

**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 statements of financial position of AEON Thana Sinsap (Thailand) Public Company Limited and its subsidiaries and the separate statements of financial position of AEON Thana Sinsap (Thailand) Public Company Limited as at February 20, 2012 and 2011, and the related consolidated and separate statements of income, comprehensive 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, 2012 and 2011, and the results of operations and cash flows for the years then ended in conformity with generally accepted accounting principles.

Without qualifying our opinion, as discussed in Note 2 to the financial statements, since February 21, 2011, the Company and its subsidiaries have adopted the new and revised Thai Financial Reporting Standards issued by the Federation of Accounting Professions and complied with the Notification of the Department of Business Development dated September 28, 2011 regarding "The Brief Particulars in the Financial Statements B.E. 2554" which are effective for the financial statements for the accounting periods beginning on or after January 1, 2011 onwards in the preparation and presentation of these financial statements. The consolidated and separate financial statements for the year ended February 20, 2011, presented herein for comparison, are presented in the new format following such standards and notification to conform to the consolidated and separate financial statements for the year ended February 20, 2012.

As discussed in Note 3 to the financial statements, during the year ended February 20, 2012, the Company and its subsidiaries have changed the accounting policies for income tax and employee benefits and the consolidated and separate financial statements for the year ended February 20, 2011, presented herein for comparison, have been retrospectively adjusted for the effect of the change to be in accordance with the new accounting policies.

**BANGKOK**  
April 18, 2012

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**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT FEBRUARY 20, 2012 AND 2011**

**BAHT**

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2012	2011 "Restated"	2012	2011 "Restated"
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents		1,638,841,917	1,873,954,985	1,491,204,404	1,693,216,453
Bill of exchange	6	250,000,000	-	-	-
Accounts receivable and other receivable - net					
Accounts receivable - net	7	35,266,842,047	32,631,913,280	33,909,414,075	29,345,063,196
Other receivable	8	390,879,748	225,357,829	423,088,452	385,561,143
Participation amount in Special Purpose Vehicle					
for Securitization due within one year	10	-	-	1,408,704,915	1,869,557,202
Subordinated lendings due within one year	11	592,529,926	124,366,800	592,529,926	124,366,800
Receivables per currency swap contracts	8 and 19	222,256,983	541,632,000	222,256,983	541,632,000
Other current assets		41,060,442	38,253,926	41,060,442	38,253,926
Total Current Assets		<u>38,402,411,063</u>	<u>35,435,478,820</u>	<u>38,088,259,197</u>	<u>33,997,650,720</u>
<b>NON-CURRENT ASSETS</b>					
Accounts receivable - net	7	944,380,002	1,220,550,305	942,354,181	1,220,550,305
Investments in subsidiaries	9.1	-	-	29,991,200	31,200
Other long-term investments					
Related companies	9.2	43,535,519	64,149,519	43,535,519	64,149,519
Other companies	9.3	10,400	20,800	10,400	20,800
Participation in Special Purpose Vehicle					
for Securitization	10	-	-	451,723,921	1,467,121,972
Subordinated lendings	11	1,438,000,000	2,107,678,402	1,438,000,000	2,107,678,402
Equipment - net	12	485,294,624	456,055,693	482,959,072	456,055,693
Intangible assets - net	13	786,968,189	783,673,956	786,968,189	783,673,956
Receivables per currency swap contracts	8 and 19	835,332,544	374,715,700	835,332,544	374,715,700
Deferred tax assets - net	14	551,662,789	274,479,965	487,915,897	247,990,454
Other non-current assets	15	122,173,604	129,099,358	122,173,604	129,099,358
Total Non-Current Assets		<u>5,207,357,671</u>	<u>5,410,423,698</u>	<u>5,620,964,527</u>	<u>6,851,087,359</u>
<b>TOTAL ASSETS</b>		<u><u>43,609,768,734</u></u>	<u><u>40,845,902,518</u></u>	<u><u>43,709,223,724</u></u>	<u><u>40,848,738,079</u></u>

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

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF FINANCIAL POSITION (CONTINUED)  
AS AT FEBRUARY 20, 2012 AND 2011

BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2012	2011 "Restated"	2012	2011 "Restated"
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Short-term loans from financial institutions	16	610,000,000	630,000,000	610,000,000	630,000,000
Accounts payable and other payable					
Accounts payable		456,795,154	641,423,993	456,523,991	641,423,993
Other payable	17	776,377,667	677,568,173	956,752,857	823,815,959
Current portion of :					
Long-term loans	18	9,735,495,960	5,987,181,948	9,735,495,960	5,987,181,948
Long-term debentures	19	997,575,618	552,945,439	997,575,618	552,945,439
Accrued income tax		354,642,369	258,202,184	268,185,628	141,380,271
Payable per currency swap contracts	18 and 19	225,743,275	74,030,416	225,743,275	74,030,416
Other current liabilities		31,383,694	53,582,984	31,383,694	53,582,983
Total Current Liabilities		<u>13,188,013,737</u>	<u>8,874,935,137</u>	<u>13,281,661,023</u>	<u>8,904,361,009</u>
<b>NON-CURRENT LIABILITIES</b>					
Long-term loans	18	22,571,762,850	23,610,500,874	22,571,762,850	23,610,500,874
Long-term debentures	19	1,663,623,293	1,595,044,056	1,663,623,293	1,595,044,056
Payables per currency swap contracts	18 and 19	34,965,000	258,081,322	34,965,000	258,081,322
Employee benefit obligation	20	26,211,753	18,768,570	26,211,753	18,768,570
Total Non-Current Liabilities		<u>24,296,562,896</u>	<u>25,482,394,822</u>	<u>24,296,562,896</u>	<u>25,482,394,822</u>
<b>TOTAL LIABILITIES</b>		<u>37,484,576,633</u>	<u>34,357,329,959</u>	<u>37,578,223,919</u>	<u>34,386,755,831</u>

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
 STATEMENTS OF FINANCIAL POSITION (CONTINUED)  
 AS AT FEBRUARY 20, 2012 AND 2011

**BAHT**

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2012	2011 "Restated"	2012	2011 "Restated"
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
(CONTINUED)					
SHAREHOLDERS' EQUITY					
SHARE CAPITAL	21				
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
RETAINED EARNINGS					
Appropriated					
Legal reserve	22	25,000,000	25,000,000	25,000,000	25,000,000
Reserve for business expansion		4,650,000,000	4,250,000,000	4,650,000,000	4,250,000,000
Unappropriated		721,927,373	1,485,483,759	727,999,805	1,458,982,248
OTHER COMPONENTS OF EQUITY	24	175,928	-	-	-
EQUITY ATTRIBUTABLE TO					
OWNERS OF THE PARENT		6,125,103,301	6,488,483,759	6,130,999,805	6,461,982,248
NON-CONTROLLING INTERESTS		88,800	88,800	-	-
TOTAL EQUITY		6,125,192,101	6,488,572,559	6,130,999,805	6,461,982,248
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>43,609,768,734</b>	<b>40,845,902,518</b>	<b>43,709,223,724</b>	<b>40,848,738,079</b>

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, 2012 AND 2011**

**BAHT**

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2012	2011	2012	2011
			"Restated"		"Restated"
<b>REVENUES</b>					
Credit card income	25	4,256,072,575	4,030,354,125	3,517,723,729	3,271,462,623
Loan income		4,683,475,539	3,765,210,887	4,683,475,539	3,765,210,887
Hire purchase income		557,631,004	1,352,587,913	557,302,006	1,352,587,913
Other income					
Bad debt recovery		671,949,285	636,741,846	628,898,280	578,409,208
Gain on sales of written-off accounts receivable	36	296,679,018	-	296,679,018	-
Outsource collection service income		39,585,621	35,074,919	39,585,621	35,074,919
Gain on sale of other long-term investment		12,507,469	51,051,536	12,507,469	51,051,536
Gain on sale of fixed assets		21,550	20,592,323	21,550	20,592,323
Others		143,928,971	179,866,782	142,190,447	174,089,469
		<u>1,164,671,914</u>	<u>923,327,406</u>	<u>1,119,882,385</u>	<u>859,217,455</u>
Total Revenues		<u>10,661,851,032</u>	<u>10,071,480,331</u>	<u>9,878,383,659</u>	<u>9,248,478,878</u>
<b>EXPENSES</b>					
Operating and administrative expenses		3,960,757,532	3,654,555,731	3,871,515,747	3,558,720,728
Directors and managements remuneration	26	56,882,395	56,350,577	54,966,685	56,350,577
Bad debts and doubtful accounts		4,530,131,882	3,309,173,518	4,062,915,403	2,988,807,580
Finance cost		1,655,479,127	1,653,884,074	1,532,811,622	1,490,210,485
Total Expenses		<u>10,203,250,936</u>	<u>8,673,963,900</u>	<u>9,522,209,457</u>	<u>8,094,089,370</u>
INCOME BEFORE INCOME TAX		458,600,096	1,397,516,431	356,174,202	1,154,389,508
INCOME TAX EXPENSE	29	297,485,336	405,536,274	162,529,899	171,193,482
<b>NET PROFIT FOR THE YEAR</b>		<u>161,114,760</u>	<u>991,980,157</u>	<u>193,644,303</u>	<u>983,196,026</u>
<b>NET PROFIT ATTRIBUTABLE TO :</b>					
Owners of the parent		161,070,360	991,935,757	193,644,303	983,196,026
Non-controlling interests		44,400	44,400	-	-
		<u>161,114,760</u>	<u>991,980,157</u>	<u>193,644,303</u>	<u>983,196,026</u>
<b>BASIC EARNINGS PER SHARE</b>	<b>BAHT</b>	0.64	3.97	0.77	3.93
<b>WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES</b>	<b>SHARES</b>	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 COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED FEBRUARY 20, 2012 AND 2011**

**BAHT**

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2012	2011 "Restated"	2012	2011 "Restated"
NET PROFIT FOR THE YEAR		161,114,760	991,980,157	193,644,303	983,196,026
OTHER COMPREHENSIVE INCOME					
A portion transferred to recognize gain on sale of investment	5.3	-	(57,415,539)	-	(57,415,539)
Exchange differences on translating financial statements of a foreign operation	24	175,928	-	-	-
Income tax relating to components of other comprehensive income	3.3	-	17,224,662	-	17,224,662
TOTAL OTHER COMPREHENSIVE INCOME - NET		175,928	(40,190,877)	-	(40,190,877)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>161,290,688</u>	<u>951,789,280</u>	<u>193,644,303</u>	<u>943,005,149</u>
<b>TOTAL COMPREHENSIVE INCOME</b>					
<b>ATTRIBUTABLE TO :</b>					
Owners of the parent		161,246,288	951,744,880	193,644,303	943,005,149
Non-controlling interests		44,400	44,400	-	-
		<u>161,290,688</u>	<u>951,789,280</u>	<u>193,644,303</u>	<u>943,005,149</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, 2012 AND 2011**

**BAHT**

Notes	CONSOLIDATED FINANCIAL STATEMENTS											
	Owners of the parent								Non-	Total		
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of equity			Total owners of the parent	controlling Interests	shareholders' equity		
			Appropriated	Unappropriated	Other comprehensive income			other components of equity				
			Legal reserve	Reserve for business expansion	Revaluation surplus on investments	Foreign currency translation	Income tax relating to components of other comprehensive income					
<b>"Restated"</b>												
<b>Beginning balance,</b>												
<b>as at February 21, 2010</b>												
- as previously reported	250,000,000	478,000,000	25,000,000	3,750,000,000	1,295,721,215	57,415,539	-	-	57,415,539	5,856,136,754	59,200	5,856,195,954
Effect of changes in accounting policies												
Income Tax	3	-	-	-	236,711,346	-	-	(17,224,662)	(17,224,662)	219,486,684	-	219,486,684
Employee Benefits	3	-	-	-	(13,918,999)	-	-	-	-	(13,918,999)	-	(13,918,999)
<b>Beginning balance,</b>												
<b>as at February 21, 2010</b>												
- as restated	250,000,000	478,000,000	25,000,000	3,750,000,000	1,518,513,562	57,415,539	-	(17,224,662)	40,190,877	6,061,704,439	59,200	6,061,763,639
Changes during the year												
Reserve for business expansion	21.1	-	-	500,000,000	(500,000,000)	-	-	-	-	-	-	-
Dividend paid	21.1	-	-	-	(262,483,200)	-	-	-	-	(262,483,200)	(44,400)	(262,527,600)
Interim dividend paid	21.2	-	-	-	(262,482,360)	-	-	-	-	(262,482,360)	-	(262,482,360)
Total comprehensive income		-	-	-	991,935,757	(57,415,539)	-	17,224,662	(40,190,877)	951,744,880	44,400	951,789,280
Issued and paid up share capital - new subsidiary		-	-	-	-	-	-	-	-	-	29,600	29,600
<b>Ending balance,</b>												
<b>as at February 20, 2011</b>												
		250,000,000	478,000,000	25,000,000	4,250,000,000	1,485,483,759	-	-	-	6,488,483,759	88,800	6,488,572,559



