

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION  
BY THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

**TO THE BOARD OF DIRECTORS**

**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED**

We have reviewed the consolidated statement of financial position of AEON Thana Sinsap (Thailand) Public Company Limited and its subsidiaries and the separate statement of financial position of AEON Thana Sinsap (Thailand) Public Company Limited as at August 20, 2012, and the related consolidated and separate statements of income and comprehensive income for the three-month and six-month periods ended August 20, 2012 and 2011 and the related consolidated and separate statements of changes in shareholders' equity and cash flows for the six-month periods ended August 20, 2012 and 2011, and the condensed notes to the financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our reviews.

**Scope of Reviews**

We conducted our reviews in accordance with Thai Standard on Review Engagements No. 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our reviews, nothing has come to our attention that causes us to believe that the aforementioned interim financial information has not been prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting".

### **Comparative statements of financial position as at February 20, 2012**

We have previously audited, in accordance with Thai Standards on Auditing, the consolidated financial statements of AEON Thana Sinsap (Thailand) Public Company Limited and its subsidiaries and the separate financial statements of AEON Thana Sinsap (Thailand) Public Company Limited for the year ended February 20, 2012, and expressed an unqualified opinion in our report dated April 18, 2012. The consolidated and separate statements of financial position as at February 20, 2012, presented herein for comparison, have been derived from such consolidated and separate financial statements. We have not performed any other audit procedures subsequent to such report date.

**BANGKOK**  
September 24, 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 AUGUST 20, 2012 AND FEBRUARY 20, 2012

BAHT : '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		"Unaudited"		"Unaudited"	
		As at	As at	As at	As at
		August 20,	February 20,	August 20,	February 20,
		2012	2012	2012	2012
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents		1,576,167	1,638,842	1,433,481	1,491,204
Bill of exchange	5	-	250,000	-	-
Accounts receivable and other receivables - net					
Accounts receivable - net	6	38,604,955	35,266,842	36,297,736	33,909,414
Other receivables	7	229,634	390,880	301,258	423,089
Participation amount in Special Purpose Vehicle					
for Securitization due within one year	9	-	-	2,250,787	1,408,705
Subordinated lendings due within one year	10	243,158	592,530	243,158	592,530
Receivables per currency swap contracts	15	642,626	222,257	642,626	222,257
Other current assets		44,070	41,060	43,308	41,060
Total Current Assets		<u>41,340,610</u>	<u>38,402,411</u>	<u>41,212,354</u>	<u>38,088,259</u>
<b>NON-CURRENT ASSETS</b>					
Accounts receivable - net	6	909,125	944,380	876,015	942,354
Investments in subsidiaries	8.1	-	-	29,991	29,991
Other long-term investments					
Related companies	8.2	43,536	43,536	43,536	43,536
Other companies	8.3	10	10	10	10
Participation in Special Purpose Vehicle					
for Securitization	9	-	-	794,732	451,724
Subordinated lendings	10	1,438,000	1,438,000	1,438,000	1,438,000
Equipment - net		450,374	485,294	447,233	482,959
Intangible assets - net		703,627	786,968	703,434	786,968
Receivables per currency swap contracts	15 and 16	670,125	835,333	670,125	835,333
Deferred tax assets - net	11	502,745	551,663	450,156	487,916
Other non-current assets	12	122,235	122,174	122,235	122,174
Total Non-Current Assets		<u>4,839,777</u>	<u>5,207,358</u>	<u>5,575,467</u>	<u>5,620,965</u>
<b>TOTAL ASSETS</b>		<u><u>46,180,387</u></u>	<u><u>43,609,769</u></u>	<u><u>46,787,821</u></u>	<u><u>43,709,224</u></u>

See condensed notes to the financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT AUGUST 20, 2012 AND FEBRUARY 20, 2012

