238	-
	<u>512</u>	<u>388</u>

As at February 20, 2011 and 2010, the outstanding receivables sold to Special Purpose Vehicles and managed by the Company are classified by aging as follows:

	2011	2010
	Million	Million
	Baht	Baht
Credit card receivables (included accrued interest income) - ESPT		
Less than 3 months	2,198	2,005
3 months up	20	26
	<u>2,218</u>	<u>2,031</u>
<u>Less Allowance for doubtful accounts</u>	<u>(20)</u>	<u>(26)</u>
	<u>2,198</u>	<u>2,005</u>
Credit card receivables (included accrued interest income) - Eternal 4		
Less than 3 months	2,361	2,179
3 months up	24	31
	<u>2,385</u>	<u>2,210</u>
<u>Less Allowance for doubtful accounts</u>	<u>(24)</u>	<u>(31)</u>
	<u>2,361</u>	<u>2,179</u>

	2011	2010
	Million	Million
	Baht	Baht
Credit card receivables (included accrued interest income) - Eternal 5		
Less than 3 months	4,735	-
3 months up	41	-
	<u>4,776</u>	<u>-</u>
<u>Less</u> Allowance for doubtful accounts	(41)	-
	<u>4,735</u>	<u>-</u>
Total	<u>9,294</u>	<u>4,184</u>

6. OTHER CURRENT ASSETS - OTHERS

As at February 20, other current assets - others consist of the following:

	CONSOLIDATED AND SEPARATE	
	FINANCIAL STATEMENTS	
	2011	2010
	Baht	Baht
Prepaid expenses	38,629,957	36,264,719
Refundable value-added-tax	-	14,892,691
Value-added-tax not yet due	38,253,926	34,092,304
Advance payment	2,108,224	5,418,602
Total	<u>78,992,107</u>	<u>90,668,316</u>

7. INVESTMENTS IN SUBSIDIARIES AND LONG-TERM INVESTMENTS IN RELATED COMPANIES AND OTHER COMPANIES

Investments in subsidiaries and long-term investments in related companies and other companies consist of:

7.1 Investments in subsidiaries as at February 20 consist of:

	SEPARATE FINANCIAL STATEMENTS			
	2011		2010	
	% of	Cost	% of	Cost
	Ownership	Baht	Ownership	Baht
Investments in subsidiaries (see Note 24.1)				
Eternal 3 Special Purpose Vehicle Company Limited	26.00	10,400	26.00	10,400
Eternal 4 Special Purpose Vehicle Company Limited	26.00	10,400	26.00	10,400
Eternal 5 Special Purpose Vehicle Company Limited	26.00	10,400	-	-
Total investments in subsidiaries		<u>31,200</u>		<u>20,800</u>

7.2 Long-term investments in related companies as at February 20 consist of:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS								
2011				2010				
% of Ownership	Cost Baht	Unrealized gain from revaluation on investments Baht	Fair value Baht	% of Ownership	Cost Baht	Unrealized gain from revaluation on investments Baht	Fair value Baht	
Available-for-sale security								
AEON Credit Service (M) Bhd.								
(1,800,000 shares of MYR 0.5 each, par value of MYR 0.5, fully paid)								
-	-	-	-	1.84	9,828,708	57,415,539	67,244,247	
Total investments in available-for-sale securities								
	-	-	-		9,828,708	57,415,539	67,244,247	
% of Ownership			Cost Baht	% of Ownership			Cost Baht	
General investments								
Aeon (Thailand) Co., Ltd.								
(340,000 shares of Baht 100 each, Baht 25 called up)								
8.50			8,500,000	8.50			8,500,000	
ACS Credit Management Co., Ltd.								
(550 shares of JPY 100,000 each, par value of JPY 50,000, fully paid)								
4.60			20,614,000	4.60			20,614,000	
PT. Aeon Credit Service Indonesia								
(173 shares of IDR 30 million each, par value IDR 30 million, fully paid)								
5.18			19,071,550	5.18			19,071,550	
AEON Credit Technology Systems (Philippines) Inc.								
(100,000 shares of PHP100 each, par value of PHP 100, fully paid)								
10.00			7,644,706	10.00			7,644,706	
ACS Trading Vietnam Co., Ltd.								
(20% of joint venture's ownership of VND 50,000 million, fully paid)								
20.00			16,819,263					
(20% of joint venture's ownership of VND 10,000 million, fully paid)								
				20.00			4,158,750	
			72,649,519					59,989,006
<u>Less</u> Allowance for impairment of investment								
			(8,500,000)					(8,500,000)
Total general investments								
			64,149,519					51,489,006
Total long-term investments in related parties								
			64,149,519					118,733,253

During the year ended February 20, 2011, the Company sold investment in available-for-sale securities to a related party. The Company recognized unrealized gain from revaluation on available-for-sale securities at the beginning of the year of Baht 57.42 million to gain on sale of such investment of Baht 51.05 million in the income statement which the Company has received cash during the year ended February 20, 2011.

Additional, during the year ended February 20, 2011, ACS Trading Vietnam Co., Ltd. has increased the registered share capital from VND 10,000 million to VND 50,000 million and the Company has paid share subscriptions by 20% of the increase in registered share capital by amounting to Baht 12.66 million.

7.3 Long-term investments in other companies as at February 20 consist of:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	2011		2010	
	% of Ownership	Cost Baht	% of Ownership	Cost Baht
Eternal Special Purpose Vehicle Company Limited (ESPV)	26.00	10,400	26.00	10,400
Eternal Credit Card Special Purpose Vehicle Company Limited (ECC)	26.00	10,400	26.00	10,400
Total long-term investments in other companies		<u>20,800</u>		<u>20,800</u>

ESPV and ECC were registered as special purpose companies under a securitization law on October 3, 2003 and January 14, 2005, respectively. Subsequently, ESPV and ECC redeemed all debentures and the Company repurchased all outstanding receivables from ESPV and ECC which led to the end of the securitization projects of ESPV and ECC on May 12, 2008 and February 10, 2010, respectively. As at February 20, 2010, ESPV and ECC are in the process of dissolution.

Subsequently, on December 20, 2010, the Extraordinary Shareholders' Meeting of ESPV and ECC had passed the resolutions to approve the liquidation and dissolution which such companies registered the dissolution with the Ministry of Commerce on December 20, 2010. At the present, such companies are in the process of liquidation.