**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)**  
**FOR THE YEARS ENDED FEBRUARY 20, 2012 AND 2011**

**BAHT**

Notes	CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)									Non-controlling Interests	Total shareholders' equity	
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of equity			Total owners of the parent				
			Appropriated	Unappropriated	Other comprehensive income			other components of equity				
			Legal reserve	Reserve for business expansion	Revaluation surplus on investments	Foreign currency translation	Income tax relating to components of other comprehensive income					
<b>"Restated"</b>												
<b>Beginning balance,</b>												
<b>as at February 21, 2011</b>												
- as previously reported	250,000,000	478,000,000	25,000,000	4,250,000,000	1,229,772,364	-	-	-	-	6,232,772,364	88,800	6,232,861,164
Effect of changes in accounting policies												
Income Tax	3	-	-	-	274,479,965	-	-	-	-	274,479,965	-	274,479,965
Employee Benefits	3	-	-	-	(18,768,570)	-	-	-	-	(18,768,570)	-	(18,768,570)
<b>Beginning balance,</b>												
<b>as at February 21, 2011</b>												
- as restated	250,000,000	478,000,000	25,000,000	4,250,000,000	1,485,483,759	-	-	-	-	6,488,483,759	88,800	6,488,572,559
Changes during the year												
Reserve for business expansion	21.3	-	-	400,000,000	(400,000,000)	-	-	-	-	-	-	-
Dividend paid	21.3	-	-	-	(262,460,520)	-	-	-	-	(262,460,520)	(44,400)	(262,504,920)
Interim dividend	21.4	-	-	-	(262,166,226)	-	-	-	-	(262,166,226)	-	(262,166,226)
Total comprehensive income		-	-	-	161,070,360	-	175,928	-	175,928	161,246,288	44,400	161,290,688
<b>Ending balance,</b>												
<b>as at February 20, 2012</b>	<b>250,000,000</b>	<b>478,000,000</b>	<b>25,000,000</b>	<b>4,650,000,000</b>	<b>721,927,373</b>	<b>-</b>	<b>175,928</b>	<b>-</b>	<b>175,928</b>	<b>6,125,103,301</b>	<b>88,800</b>	<b>6,125,192,101</b>

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, 2012 AND 2011

BAHT

Notes	SEPARATE FINANCIAL STATEMENTS							Total shareholders' equity	
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings Appropriated Legal reserve	Retained earnings Unappropriated Reserve for business expansion	Other components of equity Revaluation surplus on investments	Other components of equity Income tax relating to components of other comprehensive income	Total other components of equity		
<b>"Restated"</b>									
<b>Beginning balance, as at February 21, 2010</b>									
- as previously reported	250,000,000	478,000,000	25,000,000	3,750,000,000	1,295,713,215	57,415,539	-	57,415,539	5,856,128,754
Effect of changes in accounting policies									
Income Tax	3	-	-	-	218,957,566	-	(17,224,662)	(17,224,662)	201,732,904
Employee Benefits	3	-	-	-	(13,918,999)	-	-	-	(13,918,999)
<b>Beginning balance, as at February 21, 2010</b>									
- as restated	250,000,000	478,000,000	25,000,000	3,750,000,000	1,500,751,782	57,415,539	(17,224,662)	40,190,877	6,043,942,659
Changes during the year									
Reserve for business expansion	21.1	-	-	500,000,000	(500,000,000)	-	-	-	-
Dividend paid	21.1	-	-	-	(262,483,200)	-	-	-	(262,483,200)
Interim dividend paid	21.2	-	-	-	(262,482,360)	-	-	-	(262,482,360)
Total comprehensive income		-	-	-	983,196,026	(57,415,539)	17,224,662	(40,190,877)	943,005,149
<b>Ending balance, as at February 20, 2011</b>									
		250,000,000	478,000,000	25,000,000	4,250,000,000	1,458,982,248	-	-	6,461,982,248

**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)**  
**FOR THE YEARS ENDED FEBRUARY 20, 2012 AND 2011**

**BAHT**

Notes	SEPARATE FINANCIAL STATEMENTS (CONTINUED)								Total shareholders' equity	
	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Retained earnings Appropriated Reserve for business expansion	Unappropriated	Other components of equity				
						Revaluation surplus on investments	Income tax relating to components of other comprehensive income	Total other components of equity		
<b>"Restated"</b>										
<b>Beginning balance, as at February 21, 2011</b>										
	- as previously reported	250,000,000	478,000,000	25,000,000	4,250,000,000	1,229,760,364	-	-	-	6,232,760,364
Effect of changes in accounting policies										
	Income Tax	3	-	-	-	247,990,454	-	-	-	247,990,454
	Employee Benefits	3	-	-	-	(18,768,570)	-	-	-	(18,768,570)
<b>Beginning balance, as at February 21, 2011</b>										
	- as restated	250,000,000	478,000,000	25,000,000	4,250,000,000	1,458,982,248	-	-	-	6,461,982,248
Changes during the year										
	Reserve for business expansion	21.3	-	-	400,000,000	(400,000,000)	-	-	-	-
	Dividend paid	21.3	-	-	-	(262,460,520)	-	-	-	(262,460,520)
	Interim dividend paid	21.4	-	-	-	(262,166,226)	-	-	-	(262,166,226)
	Total comprehensive income		-	-	-	193,644,303	-	-	-	193,644,303
<b>Ending balance, as at February 20, 2012</b>										
		250,000,000	478,000,000	25,000,000	4,650,000,000	727,999,805	-	-	-	6,130,999,805

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, 2012 AND 2011**

BAHT

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2012	2011	2012	2011
		"Restated"		"Restated"
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Income before income tax	458,600,096	1,397,516,431	356,174,202	1,154,389,508
Adjustments:				
Bad debts and doubtful accounts	4,530,131,882	3,309,173,518	4,062,915,403	2,988,807,580
Depreciation	208,298,001	164,276,307	207,831,162	164,276,307
Amortization of cost of software	311,212,830	299,634,656	311,212,830	299,634,656
Employee benefit expense	7,443,183	4,849,571	7,443,183	4,849,571
Gain on sale of written-off accounts receivable	-296,679,018	-	-296,679,018	-
Gain on sale of fixed assets	-21,550	-20,592,323	(21,550)	(20,592,323)
Gain on sale of other long term investment	-12,507,469	-51,051,536	(12,507,469)	(51,051,536)
Interest income	(5,814,936,068)	(5,801,835,543)	(4,390,959,154)	(4,180,656,430)
Dividend income	-738,012	-3,812,577	(738,012)	(3,812,577)
Finance cost	1,655,479,127	1,653,884,074	1,532,811,622	1,490,210,485
	<u>1,046,283,002</u>	<u>952,042,578</u>	<u>1,777,483,199</u>	<u>1,846,055,241</u>
Operating assets (increase) decrease				
Accounts receivable and other receivable	(6,838,000,496)	(3,511,962,721)	(18,279,880,713)	(18,076,336,525)
Other current assets	(2,806,516)	10,731,069	(2,806,516)	16,049,673
Other non-current assets	10,352,031	(20,060,879)	10,352,031	(20,060,879)
Operating liabilities increase (decrease)				
Accounts payable and other payable	-89,191,132	162,601,276	-88,814,479	158,365,033
Other current liabilities	-22,199,290	58,297,027	-22,199,290	117,477,923
Cash paid for operations	-5,895,562,401	(2,348,351,650)	(16,605,865,768)	(15,958,449,534)
Proceeds from interest income	5,779,520,726	5,738,451,634	4,333,705,635	4,167,984,499
Finance cost paid	(1,691,929,311)	(1,649,696,914)	(1,568,734,891)	(1,544,732,862)
Income tax paid	(481,909,377)	(386,189,747)	(279,311,026)	(236,173,401)
Net cash provided by (used in) operating activities	<u>-2,289,880,363</u>	<u>1,354,213,323</u>	<u>-14,120,206,050</u>	<u>-13,571,371,298</u>

**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS (CONTINUED)**  
**FOR THE YEARS ENDED FEBRUARY 20, 2012 AND 2011**

BAHT

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2012	2011	2012	2011
		"Restated"		"Restated"
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Cash payments for investment				
in bill of exchanges	(250,000,000)	-	-	-
Cash payments for investment in subsidiaries	-	-	-29,960,000	(10,400)
Cash proceeds from sale of				
other long term investment	33,121,469	60,880,244	33,121,469	60,880,244
Cash payment for other long term investment	-	(12,660,513)	-	(12,660,513)
Cash proceeds from sale of fixed assets	149,495	25,444,425	149,495	25,444,425
Cash payments for fixed assets acquisition	(196,453,937)	(206,240,104)	(193,651,546)	(206,240,104)
Cash payments for purchase of software	(322,040,593)	(218,268,552)	(322,040,593)	(218,268,552)
Dividend received	738,012	3,812,577	738,012	3,812,577
Net cash used in investing activities	<u>(734,485,554)</u>	<u>(347,031,923)</u>	<u>(511,643,163)</u>	<u>(347,042,323)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from sale of additional revolving				
receivables under securitization projects	-	-	11,640,539,915	14,788,314,754
Proceeds from sale of accounts receivable	75,500,000	-	75,500,000	-
Proceeds from subordinated lending	201,515,276	166,989,803	201,515,276	166,989,803
Cash repayments for subordinated lending	-	(1,438,000,000)	-	(1,438,000,000)
Proceeds from short-term loans from				
financial institutions	44,150,000,000	12,170,000,000	44,150,000,000	12,170,000,000
Cash repayments for short-term loans from				
financial institutions	(44,170,000,000)	(16,386,300,000)	(44,170,000,000)	(16,386,300,000)
Proceeds from long-term loans	18,482,994,281	13,460,044,562	18,482,994,281	13,460,044,562
Cash repayments for long-term loans	(15,925,385,562)	(7,447,450,000)	(15,925,385,562)	(7,447,450,000)
Proceeds from long-term debenture	2,082,050,000	646,000,000	2,082,050,000	646,000,000
Cash repayments for long-term debenture	(1,582,750,000)	(1,300,000,000)	(1,582,750,000)	(1,300,000,000)
Dividend paid	(262,504,920)	(262,527,600)	(262,460,520)	(262,483,200)
Interim dividend paid	(262,166,226)	(262,482,360)	(262,166,226)	(262,482,360)
Net cash provided by (used in)				
financing activities	<u>2,789,252,849</u>	<u>-653,725,595</u>	<u>14,429,837,164</u>	<u>14,134,633,559</u>
Net increase (decrease) in cash and cash equivalents	-235,113,068	353,455,805	-202,012,049	216,219,938
Cash and cash equivalents at beginning of the years	<u>1,873,954,985</u>	<u>1,520,499,180</u>	<u>1,693,216,453</u>	<u>1,476,996,515</u>
<b>Cash and cash equivalents at the end of the years</b>	<u><u>1,638,841,917</u></u>	<u><u>1,873,954,985</u></u>	<u><u>1,491,204,404</u></u>	<u><u>1,693,216,453</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, 2012 AND 2011**

**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, 27<sup>th</sup> 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), Eternal 4 Special Purpose Vehicle Company Limited (Eternal 4) and Eternal 5 Special Purpose Vehicle Company Limited (Eternal 5) 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, June 21, 2007, and May 19, 2010, respectively (see Notes 2.3 and 9.1)

On May 10, 2011, ESPT redeemed all participation in special purpose vehicle for securitization, subordinated lending and debentures and the Company repurchased all outstanding receivables from ESPT which led to the end of the securitization project of ESPT on the same date. (see Notes 7.6, 9.1, 10, 11 and 19). On February 20, 2012, the Extraordinary Shareholders' Meetings of ESPT had passed the resolutions to approve the liquidation and dissolution and ESPT registered the dissolution with the Ministry of Commerce on the same date. The process of liquidation will be commenced later.

On October 5, 2011, AEON Microfinance (Cambodia) Private Company Limited (AEON MFC), which was registered in Cambodia, was a new subsidiary of the Company to conduct the retail finance business (see Notes 2.3 and 9.1).

**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 Thai Financial Reporting Standards (TFRS) and practices generally accepted in Thailand.
- 2.2 The consolidated and separate financial statements are prepared in compliance with TAS 1 (Revised 2009) "Presentation of Financial Statements" and the Notification of the Department of Business Development dated September 28, 2011 regarding "The Brief Particulars in the Financial statements B.E. 2554" which are effective for the financial statements for the accounting periods beginning on or after January 1, 2011 onwards. The consolidated and separate financial statements for the year ended February 20, 2011, presented for comparison, are prepared and presented in compliance with such Standard and Notification to conform to the consolidated and separate financial statements for the year ended February 20, 2012 (see Note 37) and disclose additional information per the regulation of the SEC.

- 2.3 The consolidated financial statements for the year ended February 20, 2012 and 2011 included the accounts of the Company and 4 subsidiaries and 3 subsidiaries, respectively. Significant transactions and balances between the Company and the subsidiaries have been eliminated.

The subsidiaries included in the consolidated financial statements are as follows:

	Business types	Countries of Registration	Registration Date	Percentage of holdings	
				As at February 20, 2012	As at February 20, 2011
Eternal 3 Special Purpose Vehicle Company Limited	Special purpose juristic person in securitization projects	Thailand	December 21, 2005	26.00	26.00
Eternal 4 Special Purpose Vehicle Company Limited	Special purpose juristic person in securitization projects	Thailand	February 22, 2007	26.00	26.00
Eternal 5 Special Purpose Vehicle Company Limited	Special purpose juristic person in securitization projects	Thailand	April 5, 2010	26.00	26.00
AEON Microfinance (Cambodia) Private Company Limited (AEON MFC)	Retail finance business	Cambodia	October 5, 2011	100.00	-

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

- 2.4 The Federation of Accounting Professions has issued the Notifications regarding the Thai Financial Reporting Standards (TFRS), which will become effective for the financial statements for the accounting periods beginning on or after January 1, 2013 onwards as follows:

**Thai Accounting Standards (TAS)**

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

**Thai Accounting Standard Interpretations (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 and its subsidiaries' management will adopt the above TAS and TSI relevant to the Company and its subsidiaries in the preparation of the Company and its subsidiaries' financial statements when they become effective. The Company and its subsidiaries' management has assessed the effects of these TASs and TSIs and believes that they will not have any significant impact on the financial statements for the period in which they are firstly applied except for TAS 12 "Income Taxes" which the Company and its subsidiaries have early adopted before the effective date by restating the financial statements (see Note 3).