BAHT : '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		"Unaudited"		"Unaudited"	
		As at	As at	As at	As at
		August 20,	February 20,	August 20,	February 20,
		2012	2012	2012	2012
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Bank overdraft and short-term loans					
from financial institutions	13	2,003,639	610,000	1,980,000	610,000
Accounts payable and other payables					
Accounts payable		426,062	456,795	423,939	456,524
Other payables	14	889,656	776,378	1,577,886	956,753
Current portion of :					
Long-term loans	15	13,593,915	9,735,496	13,593,915	9,735,496
Long-term debentures	16	999,948	997,576	999,948	997,576
Accrued income tax		132,593	354,642	65,234	268,185
Payable per currency swap contracts	15	158,700	225,743	158,700	225,743
Other current liabilities		17,271	31,384	16,968	31,384
Total Current Liabilities		<u>18,221,784</u>	<u>13,188,014</u>	<u>18,816,590</u>	<u>13,281,661</u>
<b>NON-CURRENT LIABILITIES</b>					
Long-term loans	15	19,690,483	22,571,763	19,690,483	22,571,763
Long-term debentures	16	1,706,162	1,663,623	1,706,162	1,663,623
Payables per currency swap contracts	15 and 16	13,000	34,965	13,000	34,965
Employee benefit obligation	17	29,899	26,212	29,887	26,212
Total Non-Current Liabilities		<u>21,439,544</u>	<u>24,296,563</u>	<u>21,439,532</u>	<u>24,296,563</u>
<b>TOTAL LIABILITIES</b>		<u>39,661,328</u>	<u>37,484,577</u>	<u>40,256,122</u>	<u>37,578,224</u>

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

BAHT : '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		"Unaudited"		"Unaudited"	
		As at August 20, 2012	As at February 20, 2012	As at August 20, 2012	As at February 20, 2012
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
(CONTINUED)					
SHAREHOLDERS' EQUITY	18				
SHARE CAPITAL					
Authorized share capital					
250,000,000 ordinary shares of Baht 1 each		250,000	250,000	250,000	250,000
Issued and paid-up share capital					
250,000,000 ordinary shares of Baht 1 each, fully paid		250,000	250,000	250,000	250,000
PREMIUM ON ORDINARY SHARE CAPITAL		478,000	478,000	478,000	478,000
RETAINED EARNINGS					
Appropriated					
Legal reserve		25,000	25,000	25,000	25,000
Reserve for business expansion		4,850,000	4,650,000	4,850,000	4,650,000
Unappropriated		915,145	721,927	928,699	728,000
OTHER COMPONENTS OF EQUITY					
Exchange differences on translating financial statements of a foreign operation	19	825	176	-	-
EQUITY ATTRIBUTABLE TO					
OWNERS OF THE PARENT		6,518,970	6,125,103	6,531,699	6,131,000
NON-CONTROLLING INTERESTS		89	89	-	-
TOTAL SHAREHOLDERS' EQUITY		6,519,059	6,125,192	6,531,699	6,131,000
<b>TOTAL LIABILITIES AND</b>					
<b>SHAREHOLDERS' EQUITY</b>					
		46,180,387	43,609,769	46,787,821	43,709,224

See condensed notes to the financial statements

**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF INCOME**  
**FOR THE THREE-MONTH PERIODS ENDED AUGUST 20, 2012 AND 2011**  
**"UNAUDITED"**