8. PARTICIPATION IN SPECIAL PURPOSE VEHICLES FOR SECURITIZATION

Participation in Special Purpose Vehicles for securitization as at February 20, is as follows:

	SEPARATE FINANCIAL STATEMENTS	
	2011 Baht	2010 Baht
Participation in Special Purpose Vehicles for securitization (see Note 24.2.1)		
Eternal 3 Special Purpose Vehicle Company Limited (ESPT)	1,869,557,202	1,063,310,810
Eternal 4 Special Purpose Vehicle Company Limited (Eternal 4)	1,007,102,506	195,814,892
Eternal 5 Special Purpose Vehicle Company Limited (Eternal 5)	460,019,466	-
Total	3,336,679,174	1,259,125,702
<u>Less</u> Current portion of Participation amounts in Special Purpose Vehicles for securitization	<u>(1,869,557,202)</u>	<u>(1,063,310,810)</u>
Participation in Special Purpose Vehicle for Securitization - net	<u>1,467,121,972</u>	<u>195,814,892</u>

On the contract dates under securitization projects, the Company received partial payments from ESPT, Eternal 4 and Eternal 5 with seller participation accounts under securitization projects of Baht 132,514,549, Baht 89,017,233 and Baht 127,040,449, respectively, which are non-subordinated and ranked in order of priority pari passu with payments of principal in respect of the debentures. The aggregate seller participation accounts will increase from partial payments of such Special Purpose Vehicle Companies for purchase of Future Receivables and Additional Receivables when such Special Purpose Vehicle Companies' net cash flow generated by the Purchased Receivables is insufficient. Participation accounts are reduced by the repurchase of ineligible receivables and the receipt of the excess cash from such Special Purpose Vehicle Companies. However, the Company has to retain such Participation Minimum Amounts on ESPT, Eternal 4 and Eternal 5 not less than 5%, 3% and 3% of the aggregate of the outstanding principal amounts of the debentures and the subordinated loans of ESPT, Eternal 4 and Eternal 5, respectively, of which such amounts will be repaid by cash approximately within 2011, 2012, and 2015, respectively, or when these projects end (see Note 5.6).

9. SUBORDINATED LENDINGS

Subordinated lendings entered with Special Purpose Vehicles as at February 20, are as follows:

	CONSOLIDATED AND SEPARATE	
	FINANCIAL STATEMENTS	
	2011	2010
	Baht	Baht
Subordinated lendings (see Note 24.2.1)		
Eternal 3 Special Purpose Vehicle Company Limited (ESPT)	124,366,800	217,035,005
Eternal 4 Special Purpose Vehicle Company Limited (Eternal 4)	669,678,402	744,000,000
Eternal 5 Special Purpose Vehicle Company Limited (Eternal 5)	1,438,000,000	-
	<u>2,232,045,202</u>	<u>961,035,005</u>
Less Current portion of subordinated lendings	(124,366,800)	(217,035,005)
Subordinated lendings - net	<u>2,107,678,402</u>	<u>744,000,000</u>

On February 6, 2006, the Company entered into the subordinated bridging loan agreement with ESPT amounting to Baht 370,000,000 for the purpose of partial payment of the Initial Credit Card Receivables from ESPT under the provision of the Receivable Sale Agreement (see Note 5.6). The interest was received on the monthly basis at the rate of 15% per annum. Subsequently, such bridging loan was refinanced to be subordinated term loan in July 2006 in accordance with such Bridging Loan Agreement. The term loan is due in the year 2011 and the interest is received on the monthly basis at the rate of 15% per annum. As at February 20, 2011 and 2010, the Company received partial repayment of such subordinated lending.

On June 25, 2007, the Company entered into the subordinated bridging loan agreement with Eternal 4 amounting to Baht 744,000,000 for the purpose of partial payment of the Initial Credit Card Receivables from Eternal 4 under the provision of the Receivable Sale Agreement (see Note 5.6). The interest was received on the monthly basis at the rate of 15% per annum. Subsequently, such bridging loan was refinanced to be subordinated term loan in September 2007 in accordance with such Bridging Loan Agreement. The term loan is due in the year 2012 and the interest is received on the monthly basis at the rate of 15% per annum. As at February 20, 2011, the Company received partial repayment of such subordinated lending.

On May 20, 2010, the Company entered into the subordinated bridging loan agreement with Eternal 5 amounting to Baht 1,438,000,000 for the purpose of partial payment of the Initial Credit Card Receivables from Eternal 5 under the provision of the Receivable Sale Agreement (see Note 5.6). The interest was received on the monthly basis at the rate of 3 % per annum. Subsequently, such bridging loan was refinanced to be subordinated term loan in October 2010 in accordance with such Bridging Loan Agreement. The term loan is due in the year 2015 and the interest is received on the monthly basis at the rate of 12% per annum. As at February 20, 2011, the Company has not yet received repayment of such subordinated lending.

10. EQUIPMENT - NET

Equipment - net as at February 20, consists of the following:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	Balance as at	Additions	Disposals	Balance as at
	February 20,			February 20,
	2010			2011
	Baht	Baht	Baht	Baht
Cost:				
Furniture and office equipment	1,578,097,482	218,585,032	(184,414,034)	1,612,268,480
Total	<u>1,578,097,482</u>	<u>218,585,032</u>	<u>(184,414,034)</u>	<u>1,612,268,480</u>
Accumulated depreciation:				
Furniture and office equipment	(1,171,498,412)	(164,276,307)	179,561,932	(1,156,212,787)
Total	<u>(1,171,498,412)</u>	<u>(164,276,307)</u>	<u>179,561,932</u>	<u>(1,156,212,787)</u>
Total equipment - net	<u>406,599,070</u>			<u>456,055,693</u>

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	Balance as at	Additions	Disposals	Balance as at
	February 20,			February 20,
	2009			2010
	Baht	Baht	Baht	Baht
Cost:				
Furniture and office equipment	1,465,225,814	142,807,522	(29,935,854)	1,578,097,482
Total	<u>1,465,225,814</u>	<u>142,807,522</u>	<u>(29,935,854)</u>	<u>1,578,097,482</u>
Accumulated depreciation:				
Furniture and office equipment	(1,041,135,940)	(159,152,295)	28,789,823	(1,171,498,412)
Total	<u>(1,041,135,940)</u>	<u>(159,152,295)</u>	<u>28,789,823</u>	<u>(1,171,498,412)</u>
Total equipment - net	<u>424,089,874</u>			<u>406,599,070</u>

	2011	2010
	Baht	Baht
Depreciation for the years ended February 20,	<u>164,276,307</u>	<u>159,152,295</u>

As at February 20, 2011 and 2010, the costs of fully depreciated equipment still in use are Baht 761.30 million and Baht 765.40 million, respectively.