### 3. ADOPTION OF NEW AND REVISED THAI FINANCIAL REPORTING STANDARDS

Since February 21, 2011, the Company and subsidiaries have adopted the new and revised Thai Financial Reporting Standards (TFRS) issued by the Federation of Accounting Professions, which are effective for the financial statements for the accounting periods beginning on or after January 1, 2011 onwards, in the preparation and presentation of these financial statements. Such TFRS have no significant impact on the Company and subsidiaries' financial statements, except the impact from TAS 1 (Revised 2009) "Presentation of Financial Statements" and TAS 19 "Employee Benefits". Additionally, the Company and subsidiaries have elected to early adopt TAS 12 "Income taxes". The impact from the adoption of such TFRSs are as follows:

#### 3.1 TAS 1 (Revised 2009) "Presentation of Financial Statements"

TAS 1 (Revised 2009) "Presentation of Financial Statements" changed requirements about the presentation in the financial statements. Therefore, it affected the reclassification in the consolidated and separate financial statements for the year ended February 20, 2011, presented for comparison (see Note 37).

#### 3.2 TAS 12 "Income taxes"

The Company and its subsidiaries have early adopted TAS 12 "Income Taxes" before the effective date, by changing from the previous accrual basis based on the taxable profit for the year to deferred tax. The Company and its subsidiaries believe that this change in the accounting policy is appropriate as the Company's result of operations is presented consistently with business aspects and the obligation of income tax payable or refundable in the future can be recognized in the financial statements of the Company and its subsidiaries.

#### 3.3 TAS 19 "Employee Benefits"

The Company and its subsidiaries have adopted TAS 19 "Employee Benefits" for the first time by calculating post-employment benefits obligation under the Thai Labor Protection Act by an independent actuary at the end of the reporting period using the Projected Unit Credit Method, which is estimated based on the present value of expected cash flows of benefits to be paid in the future taken into account the actuarial assumptions including salaries, turnover rate, mortality rate, years of service and other factors. Discount rate used in the calculation of provision is referenced to the yield curve of Thai government bond.

As a result, the Company and its subsidiaries have restated the financial statements, presented herein for comparison, as if the new accounting policies for income tax and employee benefits had always been in use. Effects of the changes in accounting policies to the consolidated and separate financial statements are summarized as follows:

	CONSOLIDATED		SEPARATE	
	As previously reported	Restated	As previously Reported	Restated
	Baht	Baht	Baht	Baht
<b>Statement of financial position</b>				
<b>as at February 20, 2011</b>				
Deferred tax assets - net	-	274,479,965	-	247,990,454
Employee benefit obligation	-	18,768,570	-	18,768,557
Retained earnings - unappropriated	1,229,772,364	1,485,483,759	1,229,760,364	1,458,982,248



	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As previously reported	Restated	As previously Reported	Restated
	Baht	Baht	Baht	Baht
<b>Statement of income for the year ended</b>				
<b>February 20, 2011</b>				
Operating and administrative, expenses	3,651,236,561	3,654,555,731	3,555,401,558	3,558,720,728
Directors and managements remuneration	54,820,176	56,350,577	54,820,176	56,350,577
Income tax expense	443,304,893	405,536,274	200,226,370	171,193,482
Net profit for the period	959,061,109	991,980,157	959,012,709	983,196,026
Profit attributable to owners of parent	44,000	44,000	-	-
Basic earnings per share	3.84	3.97	3.84	3.93
<b>Statement of changes in shareholders' equity for the year ended February 20, 2011</b>				
Retained earnings – unappropriated				
Beginning balance	1,295,721,215	1,518,513,562	1,295,713,215	1,500,751,782
Other components of equity				
Income tax relating to components of other comprehensive income	-	17,224,662	-	17,224,662
<b>Statement of changes in shareholders' equity for the year ended February 20, 2012</b>				
Retained earnings – unappropriated				
Beginning balance	1,229,772,364	1,485,483,759	1,229,760,364	1,458,982,248
<b>Statement of cash flows for the year ended</b>				
<b>February 20, 2011</b>				
Income before income tax	1,402,366,002	1,397,516,431	1,159,239,079	1,154,389,508
Employee benefit expense	-	4,849,571	-	4,849,571

#### 4. SIGNIFICANT ACCOUNTING POLICIES

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

##### 4.1 Cash and cash equivalents

Cash and cash equivalents are cash on hand, deposits at financial institutions' savings accounts, current accounts and fixed accounts with original maturities within 3 months, investment in securities – notes with original maturities within 3 months and excluding deposits at financial institutions used as collateral.

##### 4.2 Accounts receivable

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

#### 4.3 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.

Bad debt recovery is recorded as income in the statements of income when received.

#### 4.4 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.

#### 4.5 Securitization transactions

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

##### 4.5.1 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.

#### 4.5.2 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 SEC. 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 statement of financial position.

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.

#### 4.6 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 statements of comprehensive income. 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.

#### 4.7 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.

#### 4.8 Intangible assets

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

#### 4.9 Assets and liabilities in foreign currencies

##### 4.9.1 Functional currency and presentation currency

The consolidated and the separate financial statements are presented in Baht as the presentation currency.

Items in the financial statements of foreign operations are recorded at their functional currency.

##### 4.9.2 Translation of foreign currency transaction

Transactions denominated in foreign currencies are translated into the functional currency at the rates of exchange prevailing at the transaction dates.

At the reporting date, balances of monetary assets and liabilities are translated at the exchange rate as of the reporting date. Balances of non-monetary assets and liabilities are translated at the exchange rate prevailing at the transaction dates or exchange rate at the date when the fair value was determined.

Gains (losses) on foreign currency trading and foreign currency translation are presented as gains (losses) on trading and foreign exchange transactions.

#### 4.9.3 Translation of financial statements of foreign operations

The translation of financial statements of a foreign operation into Baht for the purpose of preparing the consolidated financial statements is determined by using the following rates:

- Assets and liabilities are translated at the rate prevailing at the report date.
- Shareholders' equity is translated at the rates prevailing on the transaction dates.
- Revenues and expenses are translated at the average rate during the year.

Gain (loss) on translation of financial statements of a foreign operation is shown under shareholders' equity.

Intercompany transactions are translated at the rates prevailing on the dates of transactions and, upon elimination, at the rates prevailing on the consolidation date.

#### 4.10 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.

#### 4.11 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 4<sup>th</sup> installment, in accordance with the notification of 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.

#### 4.12 Employee Benefits

##### 4.12.1 Provident Fund

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

##### 4.12.2 Post-employment benefits

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

#### 4.13 Income taxes

Income tax expenses (income) represents the sum of the tax currently payable and deferred tax.

##### 4.13.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the financial statement date.

##### 4.13.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit (tax base). Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed by the end of each reporting period. Deferred tax asset shall be reduced to the extent that utilized taxable profits decreased. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available to allow total or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities, and deferred tax assets and liabilities, are offset when there is a legally enforceable right to set off the recognized amounts and the Company intend to settle on a net basis or to realize the asset and settle the liability simultaneously and when they relate to income taxes levied by the same taxation authority.

Income tax expenses or income related to profit or loss are presented in the statement of income.

#### 4.14 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.

#### 4.15 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 SEC 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.

## 5. SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Equipment				
Liabilities recorded - brought forward	37,249,142	22,960,874	37,249,142	22,960,874
Purchase of equipment	237,664,877	218,585,032	234,862,486	218,585,032
Increase in deposits for equipment	3,426,277	1,943,340	3,426,277	1,943,340
	<u>278,340,296</u>	<u>243,489,246</u>	<u>275,537,905</u>	<u>243,489,246</u>
<u>Less</u> Cash payments for purchase of equipment	<u>(196,453,937)</u>	<u>(206,240,104)</u>	<u>(193,651,546)</u>	<u>(206,240,104)</u>
Liabilities recorded - carried forward	<u>81,886,359</u>	<u>37,249,142</u>	<u>81,886,359</u>	<u>37,249,142</u>

	CONSOLIDATED AND SEPARATE	
	FIANCIAL STATEMENTS	
Cost of software		
Liabilities recorded - brought forward	7,533,530	14,743,850
Purchase of software	314,507,063	211,058,232
	<u>322,040,593</u>	<u>225,802,082</u>
<u>Less</u> Cash payments for investment in cost of software	<u>(322,040,593)</u>	<u>(218,268,552)</u>
Liabilities recorded - carried forward	<u>-</u>	<u>7,533,530</u>

5.2 During the years ended February 20, 2012 and 2011, 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 1,476.25 million and Baht 2,077.55 million, respectively, instead of cash receipt.

5.3 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 and deferred tax liabilities in amount of Baht 17.22 million to gain on sale of such investment of Baht 51.05 million in the income statement.

## 6. INVESTMENTS IN BILL OF EXCHANGE

As at February 20, 2012, the subsidiary invested in bills of exchange from a financial institution in Thailand in amount of Baht 250 million carrying interest rate range of 2.79% p.a. - 3.15% p.a. with maturity date within 1 year.



**7. ACCOUNTS RECEIVABLE - NET**

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

	CONSOLIDATED FINANCIAL STATEMENTS					
	2012			2011		
	Due within	Due after	Total	Due within	Due after	Total
	1 year	1 year		1 year	1 year	
	Baht	Baht	Baht	Baht	Baht	Baht
<b>Hire-purchase receivable</b>						
Hire-purchase and accrued						
interest receivable	1,170,810,739	314,625,234	1,485,435,973	5,333,956,863	812,991,447	6,146,948,310
<u>Less</u> Unearned financing income	<u>(171,763,379)</u>	<u>(41,228,923)</u>	<u>(212,992,302)</u>	<u>(579,120,573)</u>	<u>(84,839,032)</u>	<u>(663,959,605)</u>
	999,047,360	273,396,311	1,272,443,671	4,754,836,290	728,152,415	5,482,988,705
<u>Less</u> Allowance for doubtful						
accounts	<u>(97,843,062)</u>	<u>-</u>	<u>(97,843,062)</u>	<u>(143,831,533)</u>	<u>-</u>	<u>(143,831,533)</u>
Hire-purchase and accrued						
interest receivable - net	<u>901,204,298</u>	<u>273,396,311</u>	<u>1,174,600,609</u>	<u>4,611,004,757</u>	<u>728,152,415</u>	<u>5,339,157,172</u>
<b>Loans receivable</b>						
Loans and accrued interest						
receivable	24,937,716,135	670,983,691	25,608,699,826	19,217,350,060	492,397,890	19,709,747,950
<u>Less</u> Allowance for doubtful						
accounts	<u>(1,720,738,068)</u>	<u>-</u>	<u>(1,720,738,068)</u>	<u>(796,146,797)</u>	<u>-</u>	<u>(796,146,797)</u>
Loans and accrued interest						
receivable - net	<u>23,216,978,067</u>	<u>670,983,691</u>	<u>23,887,961,758</u>	<u>18,421,203,263</u>	<u>492,397,890</u>	<u>18,913,601,153</u>
<b>Credit card receivable</b>						
Credit card and accrued						
interest receivable	11,824,103,124	-	11,824,103,124	9,821,908,544	-	9,821,908,544
<u>Less</u> Allowance for doubtful						
accounts	<u>(675,443,442)</u>	<u>-</u>	<u>(675,443,442)</u>	<u>(222,203,284)</u>	<u>-</u>	<u>(222,203,284)</u>
Credit card and accrued						
interest receivable - net	<u>11,148,659,682</u>	<u>-</u>	<u>11,148,659,682</u>	<u>9,599,705,260</u>	<u>-</u>	<u>9,599,705,260</u>
<b>Total accounts receivable - net</b>	<u>35,266,842,047</u>	<u>944,380,002</u>	<u>36,211,222,049</u>	<u>32,631,913,280</u>	<u>1,220,550,305</u>	<u>33,852,463,585</u>

SEPARATE FINANCIAL STATEMENTS						
	2012			2011		
	Due within	Due after	Total	Due within	Due after	Total
	1 year	1 year		1 year	1 year	
	Baht	Baht	Baht	Baht	Baht	Baht
<b>Hire-purchase receivable</b>						
Hire-purchase and accrued interest receivable	1,165,459,800	312,599,413	1,478,059,213	5,333,956,863	812,991,447	6,146,948,310
<u>Less</u> Unearned financing income	<u>(171,763,379)</u>	<u>(41,228,923)</u>	<u>(212,992,302)</u>	<u>(579,120,573)</u>	<u>(84,839,032)</u>	<u>(663,959,605)</u>
	993,696,421	271,370,490	1,265,066,911	4,754,836,290	728,152,415	5,482,988,705
<u>Less</u> Allowance for doubtful accounts	<u>(97,843,062)</u>	<u>-</u>	<u>(97,843,062)</u>	<u>(143,831,533)</u>	<u>-</u>	<u>(143,831,533)</u>
Hire-purchase and accrued interest receivable - net	<u>895,853,359</u>	<u>271,370,490</u>	<u>1,167,223,849</u>	<u>4,611,004,757</u>	<u>728,152,415</u>	<u>5,339,157,172</u>
<b>Loans receivable</b>						
Loans and accrued interest receivable	24,937,716,135	670,983,691	25,608,699,826	19,217,350,060	492,397,890	19,709,747,950
<u>Less</u> Allowance for doubtful accounts	<u>(1,720,738,068)</u>	<u>-</u>	<u>(1,720,738,068)</u>	<u>(796,146,797)</u>	<u>-</u>	<u>(796,146,797)</u>
Loans and accrued interest receivable - net	<u>23,216,978,067</u>	<u>670,983,691</u>	<u>23,887,961,758</u>	<u>18,421,203,263</u>	<u>492,397,890</u>	<u>18,913,601,153</u>
<b>Credit card receivable</b>						
Credit card and accrued interest receivable	10,198,022,759	-	10,198,022,759	6,449,695,188	-	6,449,695,188
<u>Less</u> Allowance for doubtful accounts	<u>(401,440,110)</u>	<u>-</u>	<u>(401,440,110)</u>	<u>(136,840,012)</u>	<u>-</u>	<u>(136,840,012)</u>
Credit card and accrued interest receivable - net	<u>9,796,582,649</u>	<u>-</u>	<u>9,796,582,649</u>	<u>6,312,855,176</u>	<u>-</u>	<u>6,312,855,176</u>
<b>Total accounts receivable - net</b>	<u>33,909,414,075</u>	<u>942,354,181</u>	<u>34,851,768,256</u>	<u>29,345,063,196</u>	<u>1,220,550,305</u>	<u>30,565,613,501</u>