**BAHT : '000**

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2012	2011	2012	2011
<b>REVENUES</b>					
Credit card income	20	1,147,144	1,070,989	1,003,755	967,272
Loan income		1,479,634	1,128,717	1,479,634	1,128,717
Hire purchase income		58,148	156,939	55,153	156,939
Other income					
Bad debt recovery		189,750	175,920	177,086	165,460
Outsource collection service income		10,590	10,901	10,590	10,901
Gain (loss) on sale of fixed assets		63	(12)	63	(12)
Others		38,203	33,102	37,239	33,102
		<u>238,606</u>	<u>219,911</u>	<u>224,978</u>	<u>209,451</u>
Total Revenues		<u>2,923,532</u>	<u>2,576,556</u>	<u>2,763,520</u>	<u>2,462,379</u>
<b>EXPENSES</b>					
Operating and administrative expenses		1,135,968	986,631	1,109,429	965,904
Directors and managements' remuneration	21	17,209	17,914	16,272	17,914
Bad debts and doubtful accounts		849,839	805,012	766,349	762,917
Finance cost		441,273	409,114	415,608	378,856
Total Expenses		<u>2,444,289</u>	<u>2,218,671</u>	<u>2,307,658</u>	<u>2,125,591</u>
INCOME BEFORE INCOME TAX		479,243	357,885	455,862	336,788
INCOME TAX	22	110,684	103,909	82,975	62,487
<b>NET PROFIT FOR THE PERIOD</b>		<u>368,559</u>	<u>253,976</u>	<u>372,887</u>	<u>274,301</u>
<b>NET PROFIT ATTRIBUTABLE TO:</b>					
Owners of the parent		368,559	253,976	372,887	274,301
Non-controlling interests		-	-	-	-
		<u>368,559</u>	<u>253,976</u>	<u>372,887</u>	<u>274,301</u>
<b>BASIC EARNINGS PER SHARE</b>	<b>BAHT</b>	1.47	1.02	1.49	1.10
<b>WEIGHTED AVERAGE NUMBER OF</b>					
<b>ORDINARY SHARES</b>	<b>SHARES</b>	250,000,000	250,000,000	250,000,000	250,000,000

See condensed notes to the financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIODS ENDED AUGUST 20, 2012 AND 2011

"UNAUDITED"

BAHT : '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2012	2011	2012	2011
Net profit for the period		368,559	253,976	372,887	274,301
Other comprehensive income					
Exchange differences on translating financial statements of a foreign operation		(583)	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u>367,976</u>	<u>253,976</u>	<u>372,887</u>	<u>274,301</u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO</b>					
Owners of the parent		367,976	253,976	372,887	274,301
Non-controlling interests		-	-	-	-
		<u>367,976</u>	<u>253,976</u>	<u>372,887</u>	<u>274,301</u>

See condensed notes to the financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE SIX-MONTH PERIODS ENDED AUGUST 20, 2012 AND 2011

"UNAUDITED"

BAHT : '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2012	2011	2012	2011
<b>REVENUES</b>					
Credit card income	20	2,243,209	2,107,851	2,037,837	1,796,403
Loan income		2,915,686	2,160,854	2,915,686	2,160,854
Hire purchase income		121,020	382,623	116,343	382,623
Other income					
Bad debt recovery		337,673	316,257	314,128	292,819
Outsource collection service income		21,671	17,949	21,671	17,950
Gain on sale of fixed assets		62	44	62	44
Others		74,832	63,213	71,479	63,213
		<u>434,238</u>	<u>397,463</u>	<u>407,340</u>	<u>374,026</u>
Total Revenues		<u>5,714,153</u>	<u>5,048,791</u>	<u>5,477,206</u>	<u>4,713,906</u>
<b>EXPENSES</b>					
Operating and administrative expenses		2,184,242	1,928,659	2,135,009	1,884,043
Directors and managements' remuneration	21	38,916	28,939	36,231	28,939
Bad debts and doubtful accounts		1,766,074	1,605,733	1,707,420	1,450,410
Finance cost		871,769	802,632	816,502	740,482
Total Expenses		<u>4,861,001</u>	<u>4,365,963</u>	<u>4,695,162</u>	<u>4,103,874</u>
INCOME BEFORE INCOME TAX		853,152	682,828	782,044	610,032
INCOME TAX	22	197,696	203,117	119,137	110,041
<b>NET PROFIT FOR THE PERIOD</b>		<u>655,456</u>	<u>479,711</u>	<u>662,907</u>	<u>499,991</u>
<b>NET PROFIT ATTRIBUTABLE TO:</b>					
Owners of the parent		655,426	479,667	662,907	499,991
Non-controlling interests		30	44	-	-
		<u>655,456</u>	<u>479,711</u>	<u>662,907</u>	<u>499,991</u>
<b>BASIC EARNINGS PER SHARE</b>	<b>BAHT</b>	2.62	1.92	2.65	2.00
<b>WEIGHTED AVERAGE NUMBER OF</b>					
<b>ORDINARY SHARES</b>	<b>SHARES</b>	250,000,000	250,000,000	250,000,000	250,000,000