11. INTANGIBLE ASSETS - NET

Intangible assets - net as at February 20, consist of the following:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
	Balance as at	Additions	Disposals/	Transfer In	Balance as at
	February 20,		Write-off	(Transfer Out)	February 20,
	2010				2011
	Baht	Baht	Baht	Baht	Baht
Cost:					
Computer software	1,976,606,626	170,875,269	-	66,540,908	2,214,022,803
Computer software under installation	53,386,143	40,182,963	-	(66,540,908)	27,028,198
Total Cost	<u>2,029,992,769</u>	<u>211,058,232</u>	<u>-</u>	<u>-</u>	<u>2,241,051,001</u>
Accumulated amortization:					
Computer software	(1,157,742,389)	(299,634,656)	-	-	(1,457,377,045)
Total accumulated amortization	<u>(1,157,742,389)</u>	<u>(299,634,656)</u>	<u>-</u>	<u>-</u>	<u>(1,457,377,045)</u>
Intangible assets- net	<u>872,250,380</u>				<u>783,673,956</u>

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
	Additions	Additions	Disposals/	Transfer In	Balance as at
	February 20,		Write-off	(Transfer Out)	February 20,
	2009				2010
	Baht	Baht	Baht	Baht	Baht
Cost:					
Computer software	1,612,013,009	257,700,506	(2,516,766)	109,409,877	1,976,606,626
Computer software under installation	99,619,152	63,176,868	-	(109,409,877)	53,386,143
Total Cost	<u>1,711,632,161</u>	<u>320,877,374</u>	<u>(2,516,766)</u>	<u>-</u>	<u>2,029,992,769</u>
Accumulated amortization:					
Computer software	(888,989,573)	(271,269,582)	2,516,766	-	(1,157,742,389)
Total accumulated amortization	<u>(888,989,573)</u>	<u>(271,269,582)</u>	<u>2,516,766</u>	<u>-</u>	<u>(1,157,742,389)</u>
Intangible assets- net	<u>822,642,588</u>				<u>872,250,380</u>

	2011	2010
	Baht	Baht
Amortization for the years ended February 20,	<u>299,634,656</u>	<u>271,269,582</u>

As at February 20, 2011 and 2010, the costs of fully amortized computer software still in use are Baht 716.77 million and Baht 531.23 million, respectively.

12. OTHER NON-CURRENT ASSETS

Other non-current assets as at February 20, consist of the following:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	2011	2010
	Baht	Baht
Deposits	90,838,928	84,333,219
Prepaid commission expenses	25,819,367	25,717,411
Deferred expenses	38,260,430	5,297,636
Total	<u>154,918,725</u>	<u>115,348,266</u>

13. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Short-term loans from financial institutions as at February 20, are short-term loans from various financial institutions in the form of unsecured promissory notes. The details are as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS					
	2011			2010		
	Interest rate	Foreign	Baht	Interest rate	Foreign	Baht
	%	Currency	Equivalent	%	Currency	Equivalent
Loan in USD currency	-	-	-	1.55 - 2.00	18,942,000	631,225,102
Loan in THB currency	2.10 - 2.35		630,000,000	1.65 - 1.77		4,215,000,000
Total			<u>630,000,000</u>			<u>4,846,225,102</u>

14. LONG-TERM LOANS

The Company entered into various long-term loan agreements in Baht and foreign currencies as at February 20, as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS		
	As at February 20, 2011		
	Interest rate	Foreign	Baht
	%	Currency	Equivalent
		Million	Baht
Loan in YEN currency	2.63 - 6.61	35,000.0	12,952,520,000
Loan in USD currency	3.53 - 4.60	202.2	6,233,360,940
Loan in THB currency	3.80 - 5.52		10,490,000,000
<u>Less</u> Loan issuance cost			(78,198,118)
			<u>29,597,682,822</u>
<u>Less</u> Current portion of long-term loans			(5,987,181,948)
Total long-term loans - net			<u>23,610,500,874</u>

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

As at February 20, 2010

	Interest rate %	Foreign Currency Million	Baht Equivalent Baht
Loan in YEN currency	4.54 - 6.97	31,500.0	11,592,409,500
Loan in USD currency	3.53 - 3.70	73.2	2,439,324,120
Loan in THB currency	4.14 - 6.91		10,210,000,000
<u>Less</u> Loan issuance cost			(65,308,090)
			24,176,425,530
<u>Less</u> Current portion of long-term loans			(7,982,763,700)
Total long-term loans - net			16,193,661,830

To manage risk that might occur from the fluctuation in currency and interest rate, the Company has entered into interest rate swap agreements, cross currency swap agreements and cross currency interest rate swap agreements to hedge its debts as follows:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

As at February 20, 2011

	Principal to be received/ paid Baht	Carrying amount		Total Baht
		Less than 1 year Baht	1 - 5 years Baht	
Receivable per currency swap				
Cross Currency Swap Agreements				
YEN currency	1,425,800,000	42,144,000	12,344,000	54,488,000
Cross Currency Interest Rate Swap Agreements				
YEN currency	7,978,825,000	499,488,000	292,393,400	791,881,400
USD currency	3,906,795,000	-	69,978,300	69,978,300
	<u>13,311,420,000</u>	<u>541,632,000</u>	<u>374,715,700</u>	<u>916,347,700</u>
Payable per currency swap				
Cross Currency Swap Agreements				
YEN currency	1,669,320,843	(1,332,281)	(2,664,562)	(3,996,843)
Cross Currency Interest Rate Swap Agreements				
YEN currency	1,043,280,000	-	(7,078,400)	(7,078,400)
USD currency	2,475,480,000	-	(218,892,360)	(218,892,360)
Interest Rate Swap Agreements				
THB currency	5,990,000,000	(45,056,135)	-	(45,056,135)
	<u>11,178,080,843</u>	<u>(46,388,416)</u>	<u>(228,635,322)</u>	<u>(275,023,738)</u>

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

As at February 20, 2010

	Principal to be		Carrying amount	
	received/ paid	Less than 1 year	1 - 5 years	Total
	Baht	Baht	Baht	Baht
Receivable per currency swap				
Cross Currency Swap Agreements				
YEN currency	2,359,450,000	362,621,500	38,026,000	400,647,500
Interest Rate Swap Agreements				
YEN currency	7,921,275,000	174,065,000	736,972,000	911,037,000
USD currency	835,940,000	1,941,989	1,886,320	3,828,309
	<u>11,116,665,000</u>	<u>538,628,489</u>	<u>776,884,320</u>	<u>1,315,512,809</u>
Payable per currency swap				
Cross Currency Interest Rate Swap Agreements				
USD currency	2,270,840,000	(2,018,548)	(38,042,200)	(40,060,748)
Interest Rate Swap Agreements				
THB currency	6,610,000,000	(59,210,496)	-	(59,210,496)
	<u>8,880,840,000</u>	<u>(61,229,044)</u>	<u>(38,042,200)</u>	<u>(99,271,244)</u>

15. LONG-TERM DEBENTURES

Long-term debentures represent unsubordinated and unsecured debentures as at February 20, as follows:

								CONSOLIDATED AND SEPARATE	
								FINANCIAL STATEMENTS	
Issue date	Maturity date	No. of units	Currency	Par value per unit	Amount	Interest rate %	Term of interest Payment	2011 Baht	2010 Baht
15/07/05	15/07/10	300,000	THB	1,000	300,000,000	4.94	Semi-annual	-	300,000,000
25/08/08	25/08/10	1,000,000	THB	1,000	1,000,000,000	4.59	Semi-annual	-	1,000,000,000
25/08/08	25/08/12	1,000,000	THB	1,000	1,000,000,000	5.20	Semi-annual	1,000,000,000	1,000,000,000
19/12/08	19/12/11	15	JPY	100,000,000	1,500,000,000	JPY-TIBOR 6M + 0.45	Semi-annual	555,108,000	552,019,500
30/07/10	30/07/15	20	USD	1,000,000	20,000,000	USD-LIBOR 6M + 0.50	Semi-annual	616,554,000	-
								<u>2,171,662,000</u>	<u>2,852,019,500</u>
<u>Less</u>	Debenture issuance cost							<u>(23,672,505)</u>	<u>(20,250,818)</u>
								<u>2,147,989,495</u>	<u>2,831,768,682</u>
<u>Less</u>	Current portion of long-term debentures							<u>(552,945,439)</u>	<u>(1,296,473,547)</u>
								<u>1,595,044,056</u>	<u>1,535,295,135</u>
								<u>Long-term debentures - net</u>	<u></u>

(1) On June 9, 2005, the Annual General Meeting of shareholders of 2005 had the resolution for the Issuance and Offering of unsubordinated and unsecured debentures in THB currency to offer for sale to general public and/ or specific investors and/or institutional investors. An issuing amount of the debentures is not exceeded Baht 5 billion equivalent amount and a tenor is not more than 5 years from each issuance date. Interest rate depends on market at time of offer and issuance. Authorized directors shall be empowered to consider conditions and other details for the issue and offering of the bonds. The Company partially issued debentures in June and July 2005 in total of Baht 1,320 million. Such debentures were matured on July 15, 2010.

In June and July 2008, the Company partially redeemed debentures amounting to Baht 500 million and Baht 520 million, respectively. Subsequently, on July 15, 2010, the Company has repaid remaining debenture amounting to Baht 300 million.

Then on August 25, 2008, the Company issued and offered additional debentures under the remaining balance as follows:

- Tranche 1 debenture issued and offered to general investors amounting to Baht 1,000 million with interest rate of 4.59% per annum, payable on a semi-annual basis, and were due on August 25, 2010. Such debenture was guaranteed by a bank in Japan. The Company repaid such debenture on August 25, 2010.
 - Tranche 2 debenture issued and offered to general investors amounting to Baht 1,000 million with interest rate of 5.20% per annum, payable on a semi-annual basis, and will be due on August 25, 2012. Such debenture is guaranteed by a bank in Japan and Japan Bank for International Cooperation (“JBIC”).
- (2) On June 18, 2008, the Annual General Meeting of shareholders of 2008 had the resolution for the Issuance and Offering of unsubordinated and unsecured debentures in JPY currency to offer for sale to specific investors and/or institutional investors. An issuing amount of the debentures is not to exceed Baht 3 billion equivalent amount and a tenor is not more than 5 years from each issuance date. Interest rate depends on market at time of offer and issuance. Authorized directors shall be empowered to consider conditions and other details for the issue and offering of the bonds.

Subsequently, on December 19, 2008, the Company partially issued and offered debenture amounting to JPY 1,500 million to a bank in Japan with interest rate of JPY - TIBOR 6 month plus 0.45% per annum, payable on a semi-annual basis, and will be due on December 19, 2011. Such debenture is guaranteed by the same bank.

- (3) On June 17, 2009, the Company’s Annual General meeting of shareholders of 2009 had the resolution for the issuance and offering of debentures in an issuing amount not exceeding Baht 3 billion. The currency, tenor, interest rate and other conditions will be considered and approved by the Board of Director’s Meeting later when the Company is ready for the issuance and offering of debentures.

Subsequently, on July 30, 2010, the Company partially issued and offered debenture amounting to USD 20 million to a bank in Japan with interest rate of USD - LIBOR 6 month plus 0.50% per annum, payable on a semi-annual basis, and will be due on July 30, 2015. Such debenture is guaranteed by the same bank.

To manage risk that might occur from the fluctuation in currency and interest rate of long-term debenture in foreign currency, the Company has entered into cross currency and interest rate swap contract to hedge its debt as follows:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
As at February 20, 2011				
	Principal to be	Carrying amount		Total
	received/ paid	Less than 1 year	1 - 5 years	
	Baht	Baht	Baht	Baht
Payable per currency swap				
Cross Currency Swap Agreements				
YEN currency	582,750,000	(27,642,000)	-	(27,642,000)
USD currency	646,000,000	-	(29,446,000)	(29,446,000)
	<u>1,228,750,000</u>	<u>(27,642,000)</u>	<u>(29,446,000)</u>	<u>(57,088,000)</u>

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

As at February 20, 2010

	Principal to be	Carrying amount		Total
	received/ paid	Less than 1 year	1 - 5 years	
	Baht	Baht	Baht	
Payable per currency swap				
Cross Currency Swap Agreements				
YEN currency	582,750,000	-	(30,730,500)	(30,730,500)
	<u>582,750,000</u>	<u>-</u>	<u>(30,730,500)</u>	<u>(30,730,500)</u>

- (4) On February 6, 2006, June 25, 2007 and May 24, 2010, Eternal 3 Special Purpose Vehicle Company Limited, Eternal 4 Special Purpose Vehicle Company Limited and Eternal 5 Special Purpose Vehicle Company Limited, the Company's subsidiaries, issued the debentures of Baht 2,280 million, Baht 2,205 million and Baht 2,790 million, respectively, under the Securitization projects. Cash flows from a pool of credit card receivables will be used to make payments for the debentures. Interest on the debentures will be payable monthly commencing on March 10, 2006, August 10, 2007 and July 10, 2010, respectively.

On July 10, 2010, Eternal 4 Special Purpose Vehicle Co., Ltd. partially redeemed debentures of Baht 1,500 million.

On February 10, 2011, Eternal 3 Special Purpose Vehicle Co., Ltd. partially redeemed debentures of Baht 500 million.