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

CONSOLIDATED FINANCIAL STATEMENTS						
	2012			2011		
	Effective rate	Sum-of-digit	Total	Effective rate	Sum-of-digit	Total
	Method	Method		Method	Method	
	Baht	Baht	Baht	Baht	Baht	Baht
<b>Hire-purchase receivable</b>						
Hire-purchase and accrued interest receivable	1,483,692,185	1,743,788	1,485,435,973	6,136,685,355	10,262,955	6,146,948,310
<u>Less</u> Unearned financing income	<u>(212,886,662)</u>	<u>(105,640)</u>	<u>(212,992,302)</u>	<u>(663,474,165)</u>	<u>(485,440)</u>	<u>(663,959,605)</u>
	1,270,805,523	1,638,148	1,272,443,671	5,473,211,190	9,777,515	5,482,988,705
<u>Less</u> Allowance for doubtful accounts	<u>(96,616,538)</u>	<u>(1,226,524)</u>	<u>(97,843,062)</u>	<u>(140,838,819)</u>	<u>(2,992,714)</u>	<u>(143,831,533)</u>
Hire-purchase and accrued interest receivable - net	<u>1,174,188,985</u>	<u>411,624</u>	<u>1,174,600,609</u>	<u>5,332,372,371</u>	<u>6,784,801</u>	<u>5,339,157,172</u>
<b>Loans receivable</b>						
Loans and accrued interest receivable	25,607,731,245	968,581	25,608,699,826	19,708,014,416	1,733,534	19,709,747,950
<u>Less</u> Allowance for doubtful accounts	<u>(1,719,769,487)</u>	<u>(968,581)</u>	<u>(1,720,738,068)</u>	<u>(794,627,573)</u>	<u>(1,519,224)</u>	<u>(796,146,797)</u>
Loan and accrued interest receivable - net	<u>23,887,961,758</u>	<u>-</u>	<u>23,887,961,758</u>	<u>18,913,386,843</u>	<u>214,310</u>	<u>18,913,601,153</u>

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	2012		2011		Total	
	Effective rate	Sum-of-digit	Effective rate	Sum-of-digit		
	Method	Method	Method	Method		
	Baht	Baht	Baht	Baht		
<b>Hire-purchase receivable</b>						
Hire-purchase and accrued						
interest receivable	1,476,315,425	1,743,788	1,478,059,213	6,136,685,355	10,262,955	6,146,948,310
<u>Less</u> Unearned financing income	<u>(212,886,662)</u>	<u>(105,640)</u>	<u>(212,992,302)</u>	<u>(663,474,165)</u>	<u>(485,440)</u>	<u>(663,959,605)</u>
	1,263,428,763	1,638,148	1,265,066,911	5,473,211,190	9,777,515	5,482,988,705
<u>Less</u> Allowance for doubtful accounts	<u>(96,616,538)</u>	<u>(1,226,524)</u>	<u>(97,843,062)</u>	<u>(140,838,819)</u>	<u>(2,992,714)</u>	<u>(143,831,533)</u>
Hire-purchase and accrued						
interest receivable - net	<u>1,166,812,225</u>	<u>411,624</u>	<u>1,167,223,849</u>	<u>5,332,372,371</u>	<u>6,784,801</u>	<u>5,339,157,172</u>
<b>Loans receivable</b>						
Loans and accrued interest						
Receivable	25,607,731,245	968,581	25,608,699,826	19,708,014,416	1,733,534	19,709,747,950
<u>Less</u> Allowance for doubtful accounts	<u>(1,719,769,487)</u>	<u>(968,581)</u>	<u>(1,720,738,068)</u>	<u>(794,627,573)</u>	<u>(1,519,224)</u>	<u>(796,146,797)</u>
Loan and accrued interest						
receivable - net	<u>23,887,961,758</u>	<u>-</u>	<u>23,887,961,758</u>	<u>18,913,386,843</u>	<u>214,310</u>	<u>18,913,601,153</u>

7.3 Quality of assets

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Less than 3 months	37,353,489,843	34,364,251,752	35,809,141,530	31,077,401,667
3 months up	<u>1,351,756,778</u>	<u>650,393,447</u>	<u>1,262,647,966</u>	<u>565,030,176</u>
Total	38,705,246,621	35,014,645,199	37,071,789,496	31,642,431,843
<u>Less</u> Allowance for doubtful accounts	<u>(2,494,024,572)</u>	<u>(1,162,181,614)</u>	<u>(2,220,021,240)</u>	<u>(1,076,818,342)</u>
Total accounts receivable - net	<u>36,211,222,049</u>	<u>33,852,463,585</u>	<u>34,851,768,256</u>	<u>30,565,613,501</u>

7.4 Troubled debt restructuring

For the years ended February 20, 2012 and 2011, the Company had recognized interest income on restructured debts totaling Baht 79.86 million and Baht 139.80 million, respectively.

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

	CONSOLIDATED FINANCIAL STATEMENTS			
	2012		2011	
	Number of debtors	Amount Baht	Number of debtors	Amount Baht
Restructured accounts receivable	27,958	951,722,614	69,534	1,055,395,676
Non-restructured accounts receivable	<u>2,942,667</u>	<u>37,753,524,007</u>	<u>2,861,771</u>	<u>33,959,249,523</u>
Total accounts receivable	<u>2,970,625</u>	<u>38,705,246,621</u>	<u>2,931,305</u>	<u>35,014,645,199</u>

	SEPARATE FINANCIAL STATEMENTS			
	2012		2011	
	Number of debtors	Amount Baht	Number of debtors	Amount Baht
Restructured accounts receivable	27,958	951,722,614	69,534	1,055,395,676
Non-restructured accounts receivable	2,699,224	36,120,066,882	2,520,689	30,587,036,167
Total accounts receivable	<u>2,727,182</u>	<u>37,071,789,496</u>	<u>2,590,223</u>	<u>31,642,431,843</u>

As at February 20, 2012 and 2011, the Company had no commitment to provide additional loans to its restructured debtors after debt restructuring.

#### 7.5 Allowance for doubtful accounts

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

	CONSOLIDATED		SEPERATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Beginning balance	1,162,181,614	881,096,739	1,076,818,343	824,092,165
Bad debts and doubtful accounts	4,530,131,882	3,309,173,518	4,062,915,403	2,988,807,580
Bad debts written off	<u>(3,198,288,924)</u>	<u>(3,028,088,643)</u>	<u>(2,919,712,506)</u>	<u>(2,736,081,403)</u>
Ending balance	<u>2,494,024,572</u>	<u>1,162,181,614</u>	<u>2,220,021,240</u>	<u>1,076,818,342</u>

During October and November 2011, many areas in Thailand have had severe flooding. The situation had impacted customer's ability to repay loan of the Company and subsidiaries. The Company and subsidiaries have assessed the impact that the flooding situation may have on its financial statements and set allowance for doubtful accounts for those customers estimated to be impacted by Baht 1,422.98 million and Baht 1,206.07 million for consolidated and separate financial statements, respectively, as at February 20, 2012.

#### 7.6 Transfers of financial assets

The Company entered into the Receivables Sale and Purchase Agreements with three (3) 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 SEC, the Company sold an amount of revolving receivables and the SPV also appointed the Company to act as the servicer responsible for collecting payments from its obligor under the Receivables Sale and Purchase Agreements and Servicing Agreements.

Details of aforementioned sales of receivables are summarized as follows:

		<b>ESPT*</b>	<b>Eternal 4**</b>	<b>Eternal 5***</b>
Initial selling date		February 6, 2006	June 25, 2007	May 20, 2010
Type of transferred receivables		Credit Card Receivable	Credit Card Receivable	Credit Card Receivable
Revolving period		February 2006 - January 2011 (approximately)	June 2007 - May 2012 (approximately)	May 2010 - April 2015 (approximately)
<b>Initial sales of receivables</b>				
Net book value of initial receivables	Baht	2,782,514,549	3,038,017,234	4,355,040,449
Proceeds from transfer of the right of receivables	Baht	2,280,000,000	2,205,000,000	2,790,000,000
Subordinated lendings (see Note 11)	Baht	370, 000,000	744, 000,000	1,438,000,000
Minimum seller participation - pari passu with debentures (see Note 10)	Baht	132, 500,000	88,470,000	126,840,000
Number of contracts		181,389	178,751	205,485
Average principal amount outstanding	Baht	15,340	16,996	21,194
Interest rate		18% p.a.	18% p.a.	20% p.a.

\* 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.

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.

On May 10, 2011, Eternal 3 Special Purpose Vehicle Company Limited (ESPT) redeemed all participation in special purpose vehicle for securitization, subordinated lending and debentures and the Company repurchased all outstanding receivables from ESPT which led to the end of the securitization project of ESPT on the same date (see Notes 1, 9.1, 10, 11 and 19). On February 20, 2012, the Extraordinary Shareholders' Meetings of ESPT had passed the resolutions to approve the liquidation and dissolution and ESPT registered the dissolution with the Ministry of Commerce on the same date. The process of liquidation will be commenced later.

The key financial information of Special Purpose Vehicle Companies as of February 20, 2012 and 2011, and for the years ended February 20, 2012 and 2011, is summarized as follows:

	<b>ESPV</b>	<b>ECC</b>	<b>2012</b>	<b>Eternal 4*</b>	<b>Eternal 5*</b>
	<b>Baht</b>	<b>Baht</b>	<b>ESPT*</b>	<b>Baht</b>	<b>Baht</b>
	(see Note 9.3)	(see Note 9.3)	<b>Baht</b>		
<b>As of February 20,</b>					
Total assets	8,483,713	-	11,728,346	2,781,444,300	4,849,469,250
Total liabilities	8,357,804	-	11,684,346	2,781,400,300	4,849,425,250
Total shareholders' equity	125,909	-	44,000	44,000	44,000
<b>For the year ended February 20,</b>					
Total income	718	-	94,199,694	596,843,525	1,136,030,801
Bad debts and doubtful accounts (Reversal)	-	-	(5,542,610)	149,165,973	323,593,117
Other operating expenses	1,818	-	25,362,652	173,751,619	340,775,706
Interest expenses	-	-	9,660,087	152,379,109	273,438,882
Income tax	-	-	19,621,321	42,957,266	72,376,066
Net income	1,100	-	45,098,244	78,589,558	125,847,030
<b>2011**</b>					
	<b>ESPV</b>	<b>ECC</b>	<b>ESPT*</b>	<b>Eternal 4*</b>	<b>Eternal 5*</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>As of February 20,</b>					
Total assets	8,919,276	13,439,813	2,370,691,339	2,467,236,858	4,903,215,684
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	2,081,862	7,540,758	12,871,708
<b>For the year ended February 20,</b>					
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	65,174,413	33,963,119	121,578,663
Net income	147,707	650,993	165,658,117	111,082,790	283,683,508

\* 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 after restated.

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. At present, ESPV is in the process of liquidation. ECC registered the dissolution with the Ministry of Commerce on December 20, 2010 and already registered the liquidation with the Ministry of Commerce on October 27, 2011.