See condensed notes to the financial statements



AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
 STATEMENTS OF COMPREHENSIVE INCOME  
 FOR THE SIX-MONTH PERIODS ENDED AUGUST 20, 2012 AND 2011  
 "UNAUDITED"

BAHT : '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2012	2011	2012	2011
Net profit for the period		655,456	479,711	662,907	499,991
Other comprehensive income					
Exchange differences on translating financial statements of a foreign operation	19	649	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u>656,105</u>	<u>479,711</u>	<u>662,907</u>	<u>499,991</u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO</b>					
Owners of the parent		656,075	479,667	662,907	499,991
Non-controlling interests		30	44	-	-
		<u>656,105</u>	<u>479,711</u>	<u>662,907</u>	<u>499,991</u>

See condensed notes to the financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE SIX-MONTH PERIODS ENDED AUGUST 20, 2012 AND 2011

"UNAUDITED"

BAHT : '000

Notes	CONSOLIDATED FINANCIAL STATEMENTS								
	Issued and paid-up share capital	Premium on ordinary shares	Owners of the parent Retained earnings		Other components of equity	Total owners of the parent	Non-controlling Interests	Total shareholder's equity	
			Appropriated Legal reserve	Unappropriated Reserve for business expansion	- Exchange differences on translating financial statements of a foreign operation				
<b>Beginning balance as at February 21, 2011</b>	250,000	478,000	25,000	4,250,000	1,485,483	-	6,488,483	89	6,488,572
Changes during the period									
Appropriation of reserve for business expansion	18	-	-	400,000	(400,000)	-	-	-	-
Dividend paid	18	-	-	-	(262,461)	-	(262,461)	(44)	(262,505)
Total comprehensive income		-	-	-	479,667	-	479,667	44	479,711
<b>Ending balance as at August 20, 2011</b>	<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,650,000</u>	<u>1,302,689</u>	<u>-</u>	<u>6,705,689</u>	<u>89</u>	<u>6,705,778</u>
<b>Beginning balance as at February 21, 2012</b>	250,000	478,000	25,000	4,650,000	721,927	176	6,125,103	89	6,125,192
Changes during the period									
Appropriation of reserve for business expansion	18	-	-	200,000	(200,000)	-	-	-	-
Dividend paid	18	-	-	-	(262,208)	-	(262,208)	(30)	(262,238)
Total comprehensive income		-	-	-	655,426	649	656,075	30	656,105
<b>Ending balance as at August 20, 2012</b>	<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>915,145</u>	<u>825</u>	<u>6,518,970</u>	<u>89</u>	<u>6,519,059</u>

See condensed notes to the financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

FOR THE SIX-MONTH PERIODS ENDED AUGUST 20, 2012 AND 2011

"UNAUDITED"

BAHT : '000

	Notes	SEPARATE FINANCIAL STATEMENTS				Total shareholder's equity	
		Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Retained earnings Appropriated Reserve for business expansion		Unappropriated
<b>Beginning balance as at February 21, 2011</b>		250,000	478,000	25,000	4,250,000	1,458,982	6,461,982
Changes during the period							
Appropriation of reserve for business expansion	18	-	-	-	400,000	(400,000)	-
Dividend paid	18	-	-	-	-	(262,461)	(262,461)
Total comprehensive income		-	-	-	-	499,991	499,991
<b>Ending balance as at August 20, 2011</b>		<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,650,000</u>	<u>1,296,512</u>	<u>6,699,512</u>
<b>Beginning balance as at February 21, 2012</b>		250,000	478,000	25,000	4,650,000	728,000	6,131,000
Changes during the period							
Appropriation of reserve for business expansion	18	-	-	-	200,000	(200,000)	-
Dividend paid	18	-	-	-	-	(262,208)	(262,208)
Total comprehensive income		-	-	-	-	662,907	662,907
<b>Ending balance as at August 20, 2012</b>		<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>928,699</u>	<u>6,531,699</u>