As at February 20, 2011 and 2010, the subsidiaries' debentures are as follows:

Debenture Classes	Maturity date	Amount	Interest rate	2011	2010
		Baht	%	Baht	Baht
Eternal 3 Special Purpose Vehicle Co., Ltd.					
Class A-2	February 10, 2011	500,000,000	5.88	-	500,000,000
Class B	Gradually redeemable after February 10, 2011	120,000,000	6.13	120,000,000	120,000,000
Class C	Gradually redeemable after February 10, 2011	160,000,000	6.33	160,000,000	160,000,000
				<u>280,000,000</u>	<u>780,000,000</u>
Eternal 4 Special Purpose Vehicle Co., Ltd.					
Class A-1	July 10, 2010	1,500,000,000	4.39	-	1,500,000,000
Class A-2	July 10, 2012	500,000,000	4.76	500,000,000	500,000,000
Class B	Gradually redeemable after July 10, 2012	205,000,000	4.76	205,000,000	205,000,000
				<u>705,000,000</u>	<u>2,205,000,000</u>
Eternal 5 Special Purpose Vehicle Co., Ltd.					
Class A-1	May 10, 2015	2,790,000,000	3.10	2,790,000,000	-
				<u>2,790,000,000</u>	<u>-</u>
				<u>3,775,000,000</u>	<u>2,985,000,000</u>

Such subsidiaries' debentures are eliminated against credit card receivables in the consolidated financial statements.

16. SHAREHOLDERS' EQUITY

16.1 At the Annual General Meeting of shareholders held on June 17, 2009, the shareholders had the resolutions to approve the following significant matters:

- The appropriation of the net income of Baht 650,000,000 as a reserve for business expansion.
- The declaration of final dividends for the fiscal year 2008 at the rate of Baht 1.05 per share amounting to Baht 262,500,000. The aforementioned shareholders included 16,000 shares of foreign shareholders who had no right to receive dividend in accordance with regulation of Thailand Securities Depository, thus the Company paid dividend to shareholders amounting to Baht 262,483,200 on June 30, 2009.

16.2 On September 24, 2009, the Board of Directors' meeting passed a resolution to declare interim dividends for the 2009 fiscal year at the rate of Baht 1.05 per share amounting to Baht 262,500,000. The aforementioned shareholders include 16,000 shares of foreign shareholders who had no right to receive dividend in accordance with regulation of Thailand Securities Depository, thus the Company paid dividend to shareholders amounting of Baht 262,483,200 on October 20, 2009.

16.3 At the Annual General Meeting of shareholders held on June 17, 2010, the shareholders had the resolutions to approve the following significant matters:

- The appropriation of net income of Baht 500 million as a reserve for business expansion.
- The declaration of final dividends for the fiscal year 2009 at the rate of Baht 1.05 per share, totaling Baht 262,500,000. The aforementioned shareholders included 16,000 shares of foreign shareholders who had no right to receive dividend in accordance with regulation of Thailand Securities Depository, thus the Company paid dividend to shareholders amounting to Baht 262,483,200 on June 30, 2010.

16.4 On September 23, 2010, the Board of Directors' meeting passed the resolution the declare interim dividends for the 2010 fiscal year at the rate Baht 1.05 per share amounting to Baht 262,500,000. The aforementioned shareholders include 16,800 shares of foreign shareholders who had no right to receive dividend in accordance with regulation of Thailand Securities Depository, thus the Company paid dividend to shareholders amounting of Baht 262,482,360 on October 20, 2010.

16.5 Under the Securitization project, the subsidiaries have to pay dividend to their shareholders from all remaining amounts after deducting the required accumulated reserves and payment of all fees and expenses. The subsidiaries appropriate interim dividends on a monthly basis at each Monthly Purchase Date as an appropriation of net profit after income tax of each month.

In addition, the subsidiaries' registered share capital comprises of ordinary shares and preferred shares which are held by minority shareholders. Dividends from the profits of the subsidiaries shall be allocated to the holders of preferred shares at a rate not more than 50% of the par value of each preferred share. The rest of the dividends shall be distributed to the holders of ordinary shares.

17. 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 five percent 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 ten percent of the registered capital.

As at February 20, 2011 and 2010, the Company's statutory reserve equals to 10% of the registered share capital.

18. 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 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 the non-financial institution personal loan from the Ministry of Finance. The Company must have authorized share capital of at least Baht 50 million.

The Company has policy to pay dividend at least 30% of net profit. The dividend payment is subject to the resolution of the shareholders' meeting after the Board of Directors' approval.

19. REVENUE RELATING TO SECURITIZATION TRANSACTION

Revenue relating to securitization transaction incurred from sales of credit card receivables is included in Credit Card Income for presentation.

For the years ended February 20, 2011 and 2010, the details of revenues from securitization transaction consist of the following:

	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	2011	2010
	Baht	Baht
Credit Card Income		
Interest income from subordinated lending	-	81,344,061
Revenue from seller participation in Special Purpose Vehicle	-	7,269,184
Dividend from investment in Special Purpose Vehicle	2,700,205	65,515,727
Servicing income	-	107,211,074
Total	<u>2,700,205</u>	<u>261,340,046</u>
	SEPARATE	
	FINANCIAL STATEMENTS	
	2011	2010
	Baht	Baht
Credit Card Income		
Interest income from subordinated lending	212,871,280	237,148,885
Revenue from seller participation in Special Purpose Vehicle	53,193,704	46,128,058
Dividend from investment in Special Purpose Vehicle	540,762,292	208,737,370
Servicing income	511,676,995	387,662,423
Total	<u>1,318,504,271</u>	<u>879,676,736</u>

20. 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 managements.

For the years ended February 20, 2011, and 2010, directors and managements' remuneration are as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	2011	2010
	Baht	Baht
Managements' remuneration	45,983,843	40,157,570
Directors' remuneration	8,836,333	8,940,000
	<u>54,820,176</u>	<u>49,097,570</u>

Directors' remuneration for the years 2011 and 2010 were approved by the ordinary shareholders' meeting of the Company held on June 17, 2010 and 2009, respectively.

21. CORPORATE INCOME TAX

According to the Royal Decree No. 475 B.E. 2551 issued under the Revenue Code regarding the corporate income tax rate deduction effective on August 7, 2008, the corporate income tax for listed companies in the Stock Exchange of Thailand has been reduced from 30% to 25% of net profit which does not exceed Baht 300 million. This will remain in effect for three consecutive accounting periods beginning on or after January 1, 2008. Therefore, the Company has used such tax rates for the corporate income tax calculations for the years ended February 20, 2011 and 2010 to conform to such tax rate change.

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

22. 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 20, 2011 and 2010, the Company contributed Baht 5,463,837 and 5,146,013, respectively, to the provident fund and recorded them as expenses.