For the years ended February 20, 2012 and 2011, transactions relating to the transfer of financial assets under the securitization projects are summarized as follows:

	<b>2012</b>	<b>2011</b>
	<b>Million</b>	<b>Million</b>
	<b>Baht</b>	<b>Baht</b>
Transfers of future credit card receivables (at book value)		
- Credit card receivable (ESPT)	632	3,724
- Credit card receivable (Eternal 4)	3,694	4,127
- Credit card receivable (Eternal 5)	7,315	6,938
	<u>11,641</u>	<u>14,789</u>
Cash collection on behalf of Special Purpose Vehicles		
- Credit card receivable (ESPT)	624	3,942
- Credit card receivable (Eternal 4)	4,141	4,367
- Credit card receivable (Eternal 5)	8,163	7,286
	<u>12,928</u>	<u>15,595</u>
Servicing income on cash collection from Special Purpose Vehicles		
- Credit card receivable (ESPT)	21	131
- Credit card receivable (Eternal 4)	146	143
- Credit card receivable (Eternal 5)	288	238
	<u>455</u>	<u>512</u>

As at February 20, 2012 and 2011, the outstanding receivables sold to Special Purpose Vehicles and managed by the Company classified by aging are as follows:

	<b>2012</b>	<b>2011</b>
	<b>Million</b>	<b>Million</b>
	<b>Baht</b>	<b>Baht</b>
Credit card receivables (included accrued interest income) - ESPT		
Less than 3 months	-	2,198
3 months up	-	20
	<u>-</u>	<u>2,218</u>
<u>Less</u> Allowance for doubtful accounts	-	(20)
	<u>-</u>	<u>2,198</u>
Credit card receivables (included accrued interest income) - Eternal 4		
Less than 3 months	2,361	2,361
3 months up	32	24
	<u>2,393</u>	<u>2,385</u>
<u>Less</u> Allowance for doubtful accounts	(92)	(24)
	<u>2,301</u>	<u>2,361</u>

	<b>2012</b>	<b>2011</b>
	<b>Million</b>	<b>Million</b>
	<b>Baht</b>	<b>Baht</b>
Credit card receivables (included accrued interest income) - Eternal 5		
Less than 3 months	4,701	4,735
3 months up	57	41
	<u>4,758</u>	<u>4,776</u>
<u>Less</u> Allowance for doubtful accounts	<u>(182)</u>	<u>(41)</u>
	<u>4,576</u>	<u>4,735</u>
<b>Total</b>	<u><u>6,877</u></u>	<u><u>9,294</u></u>

## 8. OTHER RECEIVABLES

As at February 20, other receivable consist of the following:

	<b>CONSOLIDATED</b>		<b>SEPARATE</b>	
	<b>FINANCIAL STATEMENTS</b>		<b>FINANCIAL STATEMENTS</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Other receivable - related parties (see Note 30.2.1)	9,725,655	43,394,855	44,019,060	203,598,169
Other receivable - other companies	353,857,125	141,224,793	352,446,954	141,224,793
Prepaid expense	24,454,338	38,629,957	24,155,825	38,629,957
Advance payment	2,842,630	2,108,224	2,466,613	2,108,224
<b>Total</b>	<u><u>390,879,748</u></u>	<u><u>225,357,829</u></u>	<u><u>423,088,452</u></u>	<u><u>385,561,143</u></u>

## 9. 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:

9.1 Investments in subsidiaries as at February 20 consist of:

	<b>SEPARATE FINANCIAL STATEMENTS</b>			
	<b>2012</b>		<b>2011</b>	
	<b>% of</b>	<b>Cost</b>	<b>% of</b>	<b>Cost</b>
	<b>Ownership</b>	<b>Baht</b>	<b>Ownership</b>	<b>Baht</b>
Investments in subsidiaries (see Note 29.1)				
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	26.00	10,400
AEON Microfinance (Cambodia) Private Company Limited	100.00	29,960,000	-	-
<b>Total investments in subsidiaries</b>		<u><u>29,991,200</u></u>		<u><u>31,200</u></u>



On May 10, 2011, Eternal 3 Special Purpose Vehicle Company Limited (ESPT) redeemed all participation in special purpose vehicle for securitization, subordinated lending and debentures, and the Company repurchased all outstanding receivables from ESPT which led to the end of the securitization project of ESPT on the same date (see Notes 1, 7.6, 10, 11 and 19). On February 20, 2012, the Extraordinary Shareholders' Meetings of ESPT had passed the resolutions to approve the liquidation and dissolution and ESPT registered the dissolution with the Ministry of Commerce on the same date. The process of liquidation will be commenced later.

During the period ended February 20, 2012, the Company transferred cash amounting to Baht 29.96 million in order to invest in AEON Microfinance (Cambodia) Private Company Limited, a new subsidiary, which is established in Cambodia to conduct retail finance business.

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

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	2012		2011	
	% of Ownership	Cost Baht	% of Ownership	Fair value Baht
<b>General investments</b>				
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, fully paid par value of JPY 50,000)	-	-	4.60	20,614,000
PT. Aeon Credit Service Indonesia (173 shares of IDR 30 million each, fully paid par value IDR 30 million,)	5.18	19,071,550	5.18	19,071,550
AEON Credit Technology Systems (Philippines) Inc. (100,000 shares of PHP100 each, fully paid par value of PHP 100,)	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	20.00	16,819,263
		52,035,519		72,649,519
<u>Less</u> Allowance for impairment of investment		(8,500,000)		(8,500,000)
<b>Total long-term investments in related parties</b>		<u>43,535,519</u>		<u>64,149,519</u>

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

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	2012		2011	
	% 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
<b>Total long-term investments in other companies</b>		<u>10,400</u>		<u>20,800</u>

ESPV and ECC were registered as special purpose companies under the 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.

On December 20, 2010, the Extraordinary Shareholders' Meetings of ESPV and ECC had passed the resolutions to approve the liquidation and dissolution. At present, ESPV is in the process of liquidation. ECC registered the dissolution with the Ministry of Commerce on December 20, 2010 and already registered the liquidation with the Ministry of Commerce on October 27, 2011.

## 10. PARTICIPATION IN SPECIAL PURPOSE VEHICLES FOR SECURITIZATION

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

	<b>SEPARATE FINANCIAL STATEMENTS</b>	
	<b>2012</b>	<b>2011</b>
	<b>Baht</b>	<b>Baht</b>
Participation in Special Purpose Vehicles for securitization (see Note 30.2.1)		
Eternal 3 Special Purpose Vehicle Company Limited (ESPT)	-	1,869,557,202
Eternal 4 Special Purpose Vehicle Company Limited (Eternal 4)	1,408,704,915	1,007,102,506
Eternal 5 Special Purpose Vehicle Company Limited (Eternal 5)	451,723,921	460,019,466
	<u>1,860,428,836</u>	<u>3,336,679,174</u>
<u>Less</u> Current portion of Participation amounts in Special Purpose Vehicles for securitization	<u>(1,408,704,915)</u>	<u>(1,869,557,202)</u>
<b>Participation in Special Purpose Vehicle for Securitization - net</b>	<u><u>451,723,921</u></u>	<u><u>1,467,121,972</u></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 7.6).

On May 10, 2011, ESPT has redeemed the remaining participation in special purpose vehicle for securitization (see Notes 1, 7.6 and 9.1). On February 20, 2012, the Extraordinary Shareholders' Meetings of ESPT had passed the resolutions to approve the liquidation and dissolution and ESPT registered the dissolution with the Ministry of Commerce on the same date. The process of liquidation will be commenced later.

## 11. SUBORDINATED LENDINGS

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

	<b>CONSOLIDATED AND SEPARATE</b>	
	<b>FINANCIAL STATEMENTS</b>	
	<b>2012</b>	<b>2011</b>
	<b>Baht</b>	<b>Baht</b>
Subordinated lendings (see Note 30.2.1)		
Eternal 3 Special Purpose Vehicle Company Limited (ESPT)	-	124,366,800
Eternal 4 Special Purpose Vehicle Company Limited (Eternal 4)	592,529,926	669,678,402
Eternal 5 Special Purpose Vehicle Company Limited (Eternal 5)	1,438,000,000	1,438,000,000
	<u>2,030,529,926</u>	<u>2,232,045,202</u>
<u>Less</u> Current portion of subordinated lendings	<u>(592,529,926)</u>	<u>(124,366,800)</u>
<b>Subordinated lendings – net</b>	<u><u>1,438,000,000</u></u>	<u><u>2,107,678,402</u></u>

- (1) 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 7.6). 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.

Subsequently, on May 10, 2011, ESPT redeemed all the subordinated lending (see Notes 1, 7.6 and 9.1).

- (2) 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 7.6). 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, 2012, the Company received partial repayment of such subordinated lending.
- (3) 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 7.6). 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, 2012 and 2011, the Company has not yet received repayment of such subordinated lending.

## 12. EQUIPMENT - NET

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

<b>CONSOLIDATED FINANCIAL STATEMENTS</b>				
	<b>Balance as at February 20, 2011 Baht</b>	<b>Additions Baht</b>	<b>Disposals Baht</b>	<b>Balance as at February 20, 2012 Baht</b>
<b>Cost</b>				
Furniture and office equipment	1,612,268,480	237,664,877	(26,225,980)	1,823,707,377
Total	<u>1,612,268,480</u>	<u>237,664,877</u>	<u>(26,225,980)</u>	<u>1,823,707,377</u>
<b>Accumulated depreciation</b>				
Furniture and office equipment	(1,156,212,787)	(208,298,001)	26,098,035	(1,338,412,753)
Total	<u>(1,156,212,787)</u>	<u>(208,298,001)</u>	<u>26,098,035</u>	<u>(1,338,412,753)</u>
<b>Total equipment - net</b>	<u><u>456,055,693</u></u>			<u><u>485,294,624</u></u>

<b>SEPARATE FINANCIAL STATEMENTS</b>				
	<b>Balance as at February 20, 2011 Baht</b>	<b>Additions Baht</b>	<b>Disposals Baht</b>	<b>Balance as at February 20, 2012 Baht</b>
<b>Cost</b>				
Furniture and office equipment	1,612,268,480	234,862,486	(26,225,980)	1,820,904,986
Total	<u>1,612,268,480</u>	<u>234,862,486</u>	<u>(26,225,980)</u>	<u>1,820,904,986</u>
<b>Accumulated depreciation</b>				
Furniture and office equipment	(1,156,212,787)	(207,831,162)	26,098,035	(1,337,945,914)
Total	<u>(1,156,212,787)</u>	<u>(207,831,162)</u>	<u>26,098,035</u>	<u>(1,337,945,914)</u>
<b>Total equipment - net</b>	<u><u>456,055,693</u></u>			<u><u>482,959,072</u></u>

<b>CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS</b>				
	<b>Balance as at February 20, 2010 Baht</b>	<b>Additions Baht</b>	<b>Disposals Baht</b>	<b>Balance as at February 20, 2011 Baht</b>
<b>Cost</b>				
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>
<b>Accumulated depreciation</b>				
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>
<b>Total equipment - net</b>	<u><u>406,599,070</u></u>			<u><u>456,055,693</u></u>

	<b>CONSOLIDATED FINANCIAL STATEMENTS</b>		<b>SEPARATE FINANCIAL STATEMENTS</b>	
	<b>2012 Baht</b>	<b>2011 Baht</b>	<b>2012 Baht</b>	<b>2011 Baht</b>
Depreciation for the years ended February 20,	<u>208,298,001</u>	<u>164,276,307</u>	<u>207,831,162</u>	<u>164,276,307</u>

As at February 20, 2012 and 2011, the costs of fully depreciated equipment still in use are Baht 867.88 million and Baht 761.30 million, respectively.

### 13. 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,
	2011				2012
	Baht	Baht	Baht	Baht	Baht
<b>Cost</b>					
Computer software	2,214,022,803	211,516,651	-	70,183,456	2,495,722,910
Computer software under installation	27,028,198	102,990,412	-	(70,183,456)	59,835,154
Total Cost	<u>2,241,051,001</u>	<u>314,507,063</u>	<u>-</u>	<u>-</u>	<u>2,555,558,064</u>
<b>Accumulated amortization</b>					
Computer software	(1,457,377,045)	(311,212,830)	-	-	(1,768,589,875)
Total accumulated amortization	<u>(1,457,377,045)</u>	<u>(311,212,830)</u>	<u>-</u>	<u>-</u>	<u>(1,768,589,875)</u>
<b>Intangible assets- net</b>	<u>783,673,956</u>				<u>786,968,189</u>

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
	Additions	Additions	Disposals/	Transfer In	Balance as at
	February 20,		Write-off	(Transfer Out)	February 20,
	2010				2011
	Baht	Baht	Baht	Baht	Baht
<b>Cost</b>					
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>
<b>Accumulated amortization</b>					
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>
<b>Intangible assets- net</b>	<u>872,250,380</u>				<u>783,673,956</u>

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	2012	2011
	Baht	Baht
Amortization for the years ended February 20,	<u>311,212,830</u>	<u>299,634,656</u>

As at February 20, 2012 and 2011, the costs of fully amortized computer software still in use are Baht 983.58 million and Baht 716.77 million, respectively.

#### 14. DEFERRED TAX ASSETS - NET

Deferred tax assets - net as at February, 20 consist of:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	February 20,	February 20,	February 20,	February 20,
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	573,625,652	348,654,484	510,604,886	323,045,503
Non-accrual of interest income	44,542,437	25,899,744	43,813,930	25,019,214
Employee benefit obligation	5,242,350	5,630,571	5,242,350	5,630,571
Others	9,263,846	9,654,502	9,266,227	9,654,502
	<u>632,674,285</u>	<u>389,839,301</u>	<u>568,927,393</u>	<u>363,349,790</u>
<b>Deferred tax liabilities</b>				
Unrealized loss on currency swap contracts	81,011,496	115,359,336	81,011,496	115,359,336
	<u>81,011,496</u>	<u>115,359,336</u>	<u>81,011,496</u>	<u>115,359,336</u>
<b>Deferred tax assets – net</b>	<u>551,662,789</u>	<u>274,479,965</u>	<u>487,915,897</u>	<u>247,990,454</u>

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

	CONSOLIDATED FINANCIAL STATEMENTS			
	As at	Items as	Items as	As at
	February 20,	recognized in	recognized	February 20,
	2011	profit or loss	in comprehensive	2012
	Baht	Baht	income	Baht
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	348,654,484	224,971,168	-	573,625,652
Non-accrual of interest income	25,899,744	18,642,693	-	44,542,437
Employee benefit obligation	5,630,571	(388,221)	-	5,242,350
Others	9,654,502	(390,656)	-	9,263,846
	<u>389,839,301</u>	<u>242,834,984</u>	<u>-</u>	<u>632,674,285</u>
<b>Deferred tax liabilities</b>				
Unrealized loss on currency swap contracts	115,359,336	(34,347,840)	-	81,011,496
	<u>115,359,336</u>	<u>(34,347,840)</u>	<u>-</u>	<u>81,011,496</u>
<b>Deferred tax assets - net</b>	<u>274,479,965</u>	<u>277,182,824</u>	<u>-</u>	<u>551,662,789</u>

	CONSOLIDATED FINANCIAL STATEMENTS			
	As at	Items as	Items as	As at
	February 20,	recognized in	recognized	February 20,
	2010	profit or loss	in comprehensive	2011
	Baht	Baht	income	Baht
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	264,329,022	84,325,462	-	348,654,484
Non-accrual of interest income	47,103,220	(21,203,476)	-	25,899,744
Employee benefit obligation	4,194,720	1,435,851	-	5,630,571
Others	7,384,000	2,270,502	-	9,654,502
	<u>323,010,962</u>	<u>66,828,339</u>	<u>-</u>	<u>389,839,301</u>