See condensed notes to the financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIODS ENDED AUGUST 20, 2012 AND 2011

"UNAUDITED"

BAHT : '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2012	2011	2012	2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Income before income tax		853,152	682,828	782,044	610,032
Adjustments for:					
Bad debts and doubtful accounts		1,766,074	1,605,733	1,707,420	1,450,410
Depreciation		102,112	97,549	101,937	97,549
Amortization of cost of software		147,869	156,175	147,869	156,175
Employee benefit expense		3,687	2,608	3,675	2,608
Gain on sale of fixed assets		(62)	(44)	(62)	(44)
Loss on written-off fixed assets		167	-	-	-
Interest income		(3,119,799)	(2,882,131)	(2,451,528)	(2,133,324)
Dividend income		-	(440)	-	(440)
Finance cost		871,769	802,632	816,502	740,482
		<u>624,969</u>	<u>464,910</u>	<u>1,107,857</u>	<u>923,448</u>
Operating assets (increase) decrease					
Accounts receivable and other receivable		(5,126,316)	(3,806,709)	(10,163,014)	(10,144,585)
Other current assets		(3,010)	30,852	(2,248)	19,557
Other non-current assets		(6,303)	12,314	(6,303)	12,314
Operating liabilities increase (decrease)					
Accounts payable and other payable		42,576	(31,555)	41,828	(31,555)
Other current liabilities		(14,112)	(100,407)	(14,416)	(91,524)
Cash paid for operations		(4,482,196)	(3,430,595)	(9,036,296)	(9,312,345)
Proceeds from interest income		3,110,866	2,848,472	2,440,846	2,100,297
Finance cost paid		(849,388)	(799,535)	(793,441)	(736,858)
Income tax paid		(370,828)	(276,609)	(284,329)	(159,783)
Net cash used in operating activities		<u>(2,591,546)</u>	<u>(1,658,267)</u>	<u>(7,673,220)</u>	<u>(8,108,689)</u>

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE SIX-MONTH PERIODS ENDED AUGUST 20, 2012 AND 2011

"UNAUDITED"

BAHT : '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2012	2011	2012	2011
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceed from redemption of investment					
in bill of exchange		250,000	-	-	-
Cash paid for investment in subsidiary		-	(29,960)	-	(29,960)
Cash paid for purchases of fixed assets		(63,322)	(173,590)	(62,174)	(173,590)
Cash paid for investment in cost of software		(69,253)	(196,450)	(69,060)	(196,450)
Proceeds from sale of fixed assets		439	92	439	92
Dividends received		-	440	-	440
Net cash provided by (used in) investing activities		<u>117,864</u>	<u>(399,468)</u>	<u>(130,795)</u>	<u>(399,468)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from sale of additional revolving					
receivables under securitization projects		-	-	5,359,543	6,482,682
Proceeds from sale of written-off accounts receivable		228,360	-	228,360	-
Proceeds from subordinated lending		349,372	168,981	349,372	168,981
Proceeds from short-term loans from					
financial institutions		14,139,994	25,050,000	14,110,000	25,050,000
Cash payments for short-term loans					
from financial institutions		(13,196,355)	(25,430,000)	(13,190,000)	(25,430,000)
Proceeds from long-term debentures		-	456,450	-	456,450
Proceeds from long-term loans		4,936,500	5,359,299	4,936,500	5,359,299
Cash payments for long-term loans		(4,235,275)	(3,663,750)	(4,235,275)	(3,663,750)
Dividend paid		(262,238)	(240,139)	(262,208)	(240,095)
Net cash provided by financing activities		<u>1,960,358</u>	<u>1,700,841</u>	<u>7,296,292</u>	<u>8,183,567</u>
Net decrease in cash and cash equivalents		(513,324)	(356,894)	(507,723)	(324,590)
Increased in exchange differences on translating					
financial statements of a foreign operation		649	-	-	-
Cash and cash equivalents as at February 21,		<u>1,638,842</u>	<u>1,873,954</u>	<u>1,491,204</u>	<u>1,693,216</u>
<b>Cash and cash equivalents as at August 20,</b>	4.1	<u><u>1,126,167</u></u>	<u><u>1,517,060</u></u>	<u><u>983,481</u></u>	<u><u>1,368,626</u></u>

See condensed notes to the financial statements

**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
CONDENSED NOTES TO THE FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED AUGUST 20, 2012 AND 2011  
"UNAUDITED"**

**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 head 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.

As at August 20, 2012 and February 20, 2012, the Company has 95 branches and 87 branches, respectively.