23. EXPENSES BY NATURE

Net profit for the years ended February 20, 2011 and 2010 have been arrived at after deducting the following significant expenses:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Directors' and management remuneration	54,820,176	49,097,570	54,820,176	49,097,570
Staff costs	723,638,631	698,405,105	723,638,631	698,405,105
Marketing expenses	518,154,649	466,037,190	518,154,649	466,037,190
Equipment expenses	434,857,100	434,965,469	434,857,100	434,965,469
Depreciation and amortization	463,910,963	430,421,877	463,910,963	430,421,877
Communication expenses	289,744,905	279,033,913	289,744,905	279,033,913
Premises' expenses	295,152,779	287,499,951	295,152,779	287,499,951
Outsource collection expenses	353,025,301	367,267,593	317,207,912	347,636,000
Special business tax & duty stamp	231,391,369	199,417,232	179,449,005	170,590,498
Bad debts and doubtful accounts	3,309,173,518	2,802,801,686	2,988,807,580	2,483,812,068
Finance cost	1,653,884,074	1,691,438,578	1,490,210,485	1,545,146,578

24. TRANSACTIONS WITH RELATED PARTIES

The consolidated and separate financial statements include certain transactions with the subsidiaries 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 and the related parties which are as follows:

24.1 Investments in subsidiaries (see Note 7.1)

Related parties	Relationship	Paid-up Capital Baht	% Ownership	SEPARATE FINANCIAL STATEMENTS	
				As at February 20, 2011 Cost	As at February 20, 2010 Cost
				Baht	Baht
Eternal 3 Special Purpose Vehicle Company Limited	Subsidiary	40,000	26.0	10,400	10,400
Eternal 4 Special Purpose Vehicle Company Limited	Subsidiary	40,000	26.0	10,400	10,400
Eternal 5 Special Purpose Vehicle Company Limited	Subsidiary	40,000	26.0	10,400	-
				<u>31,200</u>	<u>20,800</u>

24.2 Business transactions with related parties

24.2.1 Balances with related parties

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		As at February 20,		As at February 20,	
		2011 Baht	2010 Baht	2011 Baht	2010 Baht
Other Current Assets					
Other accounts receivable					
Eternal Special Purpose Vehicle Company Limited	Related company	8,411,339	8,621,856	8,411,339	8,621,856
Eternal Credit Card Special Purpose Vehicle Company Limited	Related company	7,213,208	4,464,604	7,213,208	4,464,604
Eternal 4 Special Purpose Vehicle Company Limited	Subsidiary	-	-	22,960,957	18,651,834
Eternal 5 Special Purpose Vehicle Company Limited	Subsidiary	-	-	137,242,357	-
Aeon Credit Service Company Limited	Major shareholder and two common directors	14,263	5,406	14,263	5,406
ACS Capital Corporation Limited	Shareholder and four common directors	70,038	61,804	70,038	61,804
Aeon (Thailand) Co., Ltd.	Holding shares and two common directors	8,333	344,732	8,333	344,732
ACS Insurance Broker (Thailand) Co., Ltd.	Three common directors	19,730	367,423	19,730	367,423
ACS Servicing (Thailand) Co., Ltd.	One common director	884,242	40,966	884,242	40,966
ACS Life Insurance Broker (Thailand) Co., Ltd.	Three common directors	19,302	230,403	19,302	230,403
Aeon Credit Technology System (Philippines)	Holding shares and one common director	26,754,400	-	26,754,400	-
		<u>43,394,855</u>	<u>14,137,194</u>	<u>203,598,169</u>	<u>32,789,028</u>
Participation in Special Purpose Vehicle for Securitization (Note 8)					
Eternal 3 Special Purpose Vehicle Company Limited	Subsidiary	-	-	1,869,557,202	1,063,310,810
Eternal 4 Special Purpose Vehicle Company Limited	Subsidiary	-	-	1,007,102,506	195,814,892
Eternal 5 Special Purpose Vehicle Company Limited	Subsidiary	-	-	460,019,466	-
		<u>-</u>	<u>-</u>	<u>3,336,679,174</u>	<u>1,259,125,702</u>
Subordinated lending (Note 9)					
Eternal 3 Special Purpose Vehicle Company Limited	Subsidiary	124,366,800	217,035,005	124,366,800	217,035,005
Eternal 4 Special Purpose Vehicle Company Limited	Subsidiary	669,678,402	744,000,000	669,678,402	744,000,000
Eternal 5 Special Purpose Vehicle Company Limited	Subsidiary	1,438,000,000	-	1,438,000,000	-
		<u>2,232,045,202</u>	<u>961,035,005</u>	<u>2,232,045,202</u>	<u>961,035,005</u>

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		As at February 20,		As at February 20,	
		2011 Baht	2010 Baht	2011 Baht	2010 Baht
Other Non-Current Assets					
Aeon (Thailand) Co., Ltd.	Holding shares and two common directors	205,812	190,500	205,812	190,500
Accounts payable					
Aeon (Thailand) Co., Ltd.	Holding shares and two common directors	6,250,925	5,915,713	6,250,925	5,915,713
ACS Insurance Broker (Thailand) Co., Ltd.	Three common directors	41,680,112	44,699,718	41,680,112	44,699,718
ACS Life Insurance Broker (Thailand) Co., Ltd.	Three common directors	30,902,483	24,201,180	30,902,483	24,201,180
Jay Mart Public Company Limited	One common director	6,120,611	2,758,115	6,120,611	2,758,115
		<u>84,954,131</u>	<u>77,574,726</u>	<u>84,954,131</u>	<u>77,574,726</u>
Accounts payable - other					
Eternal 3 Special Purpose Vehicle Company Limited	Subsidiary	-	-	64,460,404	45,337,143
Eternal 4 Special Purpose Vehicle Company Limited	Subsidiary	-	-	36,852,357	220,713,649
Eternal 5 Special Purpose Vehicle Company Limited	Subsidiary	-	-	57,143,413	-
Aeon Credit Service Company Limited	Major shareholder and two common directors	1,570,720	1,479,038	1,570,720	1,479,038
ACS Insurance Broker (Thailand) Co., Ltd.	Three common directors	3,075,299	3,196,008	3,075,299	3,196,008
ACS Capital Corporation Limited	Shareholder and four common directors	-	159,695	-	159,695
ACS Servicing (Thailand) Co., Ltd.	One common director	23,281,612	25,664,515	23,281,612	25,664,515
		<u>27,927,631</u>	<u>30,499,256</u>	<u>186,383,805</u>	<u>296,550,048</u>
Accrued expenses - other					
ACS Insurance Broker (Thailand) Co., Ltd.	Three common directors	-	15,197	-	15,197
Jay Mart Public Company Limited	One common director	-	427,600	-	427,600
		<u>-</u>	<u>442,797</u>	<u>-</u>	<u>442,797</u>