CONSOLIDATED FINANCIAL STATEMENTS

	As at February 20, 2010	Items as recognized in profit or loss	Items as recognized in comprehensive income	As at February 20, 2011
	Baht	Baht	Baht	Baht
<b>Deferred tax liabilities</b>				
Unrealized loss on currency swap contracts	86,299,616	29,059,720	-	115,359,336
Unrealized gain on re-measurement on available-for-sale investment	17,224,662	-	(17,224,662)	-
	<u>103,524,278</u>	<u>29,059,720</u>	<u>(17,224,662)</u>	<u>115,359,336</u>
<b>Deferred tax assets – net</b>	<u>219,486,684</u>	<u>37,768,619</u>	<u>17,224,662</u>	<u>274,479,965</u>

SEPARATE FINANCIAL STATEMENTS

	As at February 20, 2011	Items as recognized in profit or loss	Items as recognized in comprehensive income	As at February 20, 2012
	Baht	Baht	Baht	Baht
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	323,045,503	187,559,383	-	510,604,886
Non-accrual of interest income	25,019,214	18,794,716	-	43,813,930
Employee benefit obligation	5,630,571	(388,221)	-	5,242,350
Others	9,654,502	(388,275)	-	9,266,227
	<u>363,349,790</u>	<u>205,577,603</u>	<u>-</u>	<u>568,927,393</u>
<b>Deferred tax liabilities</b>				
Unrealized loss on currency swap contracts	115,359,336	(34,347,840)	-	81,011,496
	<u>115,359,336</u>	<u>(34,347,840)</u>	<u>-</u>	<u>81,011,496</u>
<b>Deferred tax assets – net</b>	<u>247,990,454</u>	<u>239,925,443</u>	<u>-</u>	<u>487,915,897</u>

SEPARATE FINANCIAL STATEMENTS

	As at February 20, 2010	Items as recognized in profit or loss	Items as recognized in comprehensive income	As at February 20, 2011
	Baht	Baht	Baht	Baht
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	247,227,650	75,817,853	-	323,045,503
Non-accrual of interest income	46,450,811	(21,431,597)	-	25,019,214
Employee benefit obligation	4,194,720	1,435,851	-	5,630,571
Others	7,384,000	2,270,502	-	9,654,502
	<u>305,257,181</u>	<u>58,092,609</u>	<u>-</u>	<u>363,349,790</u>
<b>Deferred tax liabilities</b>				
Unrealized loss on currency swap contracts	86,299,616	29,059,720	-	115,359,336
Unrealized gain on re-measurement available-for-sale investment	17,224,662	-	(17,224,662)	-
	<u>103,524,278</u>	<u>29,059,720</u>	<u>(17,224,662)</u>	<u>115,359,336</u>
<b>Deferred tax assets - net</b>	<u>201,732,903</u>	<u>29,032,889</u>	<u>17,224,662</u>	<u>247,990,454</u>

On October 11, 2011, the Thai Cabinet approved a reduction of the corporate income tax rate from 30% to 23% of profits for companies or juristic partnerships with a 2012 accounting period ending on or after December 31, 2012, and from 23% to 20% for companies or juristic partnerships with the accounting period beginning on or after January 1, 2013. According to the Royal Decree No. 530 dated December 21, 2011, the income tax rates have been reduced from 30% to 23% for the accounting period beginning on or after January 1, 2012 and 20% only for the accounting periods beginning on or after January 1, 2013 and 2014.

Based on the aforementioned information and the guideline of the Federation of Accounting Professions (“FAP”), the Company assumes that the related tax law will be amended in order that the corporate income tax rate for the accounting period beginning on or after January 1, 2015 will not be over 20% to comply with the Cabinet’s Resolution regarding corporate income tax rate reduction. As a result, the Company uses the tax rate as approved by the Cabinet in order to re-measure deferred tax assets/ liabilities.

The effects from the reduction in corporate income tax rates on the consolidated financial statements for the year ended February 20, 2012 are the decrease in deferred tax assets - net and increase in income tax expense in the same amount of Baht 156.19 million and effects on the separate financial statements for the year ended February 20, 2012 are the decrease in deferred tax assets - net and increase in income tax expense in the same amount of Baht 138.32 million.

## 15. OTHER NON-CURRENT ASSETS

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

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	2012	2011
	Baht	Baht
Deposits	101,529,451	90,838,928
Others	20,644,153	38,260,430
Total	122,173,604	129,099,358

## 16. 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			
	2012		2011	
	Interest rate %	Baht	Interest rate %	Baht
Loan in THB currency	3.10 - 3.15	610,000,000	2.10 - 2.35	630,000,000
Total		610,000,000		630,000,000



## 17. OTHER PAYABLES

Other payables as at February 20, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
Other payable - related parties (see Note 30.2.1)	41,559,733	27,927,631	232,968,582	186,383,805
Other payable - other companies	193,013,495	146,264,732	192,398,594	146,264,733
Accrued interest expenses	270,001,683	311,267,114	266,620,757	307,359,273
Accrued expenses	271,802,756	192,108,696	264,764,924	183,808,148
Total	<u>776,377,667</u>	<u>677,568,173</u>	<u>956,752,857</u>	<u>823,815,959</u>

## 18. 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, 2012		
Interest rate %	Foreign Currency Million	Baht Equivalent Baht	
Loan in YEN currency	2.83 - 6.61	26,750.00	10,534,738,500
Loan in USD currency	2.59 - 4.60	353.85	10,955,372,925
Loan in THB currency	3.80 - 5.52		10,890,000,000
<u>Less</u> Loan issuance cost			<u>(72,852,615)</u>
			32,307,258,810
<u>Less</u> Current portion of long-term loans			<u>(9,735,495,960)</u>
<b>Total long-term loans - net</b>			<u><u>22,571,762,850</u></u>

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS		
	As at February 20, 2011		
Interest rate %	Foreign Currency Million	Baht Equivalent Baht	
Loan in YEN currency	2.63 - 6.61	35,000.00	12,952,520,000
Loan in USD currency	3.53 - 4.60	202.20	6,233,360,940
Loan in THB currency	3.80 - 5.52		10,490,000,000
<u>Less</u> Loan issuance cost			<u>(78,198,118)</u>
			29,597,682,822
<u>Less</u> Current portion of long-term loans			<u>(5,987,181,948)</u>
<b>Total long-term loans - net</b>			<u><u>23,610,500,874</u></u>

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:

<b>CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS</b>				
<b>As at February 20, 2012</b>				
	<b>Principal to be received/ paid Baht</b>	<b>Less than 1 year Baht</b>	<b>Carrying amount 1 - 5 years Baht</b>	<b>Total Baht</b>
<b>Receivable per currency swap</b>				
Cross Currency Swap Agreements				
YEN currency	1,840,680,562	34,292,719	94,136,719	128,429,438
USD currency	583,050,000	-	20,679,750	20,679,750
Cross Currency Interest Rate Swap Agreements				
YEN currency	7,830,455,000	182,290,500	552,883,000	735,173,500
USD currency	6,996,844,000	-	159,675,575	159,675,575
Interest Rate Swap Agreements				
THB currency	2,450,000,000	5,673,764	-	5,673,764
	<u>19,701,029,562</u>	<u>222,256,983</u>	<u>827,375,044</u>	<u>1,049,632,027</u>
<b>Payable per currency swap</b>				
Cross Currency Interest Rate Swap Agreements				
USD currency	3,406,080,000	(209,171,400)	(1,785,000)	(210,956,400)
Interest Rate Swap Agreements				
THB currency	2,740,000,000	(16,571,875)	-	(16,571,875)
	<u>6,146,080,000</u>	<u>(225,743,275)</u>	<u>(1,785,000)</u>	<u>(227,528,275)</u>
<b>CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS</b>				
<b>As at February 20, 2011</b>				
	<b>Principal to be received/ paid Baht</b>	<b>Less than 1 year Baht</b>	<b>Carrying amount 1 - 5 years Baht</b>	<b>Total Baht</b>
<b>Receivable per currency swap</b>				
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>
<b>Payable per currency swap</b>				
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>

## 19. LONG-TERM DEBENTURES

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

Issue date	Maturity date	No. of units	Currency	Par value per unit	Amount	Interest rate %	Term of interest Payment	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
								2012	2011
								Baht	Baht
25/08/2008	25/08/2012	1,000,000	THB	1,000	1,000,000,000	5.20	Semi-annual	1,000,000,000	1,000,000,000
19/12/2008	19/12/2011	15	JPY	100,000,000	1,500,000,000	JPY-TIBOR 6M + 0.45	Semi-annual	-	555,108,000
30/07/2010	30/07/2015	20	USD	1,000,000	20,000,000	USD-LIBOR 6M + 0.50	Semi-annual	619,210,000	616,554,000
14/07/2011	14/07/2016	15	USD	1,000,000	15,000,000	USD-LIBOR 6M + 0.30	Semi-annual	464,407,500	-
16/12/2011	16/12/2016	20	USD	1,000,000	20,000,000	USD-LIBOR 6M + 0.80	Semi-annual	619,210,000	-
								<u>2,702,827,500</u>	<u>2,171,662,000</u>
<u>Less</u>	Debenture issuance cost							<u>(41,628,589)</u>	<u>(23,672,505)</u>
								2,661,198,911	2,147,989,495
<u>Less</u>	Current portion of long-term debentures							<u>(997,575,618)</u>	<u>(552,945,439)</u>
	<b>Long-term debentures - net</b>							<u>1,663,623,293</u>	<u>1,595,044,056</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.

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. The Company repaid such debenture on December 19, 2011.

- (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.

- (4) On June 27, 2011, the Board of Directors' Meeting No. 4/2011 had the resolution for the Issuance and Offering of unsubordinated and guaranteed debentures in U.S. Dollar currency to offer in Japan for sale to specific investors and/or institutional investors. An issuing amount of the debentures is not to exceed Baht 460 million 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 and prescribe other terms and conditions related to the issue and offering of the bonds.

Subsequently, on July 14, 2011, the Company issued and offered debenture amounting to USD 15 million to a bank in Japan with interest rate of USD - LIBOR 6 month plus 0.30% per annum, payable on a semi-annual basis, and will be due on July 14, 2016. Such debenture is guaranteed by the same bank.

- (5) On September 23, 2011, the Board of Directors' Meeting No. 6/2011 had the resolution for the Issuance and Offering of unsubordinated and guaranteed debentures in U.S. Dollar currency to offer in Japan for sale to specific investors and/or institutional investors. An issuing amount of the debentures is not to exceed Yen 1.5 billion (approximately Baht 600 million) 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 and prescribe other terms and conditions related to the issue and offering of the bonds.

Subsequently, on December 16, 2011, the Company issued and offered debenture amounting to USD 20 million to a bank in Japan with interest rate of USD - LIBOR 6 month plus 0.80% per annum, payable on a semi-annual basis, and will be due on December 16, 2016. 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:

<b>CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS</b>			
<b>As at February 20, 2012</b>			
<b>Principal to be received/ paid</b>	<b>Less than 1 year</b>	<b>Carrying amount 1 - 5 years</b>	<b>Total</b>
<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Receivable per currency swap</b>			
Cross Currency Interest Rate Swap Agreements			
USD currency	456,450,000	-	7,957,500
	<u>456,450,000</u>	<u>-</u>	<u>7,957,500</u>
<b>Payable per currency swap</b>			
Cross Currency Interest Rate Swap Agreements			
USD currency	1,271,600,000	-	(33,180,000)
	<u>1,271,600,000</u>	<u>-</u>	<u>(33,180,000)</u>

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

- (6) 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 (see Note 7.6), 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 May 10, 2011, Eternal 3 Special Purpose Vehicle Co., Ltd. redeemed all debentures (see Notes 1, 7.6 and 9.1). On February 20, 2012, the Extraordinary Shareholders' Meetings of ESPT had passed the resolutions to approve the liquidation and dissolution and ESPT registered the dissolution with the Ministry of Commerce on the same date. The process of liquidation will be commenced later.

As at February 20, 2012 and 2011, the subsidiaries' debentures are as follows:

<b>Debenture Classes</b>	<b>Maturity date</b>	<b>Amount Baht</b>	<b>Interest rate %</b>	<b>2012 Baht</b>	<b>2011 Baht</b>
<b>Eternal 3 Special Purpose Vehicle Co., Ltd.</b>					
Class B	Gradually redeemable after February 10, 2011	120,000,000	6.13	-	120,000,000
Class C	Gradually redeemable after February 10, 2011	160,000,000	6.33	-	160,000,000
				<u>-</u>	<u>280,000,000</u>
<b>Eternal 4 Special Purpose Vehicle Co., Ltd</b>					
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>705,000,000</u>
<b>Eternal 5 Special Purpose Vehicle Co., Ltd.</b>					
Class A-1	May 10, 2015	2,790,000,000	3.10	2,790,000,000	2,790,000,000
				<u>2,790,000,000</u>	<u>2,790,000,000</u>
				<u>3,495,000,000</u>	<u>3,775,000,000</u>

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

## 20. EMPLOYEE BENEFITS OBLIGATION

The Company operates post-employment benefits plans under the Thai Labor Protection Act, which are considered as unfunded defined benefits plans.