24.2.2 Transactions with related parties

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		For the years ended		For the years ended	
		February 20,		February 20,	
		2011 Baht	2010 Baht	2011 Baht	2010 Baht
Credit card income					
Aeon (Thailand) Co., Ltd.	Holding shares and two common directors	-	696,964	-	696,964
Revenue relating to securitization transaction (including in credit card income)					
Eternal 3 Special Purpose Vehicle Company Limited	Subsidiary	-	-	349,524,230	313,036,782
Eternal 4 Special Purpose Vehicle Company Limited	Subsidiary	-	-	378,361,112	305,299,908
Eternal 5 Special Purpose Vehicle Company Limited	Subsidiary	-	-	587,870,322	-
		<u>-</u>	<u>-</u>	<u>1,315,755,664</u>	<u>618,336,690</u>

Related parties	Relationship	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		For the years ended		For the years ended	
		February 20,		February 20,	
		2011	2010	2011	2010
		Baht	Baht	Baht	Baht
Other income					
Gain on sale of investment					
Aeon Credit Service Company Limited	Major shareholder and two common directors	51,051,536	-	51,051,536	-
Other income – others					
ACS Capital Corporation Limited	Shareholder and four common directors	26,400,000	26,400,000	26,400,000	26,400,000
ACS Life Insurance Broker (Thailand) Co., Ltd.	Three common directors	5,459,131	4,800,000	5,459,131	4,800,000
ACS Servicing (Thailand) Co., Ltd.	One common director	7,200,000	7,200,000	7,200,000	7,200,000
ACS Insurance Broker (Thailand) Co., Ltd.	Three common directors	9,038,644	9,885,493	9,038,644	9,885,493
ACS Credit Management Company Limited	Holding shares and one common director	855,122	2,204,910	855,122	2,204,910
AEON Credit Service (M) Sdn. Bhd.	Holding shares and one common director	2,957,455	2,695,200	2,957,455	2,695,200
Aeon Credit Technology System (Philippines)	Holding shares and one common director	25,000,000	-	25,000,000	-
		<u>127,961,888</u>	<u>53,185,603</u>	<u>127,961,888</u>	<u>53,185,603</u>
Operating and administrative expenses					
Collection service fee					
ACS Servicing (Thailand) Co., Ltd.	One common director	243,182,043	272,611,720	243,182,043	272,611,720
Others					
Aeon Credit Service Company Limited	Major shareholder and two common directors	44,107,291	49,415,755	44,107,291	49,415,755
Aeon (Thailand) Co., Ltd.	Holding shares and two common directors	4,544,065	4,173,492	4,544,065	4,173,492
ACS Capital Corporation Limited	Shareholder and four common directors	16,276,349	16,303,665	16,276,349	16,303,665
Jay Mart Public Company Limited	One common director	7,493,840	9,223,083	7,493,840	9,223,083
ACS Servicing (Thailand) Co., Ltd.	One common director	2,070,350	2,658,462	2,070,350	2,658,462
Aeon Credit Technology System (Philippines)	Holding shares and one common director	7,605,706	4,662,421	7,605,706	4,662,421
		<u>325,279,644</u>	<u>359,048,598</u>	<u>325,279,644</u>	<u>359,048,598</u>
Dividend paid					
Aeon Credit Service Company Limited	Major shareholder and two common directors	184,380,000	184,380,000	184,380,000	184,380,000
ACS Capital Corporation Limited	Shareholder and four common directors	100,800,000	100,800,000	100,800,000	100,800,000
		<u>285,180,000</u>	<u>285,180,000</u>	<u>285,180,000</u>	<u>285,180,000</u>
Purchase computer software					
Aeon Credit Technology System (Philippines)	Holding shares and one common director	29,465,518	8,572,878	29,465,518	8,572,878

- For the years ended February 20, 2011 and 2010, other income includes the management and operating fee charged to ACS Capital Corporation Limited, ACS Insurance Broker (Thailand) Co., Ltd., ACS Life Insurance Broker (Thailand) Co., Ltd. and ACS Servicing (Thailand) Co., Ltd. at the rates of Baht 950,000 per month, Baht 300,000 per month, Baht 300,000 per month and Baht 400,000 per month, respectively, and for the computer fee at the rates of Baht 1,000,000 per month, Baht 100,000 per month, Baht 100,000 per month and Baht 200,000 per month, respectively, and charged to ACS Capital Corporation Limited for marketing support fee at the rate of Baht 200,000 per month and the marketing research fee at the rate of Baht 50,000 per month. Revenues relating to securitization transactions are determined by the Company and the subsidiaries in accordance with securitization projects (see Note 5.6).
- 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 Credit Service Company Limited as stated in the agreement.
- Pricing policy for other operating and administrative expenses is determined by the Company and related parties based on the cost plus basis.

24.3 Lease and service agreements

As at February 20, the Company has lease and service agreements with a related party as follows:

Related party	Relationship	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
		Remaining period		Remaining expenses	
		2011	2010	2011	2010
				Baht	Baht
Office rental and service					
Aeon (Thailand) Co., Ltd.	Holding shares and two common directors	-	21/2/10 – 28/2/10	-	14,950

Prices and conditions are the same as Aeon (Thailand) Co., Ltd. offered to other third parties.

25. LONG-TERM OPERATING LEASE AND SERVICE AGREEMENTS

As at February 20, 2011 and 2010, the Company has long-term operating lease and service agreements with the third parties as follows:

Type	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	Rental amount			
	2011		2010	
	Within 1 year	Over 1 to 5 years	Within 1 year	Over 1 to 5 years
	Baht	Baht	Baht	Baht
Office rental and Service	120,317,712	60,234,269	103,677,104	41,540,850
Office equipment lease	107,413,354	85,714,458	79,691,229	93,258,165

26. FINANCIAL INFORMATION BY SEGMENT

The operation of the Company consists of credit given for hire purchase, personal loans, credit card and factoring businesses. The results of operation of these activities are measured as a single segment. In addition, these activities are carried out in Thailand.

As a result, revenues, operating profits and total assets as reflected in these financial statements pertain to the aforementioned industry segment and geographical area.

27. DISCLOSURE OF INFORMATION RELATING TO FINANCIAL INSTRUMENTS

The Company presents and discloses financial instruments in accordance with the Thai Accounting Standard No. 107 regarding "Presentation and Disclosure of Financial Instruments".

The Company entered into Interest Rate Swap Agreements, Cross Currency Swap Agreements and Cross Currency Interest Rate Swap Agreements in asset and liability management activities to control exposure to fluctuations in interest and foreign exchange rates. The Company does not hold derivatives for trading purposes.

27.1 Accounting policies

Details of significant accounting policies are disclosed in Note 3.

27.2 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company and subsidiaries. Concentrations of the credit risk with respect to trade receivables are limited due to the large number of customers comprising the customer base, and their dispersion across different geographic regions. However, the Company and subsidiaries have adopted the policy to prevent this risk by performing credit analysis from customers' information and following up on customer status consistently.