Amounts recognized in the statement of income in respect of the post-employment benefits plans are as follows:

	<b>CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS</b>	
	<b>For the years ended February 20, 2012 Baht</b>	<b>2011 Baht</b>
Current service cost	6,653,952	4,290,380
Interest cost	<u>789,231</u>	<u>559,191</u>
Total	<u><u>7,443,183</u></u>	<u><u>4,849,571</u></u>

Movements in the present value of the post-employment benefits obligation are as follows:

	<b>CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS</b>	
	<b>For the years ended February 20, 2012 Baht</b>	<b>2011 Baht</b>
Beginning balance of employment benefits obligation	18,768,570	13,918,999
Current service cost	6,653,952	4,290,380
Interest cost	<u>789,231</u>	<u>559,191</u>
Ending balance of employment benefits obligation	<u><u>26,211,753</u></u>	<u><u>18,768,570</u></u>

The principal actuarial assumptions used to calculate the obligation under the defined benefit plans as at February 20, 2012 and 2011 are as follows:

	2012 % per annum	2011 % per annum
Financial assumptions		
Discount rate	3.87	4.22
Turnover rate		
Monthly staffs	8.0 - 13.0	8.0 - 13.0
	Subject to range of age of employees	Subject to range of age of employees
Daily staffs	20.0 - 40.0	20.0 - 40.0
	Subject to range of age of employees	Subject to range of age of employees
Expected rate of salary increase	5.0	4.5

## 21. SHAREHOLDERS' EQUITY

21.1 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 the net income of Baht 500,000,000 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 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, 2010.

21.2 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 included 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.

21.3 On June 16, 2011, the Annual General Meeting of Shareholders had the resolutions to approve the following matters;

- The appropriation of net income of Baht 400 million as a reserve for business expansion.
- The declaration of final dividends for the 2010 fiscal year at the rate of Baht 1.05 per share, amounting to Baht 262,500,000. The aforementioned shareholders included 37,600 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 262,460,520 on June 30, 2011.

21.4 On September 23, 2011, the Board of Directors' meeting passed the resolution the declare interim dividends for the 2011 fiscal year at the rate Baht 1.05 per share amounting to Baht 262,500,000. The aforementioned shareholders included 317,880 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 262,166,226 on October 19, 2011.

21.5 Under the Securitization projects, 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.

## 22. 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, 2012 and 2011, the Company's legal reserve equals to 10% of the registered share capital.

## 23. 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.

## 24. EXCHANGE DIFFERENCES ON TRANSLATING FINANCIAL STATEMENTS

Movement in exchange differences on translating financial statements is as follows:

	<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
	<b>As at February 20, 2012 Baht</b>	<b>As at February 20, 2011 Baht</b>
Beginning balances	-	-
Increase during the period	175,928	-
Ending balances	<u>175,928</u>	<u>-</u>



Differences on exchange relating to translation of the financial statements of a foreign operation to be presented in Thai Baht currency are recognized directly in other comprehensive income and accumulated amount is separately presented as other components of equity.

## 25. 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, 2012 and 2011, the details of revenues from securitization transaction consist of the following:

	<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
	<b>2012</b>	<b>2011</b>
	<b>Baht</b>	<b>Baht</b>
Credit Card Income		
Dividend from investment in Special Purpose Vehicle	5,790,466	2,700,205
Total	<u>5,790,466</u>	<u>2,700,205</u>
	<b>SEPARATE FINANCIAL STATEMENTS</b>	
	<b>2012</b>	<b>2011</b>
	<b>Baht</b>	<b>Baht</b>
Credit Card Income		
Interest income from subordinated lending	271,973,450	212,871,280
Revenue from seller participation in Special Purpose Vehicle	40,706,112	53,193,704
Dividend from investment in Special Purpose Vehicle	281,770,409	540,762,292
Servicing income	455,180,759	511,676,995
Total	<u>1,049,630,730</u>	<u>1,318,504,271</u>

## 26. DIRECTORS AND MANAGERMENTS' REMUNERATION

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

For the years ended February 20, 2012, and 2011, directors and managements' remuneration are as follows:

	<b>CONSOLIDATED FINANCIAL STATEMENTS</b>		<b>SEPARATE FINANCIAL STATEMENTS</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Short-term employee benefits				
Managements' remuneration	47,759,000	45,983,843	45,843,290	45,983,843
Directors' remuneration	7,970,000	8,836,333	7,970,000	8,836,333
Post-employment benefits	1,153,395	1,530,401	1,153,395	1,530,401
	<u>56,882,395</u>	<u>56,350,577</u>	<u>54,966,685</u>	<u>56,350,577</u>

Directors' remuneration for the years 2012 and 2011 were approved by the ordinary shareholders' meeting of the Company held on June 16, 2011 and June 17, 2010, respectively.

## 27. 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, 2012 and 2011, the Company contributed Baht 6,256,531 and Baht 5,463,837, respectively, to the provident fund and recorded them as expenses.

## 28. EXPENSES BY NATURE

Net profit for the years ended February 20, 2012 and 2011 have been arrived at after deducting the following significant expenses:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Staff costs	790,761,001	722,108,230	789,162,955	722,108,230
Marketing expenses	607,331,667	518,154,649	607,331,667	518,154,649
Equipment expenses	509,040,260	434,857,100	509,040,260	434,857,100
Depreciation and amortization	519,510,831	463,910,963	519,043,992	463,910,963
Communication expenses	304,607,900	289,744,905	304,607,900	289,744,905
Premises' expenses	322,340,561	295,152,779	322,340,561	295,152,779
Outsource collection expenses	336,439,803	353,025,301	304,577,150	317,207,912
Special business tax & duty stamp	271,689,092	231,391,369	224,618,961	179,449,005
Directors' and management remuneration	56,882,395	56,350,577	54,966,685	56,350,577
Bad debts and doubtful accounts	4,530,131,882	3,309,173,518	4,062,915,403	2,988,807,580
Finance cost	1,655,479,127	1,653,884,074	1,532,811,622	1,490,210,485

## 29. 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 was reduced from 30% to 25% of net profit which did not exceed Baht 300 million. This remained in effect for three consecutive accounting periods beginning on or after January 1, 2008.

Therefore, the Company used tax rates of 25% and 30% for corporate income tax calculation for the year ended February 20, 2011 to conform to such tax rate change and used tax rate of 30% for corporate income tax calculation for the year ended February 20, 2012.

The local subsidiaries used tax rate of 30% for corporate income tax calculation for the year ended February 20, 2012 and 2011. The foreign subsidiary used 20% for corporate income tax calculation for the year ended February 20, 2012.

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.

On October 11, 2011, the Thai Cabinet approved a reduction of the corporate income tax rates from 30% to 23% of profits for companies or juristic partnerships with a 2012 accounting period ending on or after December 31, 2012, and from 23% to 20% for companies or juristic partnerships with a 2013 accounting period beginning on or after January 1, 2013 onwards. According to the Royal Decree No. 530 dated December 21, 2011, the income tax rates have been reduced from 30% to 23% for the accounting period beginning on or after January 1, 2012 and 20% only for the accounting periods beginning on or after January 1, 2013 and 2014 (see Note 14).

The Company and subsidiaries used tax rate of 30% for calculation of deferred tax for the year ended February 20, 2011 and both 20% and 23% for calculation of deferred tax for the year ended February 20, 2012.

For the year ended February 20, 2012 and 2011, income tax consists of:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
Current tax expense for the period	574,669,160	443,304,893	402,455,342	200,226,371
Deferred income tax expense (revenue)	<u>(277,183,824)</u>	<u>(37,768,619)</u>	<u>(239,925,443)</u>	<u>(29,032,889)</u>
Income tax expense per income statements	<u>297,485,336</u>	<u>405,536,274</u>	<u>162,529,899</u>	<u>171,193,482</u>

Reconciliations of effective tax rates for the year ended February 20, 2012 and 2011 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	2012		2011	
	Baht	Rate %	Baht	Rate %
Profit before income tax	<u>458,600,096</u>		<u>1,397,516,431</u>	
Income tax at the domestic tax rate	137,580,029	30.00	419,239,929	25.00 and 30.00
<u>Add</u> Tax effect of income and expense that are not exempt for tax purposes	4,147,531	0.90	3,859,134	0.28
Tax effect from tax rate adjustment	156,189,484	34.06	-	-
<u>Less</u> Tax effect of income and expense that are exempt for tax purposes	<u>(431,708)</u>	<u>(0.09)</u>	<u>(17,562,789)</u>	<u>(1.26)</u>
<b>Income tax expense per income statements</b>	<u>297,485,336</u>	<u>64.87</u>	<u>405,536,274</u>	<u>29.02</u>

	SEPARATE FINANCIAL STATEMENTS			
	2012		2011	
	Baht	Rate %	Baht	Rate %
Profit before income tax	<u>356,174,202</u>		<u>1,154,389,508</u>	
Income tax at the domestic tax rate	106,852,261	30.00	347,756,724	25.00 and 30.00
<u>Add</u> Tax effect of income and expense that are not exempt for tax purposes	2,321,974	0.65	3,858,524	0.33
Tax effect from tax rate adjustment	138,318,494	38.83	-	-
<u>Less</u> Tax effect of income and expense that are exempt for tax purposes	<u>(84,962,830)</u>	<u>(23.85)</u>	<u>(180,421,766)</u>	<u>(15.56)</u>
<b>Income tax expense per income statements</b>	<u>162,529,899</u>	<u>45.63</u>	<u>171,193,482</u>	<u>14.77</u>

### 30. 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:

#### 30.1 Investments in subsidiaries (see Note 9.1)

Related parties	Relationship	Paid-up Capital Baht	% Ownership	SEPARATE FINANCIAL STATEMENTS	
				As at February 20, 2012 Cost Baht	As at February 20, 2011 Cost 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	10,400
AEON Microfinance (Cambodia) Private Company Limited	Subsidiary	29,960,000	100.0	29,960,000	-
				<u>29,991,200</u>	<u>31,200</u>

#### 30.2 Business transactions with related parties

##### 30.2.1 Balances with related parties

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		As at February 20, 2012 Baht	2011 Baht	As at February 20, 2012 Baht	2011 Baht
<b>Other accounts receivable (Note 8)</b>					
Eternal Special Purpose Vehicle Company Limited	Related company	8,331,554	8,411,339	8,331,554	8,411,339
Eternal Credit Card Special Purpose Vehicle Company Limited	Related company	-	7,213,208	-	7,213,208
Eternal 3 Special Purpose Vehicle Company Limited	Subsidiary	-	-	4,812,026	-
Eternal 4 Special Purpose Vehicle Company Limited	Subsidiary	-	-	-	22,960,957
Eternal 5 Special Purpose Vehicle Company Limited	Subsidiary	-	-	29,481,379	137,242,357
Aeon Credit Service Company Limited	Major shareholder and two common directors	-	14,263	-	14,263
ACS Capital Corporation Limited	Shareholder and four common directors	845,468	70,038	845,468	70,038
Aeon (Thailand) Company Limited	Holding shares and two common directors	-	8,333	-	8,333
ACS Insurance Broker (Thailand) Company Limited	Three common directors	22,858	19,730	22,858	19,730
ACS Servicing (Thailand) Company Limited	One common director	513,958	884,242	513,958	884,242

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		As at February 20,		As at February 20,	
		2012 Baht	2011 Baht	2012 Baht	2011 Baht
AEON Microfinance Finance (Cambodia) Private Company Limited	Subsidiary	11,817	-	11,817	-
ACS Life Insurance Broker (Thailand) Company Limited	Three common directors	-	19,302	-	19,302
Aeon Credit Technology System (Philippines)	Holding shares and one common director	-	26,754,400	-	26,754,400
		<u>9,725,655</u>	<u>43,394,855</u>	<u>44,019,060</u>	<u>203,598,169</u>
<b>Participation in Special Purpose Vehicle for Securitization (Note 10)</b>					
Eternal 3 Special Purpose Vehicle Company Limited	Subsidiary	-	-	-	1,869,557,202
Eternal 4 Special Purpose Vehicle Company Limited	Subsidiary	-	-	1,408,704,915	1,007,102,506
Eternal 5 Special Purpose Vehicle Company Limited	Subsidiary	-	-	451,723,921	460,019,466
		<u>-</u>	<u>-</u>	<u>1,860,428,836</u>	<u>3,336,679,174</u>
<b>Subordinated lending (Note 11)</b>					
Eternal 3 Special Purpose Vehicle Company Limited	Subsidiary	-	124,366,800	-	124,366,800
Eternal 4 Special Purpose Vehicle Company Limited	Subsidiary	592,529,926	669,678,402	592,529,926	669,678,402
Eternal 5 Special Purpose Vehicle Company Limited	Subsidiary	1,438,000,000	1,438,000,000	1,438,000,000	1,438,000,000
		<u>2,030,529,926</u>	<u>2,232,045,202</u>	<u>2,030,529,926</u>	<u>2,232,045,202</u>
<b>Other Non-Current Assets</b>					
Aeon (Thailand) Co., Ltd.	Holding shares and two common directors	-	205,812	-	205,812
<b>Accounts payable</b>					
Aeon (Thailand) Co., Ltd.	Holding shares and two common directors	2,970,942	6,250,925	2,970,942	6,250,925
ACS Insurance Broker (Thailand) Company Limited	Three common directors	49,170,936	41,680,112	49,170,936	41,680,112
ACS Life Insurance Broker (Thailand) Company Limited	Three common directors	29,817,600	30,902,483	29,817,600	30,902,483
Jay Mart Public Company Limited	One common director	639,520	6,120,611	639,520	6,120,611
		<u>82,598,998</u>	<u>84,954,131</u>	<u>82,598,998</u>	<u>84,954,131</u>
<b>Accounts payable – other (Note 17)</b>					
Eternal 3 Special Purpose Vehicle Company Limited	Subsidiary	-	-	11,728,104	64,460,404
Eternal 4 Special Purpose Vehicle Company Limited	Subsidiary	-	-	119,078,741	36,852,357
Eternal 5 Special Purpose Vehicle Company Limited	Subsidiary	-	-	60,602,004	57,143,413
Aeon Credit Service Company Limited	Major shareholder and two common directors	2,625,801	1,570,720	2,625,801	1,570,720