In the case of recognized financial assets, the carrying amount of the assets recorded in the balance sheet, net of a portion of allowance for doubtful accounts, represents the Company's maximum exposure to credit risk.

27.3 Interest rate risk

Interest rate risk arises from a potential for a change in interest rates to have an adverse effect on the Company and subsidiaries in the current reporting period and in future years.

The Company did not anticipate any interest rate fluctuation risk which may have a material effect on the result of operations as all of the loans carrying floating interest rate have been hedged. Details of interest rate swap agreements and cross currency interest rate swap agreements are disclosed in Notes 14 and 15.

The subsidiaries did not have interest rate fluctuation risk as all of the loans carry fixed rates.

27.4 Foreign exchange risk

Foreign exchange risk arises from the change in foreign currency exchange rate to have an adverse effect on the Company in the current reporting period and in future years. The Company did not anticipate any foreign exchange risk which may have a material effect on the result of operations as all the transactions in foreign currency have been hedged by entering into cross currency swap agreements.

In addition, in order to manage risk from fluctuation in currency and interest rate, the Company has entered into various cross currency interest rate swap agreements to hedge its long-term debts as disclosed in Notes 14 and 15.

27.5 Estimated fair value of financial instruments

Thai Accounting Standard No. 107 “Financial Instruments: Disclosure and Presentation” requires certain fair value disclosures. Management’s considerable judgment is necessarily required in estimation of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amount that could be realized in a current market exchange.

The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value. The following methods and assumptions were used by the Company in estimating fair value of financial instruments.

Cash and cash equivalents, fixed deposits used as collateral, accounts receivable, short-term loans from financial institutions and accounts payable; 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 balance sheet.

Subordinated lending: the management believes that the approximate fair value of subordinated lending is based on the amounts recognized in the balance sheet because there is no equivalent subordinated lending in the market for reference.

Long-term loans: the fair values of long-term loans bearing floating rate of interest are based on the amount recognized in the balance sheet. The fair values of long-term loans and debentures bearing fixed rates of interest are estimated based on the discounted cash flows using average current interest rate over the remaining period to maturity.

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	As at February 20, 2011		As at February 20, 2010	
	Carrying value	Fair value	Carrying value	Fair value
	Baht	Baht	Baht	Baht
Long-term loans bearing fixed interest rate	7,145,612,000	7,089,175,667	6,360,097,500	5,687,843,736
Long-term debentures bearing fixed interest rate	2,171,662,000	2,187,203,374	2,852,019,500	2,944,667,334

As at February 20, 2011 and 2010, the carrying amount and estimated fair value of receivables and/or payables per currency swap contracts are as followings:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
2011				
	Carrying amount			Fair value
	Less than 1 year	1 - 5 years	Total	Gain (Loss)
	Baht	Baht	Baht	Baht
Receivable per currency swap				
Cross Currency Swap Agreements	42,144,000	12,344,000	54,488,000	11,357,873
Cross Currency Interest Rate Swap Agreements	499,488,000	362,371,700	861,859,700	415,694,181
	<u>541,632,000</u>	<u>374,715,700</u>	<u>916,347,700</u>	<u>427,052,054</u>
Payable per currency swap				
Cross Currency Swap Agreement	(1,332,281)	(2,664,562)	(3,996,843)	(17,303,048)
Cross Currency Interest Rate Swap Agreements	(27,642,000)	(255,416,760)	(283,058,760)	(112,340,177)
Interest Rate Swap Agreements	(45,056,135)	-	(45,056,135)	(149,994,813)
	<u>(74,030,416)</u>	<u>(258,081,322)</u>	<u>(332,111,738)</u>	<u>(279,638,038)</u>

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
2010				
	Carrying amount			Fair value
	Less than 1 year	1 - 5 years	Total	Gain (Loss)
	Baht	Baht	Baht	Baht
Receivable per currency swap				
Cross Currency Swap Agreements	362,621,500	38,026,000	400,647,500	271,606,264
Cross Currency Interest Rate Swap Agreements	176,006,989	738,858,320	914,865,309	127,270,359
	<u>538,628,489</u>	<u>776,884,320</u>	<u>1,315,512,809</u>	<u>398,876,623</u>
Payable per currency swap				
Cross Currency Interest Rate Swap Agreements	(2,018,548)	(68,772,700)	(70,791,248)	(97,513,515)
Interest Rate Swap Agreements	(59,210,496)	-	(59,210,496)	(305,327,386)
	<u>(61,229,044)</u>	<u>(68,772,700)</u>	<u>(130,001,744)</u>	<u>(402,840,901)</u>

28. CREDIT FACILITIES AND LETTER OF GUARANTEE

28.1 As at February 20, 2011 and 2010, the Company has the committed and unsecured revolving credit facility agreements with various financial institutions for general corporate funding requirements. The details are as follows:

As at February 20, 2011	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	Revolving credit facilities Currency	Amount
May 20, 2010 - May 20, 2011	Baht	400,000,000
August 23, 2010 - August 23, 2011	Baht	370,000,000

As at February 20, 2010	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	Revolving credit facilities	
	Currency	Amount
May 20, 2009 - May 20, 2010	Baht	400,000,000
August 21, 2009 - August 21, 2010	Baht	370,000,000

As at February 20, 2011 and 2010, such credit facilities are unused by the Company.

- 28.2 As at February 20, 2011 and 2010, the Company has unused overdraft facilities with various banks totaling Baht 95.10 million and Baht 95.00 million, respectively. Such overdraft facilities are unsecured.
- 28.3 As at February 20, 2011 and 2010, the Company has bank's letter of guarantees issued to suppliers for guarantee payment of Baht 6.60 million.

29. SIGNIFICANT AGREEMENTS RELATING TO SECURITIZATION TRANSACTIONS

- 29.1 The Company entered into the Receivables Sale and Purchase Agreements with Eternal 3 Special Purpose Vehicle Company Limited (ESPT), Eternal 4 Special Purpose Vehicle Company Limited (Eternal 4) and Eternal 5 Special Purpose Vehicle Company Limited (Eternal 5) (the subsidiaries), on February 6, 2006, June 25, 2007 and May 20, 2010, respectively. Such agreements 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. The Receivables Sale and Purchase Agreements also set out the terms and conditions in respect of the resale and repurchase of the Ineligible Receivables and Defaulted Receivables.
- 29.2 The Company entered into the Servicing Agreements with the ESPT, Eternal 4 and Eternal 5 (the subsidiaries) on February 6, 2006, June 25, 2007, and May 20, 2010 respectively. Based on such agreements, the subsidiaries 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 credit card receivables 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.

30. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved for issuing by the Company's authorized director on April 19, 2011.