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		As at February 20,		As at February 20,	
		2012 Baht	2011 Baht	2012 Baht	2011 Baht
ACS Insurance Broker (Thailand) Company Limited	Three common directors	4,263,225	3,075,299	4,263,225	3,075,299
ACS Capital Corporation Limited	Shareholder and four common directors	273,920	-	273,920	-
ACS Servicing (Thailand) Company Limited	One common director	29,369,487	23,281,612	29,369,487	23,281,612
Aeon (Thailand) Company Limited	Holding shares and two common directors	12,824	-	12,824	-
ACS Life Insurance Broker (Thailand) Company Limited	Three common directors	5,014,476	-	5,014,476	-
		<u>41,559,733</u>	<u>27,927,631</u>	<u>232,968,582</u>	<u>186,383,805</u>

### 30.2.2 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,	
		2012 Baht	2011 Baht	2012 Baht	2011 Baht
<b>Credit card income</b>					
Aeon (Thailand) Co., Ltd.	Holding shares and two common directors	839,144	851,989	839,144	851,989
<b>Revenue relating to securitization</b>					
<b>Transaction</b> (including in credit card income)					
Eternal Credit Card Special Purpose Vehicle Company Limited	Related company	5,790,466	2,748,605	5,790,466	2,748,605
Eternal 3 Special Purpose Vehicle Company Limited	Subsidiary	-	-	79,496,983	349,524,230
Eternal 4 Special Purpose Vehicle Company Limited	Subsidiary	-	-	350,940,795	378,361,112
Eternal 4 Special Purpose Vehicle Company Limited	Subsidiary	-	-	613,402,487	587,870,322
		<u>5,790,466</u>	<u>2,748,605</u>	<u>1,049,630,731</u>	<u>1,318,504,269</u>
<b>Other income</b>					
<b>Gain on sale of investment</b>					
Aeon Credit Service Company Limited	Major shareholder and two common directors	12,507,469	51,051,536	12,507,469	51,051,536
<b>Other income – others</b>					
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	11,190,774	5,459,131	11,190,774	5,459,131
ACS Servicing (Thailand) Company Limited	One common director	7,200,000	7,200,000	7,200,000	7,200,000
ACS Insurance Broker (Thailand) Company Limited	Three common directors	14,871,024	9,038,644	14,871,024	9,038,644
ACS Credit Management Company Limited	Holding shares and one common director	738,012	855,122	738,012	855,122
AEON Credit Service (M) Sdn. Bhd.	Holding shares and one common director	-	2,957,455	-	2,957,455

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		For the years ended		For the years ended	
		February 20,		February 20,	
		2012	2011	2012	2011
		Baht	Baht	Baht	Baht
Aeon Credit Technology System (Philippines)	Holding shares and one common director	-	25,000,000	-	25,000,000
		<u>72,907,279</u>	<u>127,961,888</u>	<u>72,907,279</u>	<u>127,961,888</u>
<b>Operating and administrative expenses</b>					
<b>Collection service fee</b>					
ACS Servicing (Thailand) Co., Ltd.	One common director	272,010,817	243,182,043	272,010,817	243,182,043
<b>Others</b>					
Aeon Credit Service Company Limited	Major shareholder and two common directors	15,588,050	44,107,291	15,588,050	44,107,291
Aeon (Thailand) Company Limited	Holding shares and two common directors	3,680,923	4,544,065	3,680,923	4,544,065
ACS Capital Corporation Limited	Shareholder and four common directors	16,416,947	16,276,349	16,416,947	16,276,349
Jay Mart Public Company Limited	One common director	7,135,200	7,493,840	7,135,200	7,493,840
ACS Servicing (Thailand) Company Limited	One common director	-	2,070,350	-	2,070,350
Aeon Credit Technology System (Philippines)	Holding shares and one common director	6,177,490	7,605,706	6,177,490	7,605,706
		<u>321,009,427</u>	<u>325,279,644</u>	<u>321,009,427</u>	<u>325,279,644</u>
<b>Dividend paid</b>					
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>
<b>Purchase computer software</b>					
Aeon Credit Technology System (Philippines)	Holding shares and one common director	29,726,818	29,465,518	29,726,818	29,465,518

- For the years ended February 20, 2012 and 2011, 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 7.6).

- 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
- Computer programs purchasing price is paid to Aeon Credit Technology System (Philippines) based on specified in the agreement.

### 31. LONG-TERM OPERATING LEASE AND SERVICE AGREEMENTS

As at February 20, 2012 and 2011, the Company has long-term operating lease and service agreements with the third parties as follows:

Type	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	Rental amount			
	2012		2011	
	Within 1 year Baht	Over 1 to 5 years Baht	Within 1 year Baht	Over 1 to 5 years Baht
Office rental and service	110,796,771	83,660,038	120,317,712	60,234,269
Office equipment lease	60,666,574	87,035,448	107,413,354	85,714,458

### 32. 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.

The financial information by segment of the subsidiaries for the years ended February 20, 2012 and 2011 is summarized as follows:

	CONSOLIDATED FINANCIAL STATEMENTS					
	For the year ended February 20, 2012			For the year ended February 20, 2011		
	Domestic Baht	Foreign Baht	Total Baht	Domestic Baht	Foreign Baht	Total Baht
Total income	10,661,486,406	364,626	10,661,851,032	10,071,480,331	-	10,071,480,331
Total expenses	8,541,323,536	6,448,273	8,547,771,809	7,020,079,826	-	7,020,079,826
Net income (loss) before finance cost and income tax	2,120,162,870	(6,083,647)	2,114,079,223	3,051,400,505	-	3,051,400,505
Finance cost	1,655,479,127	-	1,655,479,127	1,653,884,074	-	1,653,884,074
Income tax expenses	297,484,551	785	297,485,336	405,536,274	-	405,536,274
Net income for the years	167,199,192	(6,084,432)	161,114,760	991,980,157	-	991,980,157



**CONSOLIDATED FINANCIAL STATEMENTS**

	As at February 20, 2012			As at February 20, 2011		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	Baht	Baht	Baht	Baht	Baht	Baht
Total assets	43,584,460,754	25,307,980	43,609,768,734	40,845,902,518	-	40,845,902,518

**SEPARATE FINANCIAL STATEMENTS**

	For the year ended February 20, 2012			For the year ended February 20, 2011		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	Baht	Baht	Baht	Baht	Baht	Baht
Total income	9,878,383,659	-	9,878,383,659	9,248,478,878	-	9,248,478,878
Total expenses	7,989,397,835	-	7,989,397,835	6,603,878,885	-	6,603,878,885
Net income before finance cost and income tax	1,888,985,824	-	1,888,985,824	2,644,599,993	-	2,644,599,993
Finance cost	1,532,811,622	-	1,532,811,622	1,490,210,485	-	1,490,210,485
Income tax expenses	162,529,899	-	162,529,899	171,193,482	-	171,193,482
Net income for the years	193,644,303	-	193,644,303	983,196,026	-	983,196,026

**SEPARATE FINANCIAL STATEMENTS**

	As at February 20, 2012			As at February 20, 2011		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	Baht	Baht	Baht	Baht	Baht	Baht
Total assets	43,709,223,724	-	43,709,223,724	40,848,738,079	-	40,848,738,079

**33. 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.

**33.1 Accounting policies**

Details of significant accounting policies are disclosed in Note 4.

**33.2 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.

### 33.3 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 18 and 19.

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

### 33.4 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 18 and 19.

### 33.5 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, accounts receivable and other receivables, short-term loans from financial institutions and accounts payable and other payables; the carrying values of outstanding balances approximate their fair values due to relatively short period to maturity.

Other long-term investments: based on amount recognized in the 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, 2012		As at February 20, 2011	
	Carrying value	Fair value	Carrying value	Fair value
	Baht	Baht	Baht	Baht
Long-term loans bearing fixed interest rate	7,572,839,750	7,530,921,847	7,145,612,000	7,089,175,667
Long-term debentures bearing fixed interest rate	2,702,827,500	2,701,517,496	2,171,662,000	2,187,203,374

As at February 20, 2012 and 2011, the carrying amount and estimated fair value of receivables and/or payables per currency swap contracts are as followings:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	2012			
	Less than 1 year	Carrying amount		Fair value
		1 - 5 years	Total	
Baht	Baht	Baht	Baht	
<b>Receivable per currency swap</b>				
Cross Currency Swap Agreement	34,292,719	114,816,469	149,109,188	107,191,285
Cross Currency Interest Rate Swap Agreements	182,290,500	720,516,075	902,806,575	322,943,974
Interest Rate Swap Agreements	5,673,764	-	5,673,764	5,143,621
	<u>222,256,983</u>	<u>835,332,544</u>	<u>1,057,589,527</u>	<u>435,278,880</u>
<b>Payable per currency swap</b>				
Cross Currency Interest Rate Swap Agreements	(209,171,400)	(34,965,000)	(244,136,400)	(92,178,887)
Interest Rate Swap Agreements	(16,571,875)	-	(16,571,875)	(43,749,706)
	<u>(225,743,275)</u>	<u>(34,965,000)</u>	<u>(260,708,275)</u>	<u>(135,928,593)</u>

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	2011			
	Less than 1 year	Carrying amount		Fair value
		1 - 5 years	Total	
Baht	Baht	Baht	Baht	
<b>Receivable per currency swap</b>				
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>
<b>Payable per currency swap</b>				
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>

#### **34. CREDIT FACILITIES AND LETTER OF GUARANTEE**

34.1 As at February 20, 2012 and 2011, the Company has the committed and unsecured revolving credit facility agreements with various financial institutions for general corporate funding requirements totaling Baht 770 million.

As at February 20, 2012 and 2011, such credit facilities are unused by the Company.

34.2 As at February 20, 2012 and 2011, the Company has unused overdraft facilities with various banks totaling Baht 95.10 million. Such overdraft facilities are unsecured.

34.3 As at February 20, 2012 and 2011, the Company has bank's letter of guarantees issued to suppliers for guarantee payment of Baht 6.60 million.

#### **35. SIGNIFICANT AGREEMENTS RELATING TO SECURITIZATION TRANSACTIONS**

35.1 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.

35.2 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.

### 36. SALES OF WRITTEN-OFF ACCOUNTS RECEIVABLES

On February 20, 2012, the Company sold written-off accounts receivable under personal loan agreements, purpose loan agreements and hire purchase agreements by a bidding process to a local company (the "buyer") with the purchase price of Baht 296.68 million and the value-added tax of hire purchase agreements of Baht 7.18 million, totaling Baht 303.86 million. At the same date, the Company entered into "Asset Sale and Purchase Agreement" with the buyer. The agreement sets out the conditions and terms in respect of the sales, assignment and conveyance of the Company's rights, title, claim, obligation, liability and interest in the written-off accounts receivable under personal loan agreements, purpose loan agreements and hire purchase agreements. As at February 20, 2012, as specified in the agreement, the Company received cash of Baht 75.50 million, the remaining amount of Baht 228.36 million will be received on a monthly basis, as specified in the agreement commencing from March to May 2012. The Company recognized as income from sale of written-off accounts receivable of Baht 296.68 million in the consolidated and separate statement of income for the year ended February 20, 2012 and recorded outstanding receivables of Baht 228.36 million as other receivables in the consolidated and separate statements of financial position as at February 20, 2012. Subsequently on March 20, 2012, the Company has received cash proceeds of Baht 76.43 million as specified in the agreement.

Under the Asset Sale and Purchase Agreement, the buyer shall be entitled to claim damages from the Company from sales of loans receivable in events the buyer does not have lawful title over loans receivable or personal loan agreement, purpose loan agreement and hire purchase agreement is not legal as specified in the agreement. The claim will be settled with the final payment which the Company will be received from the buyer. However, the Company believes that such damage is not significant, therefore, the Company has not recorded such claim in the financial statements for the year ended February 20, 2012. In addition, if the buyer wishes to sell or transfer loan that are intended to be a portfolio sale to a third party, the Company shall be entitled to a right to first negotiate with the buyer with regard to a purchase of the portfolio before any third party. If the negotiation does not conclude within three months or the Company decides not to make a purchase, the buyer may sell such loan to a third party.

### 37. RECLASSIFICATIONS

Certain reclassifications have been made in the statement of financial position as at February 20, 2011 to conform to the classifications used in the statement of financial position as at February 20, 2012 as follows:

Accounts	Amount (Baht)		Reclassification	
	Consolidated	Separate	Previously presentation	Current presentation
	Financial Statements	Financial Statements		
Other receivables	184,619,648	344,822,962	Included in other current assets	Included in accounts receivable and other receivables - net
Receivable from swap contract	541,632,000	541,632,000	Included in other current assets	Presented separately
Prepaid expenses	38,629,957	38,629,957	Included in other current assets	Included in accounts receivable and other receivables - net
Advance payment	2,108,224	2,108,224	Included in other current assets	Included in accounts receivable and other receivables - net
Prepaid commission expense - current assets	15,290,398	15,290,398	Included in non-current assets - other	Included in accounts receivable and other receivables - net
Prepaid commission expense - non-current assets	10,528,969	10,528,969	Included in non-current assets - other	Included in accounts receivable - net
Accrued income tax	258,202,184	141,380,271	Included in other current liabilities	Presented separately

Accounts	Amount (Baht)		Reclassification	
	Consolidated	Separate	Previously presentation	Current presentation
	Financial Statements	Financial Statements		
Other payables	174,192,363	332,648,538	Included in other current liabilities	Included in account payables and other payables
Accrued interest expense	311,267,114	307,359,273	Included in other current liabilities	Included in account payables and other payables
Other accrued expenses	192,108,696	183,808,148	Included in other current liabilities	Included in account payables and other payables
Payable from swap contracts	74,030,416	74,030,416	Included in other current liabilities	Presented separately

### 38. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved for issuing by the Company's authorized director on April 18, 2012.