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 2.4 and 8.1).

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. 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. At present, ESPT is in the process of liquidation (see Notes 6.6 and 8.1).

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 2.4 and 8.1).

## 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 interim consolidated and separate financial statements are prepared in compliance with Thai Accounting Standard No. 34 (Revised 2009) “Interim Financial Reporting” and practices generally accepted in Thailand. The Company presents the condensed notes to interim financial statements. Additional information is disclosed in accordance with the regulations of the Securities and Exchange Commission.
- 2.3 The interim consolidated and separate financial statements for the three-month and six-month periods ended August 20, 2012 and 2011 are prepared by the management of the Company and are unaudited. However, in the opinion of the Company, all adjustments necessary for a fair presentation have been reflected therein.

The consolidated and separate statements of financial position as at February 20, 2012, presented herein for comparison, have been derived from the consolidated and separate financial statements of the Company for the year then ended which have been audited.

- 2.4 The interim consolidated financial statements for the three-month and six-month periods ended August 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 for the three-month and six-month periods ended August 20, are as follows:

	Business types	Countries of Registration	Registration Date	Percentage of holdings	
				2012	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	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.

- 2.5 Certain financial information which is normally included in the financial statements prepared in accordance with the Thai Financial Reporting Standards (TFRS), but which is not required for interim reporting purposes, has been omitted. In addition, the interim financial statements should be read in conjunction with the audited financial statements for the year ended February 20, 2012.
- 2.6 Preparation of financial statements in conformity with the Thai Financial Reporting Standards (TFRS), requires the Company's management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities. Although management has exercised judgment reasonably on these matters under the current events, actual result may differ from such estimates.
- 2.7 The results of operations for the three-month and six-month periods ended August 20, 2012 and 2011 are not necessarily indicative of the operating results anticipated for the full year.
- 2.8 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 Financial Reporting Standards (TFRS)**

TFRS 8	Operating segment
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**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' managements will adopt the above TFRS 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 managements have assessed the effects of these TFRS and believe 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 had early adopted before it is effective.



### 3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the financial statements for the year ended February 20, 2012.

### 4. SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

4.1 Cash and cash equivalents as at August 20, are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2012	2011	2012	2011
	Baht '000	Baht '000	Baht '000	Baht '000
Cash	749,609	692,810	748,911	692,810
Deposits at bank - call deposits	826,558	824,250	684,570	675,816
	<u>1,576,167</u>	<u>1,517,060</u>	<u>1,433,481</u>	<u>1,368,626</u>
<u>Less</u> Bank overdraft	(450,000)	-	(450,000)	-
Cash and cash equivalents	<u>1,126,167</u>	<u>1,517,060</u>	<u>983,481</u>	<u>1,368,626</u>

4.2 Cash paid for purchase of equipment and cost of software for the six-month periods ended August 20, are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2012	2011	2012	2011
	Baht '000	Baht '000	Baht '000	Baht '000
Equipment				
Liabilities recorded - brought forward	66,277	37,249	66,277	37,249
Purchase of equipment	67,736	206,118	66,588	206,118
Increase (decrease) in deposits for equipment	2,433	(4,639)	2,433	(4,639)
	<u>136,446</u>	<u>238,728</u>	<u>135,298</u>	<u>238,728</u>
<u>Less</u> Cash paid for purchase of equipment and deposits for equipment	(63,322)	(173,590)	(62,174)	(173,590)
Liabilities recorded - carried forward	<u>73,124</u>	<u>65,138</u>	<u>73,124</u>	<u>65,138</u>
Cost of software				
Liabilities recorded - brought forward	15,609	7,534	15,609	7,534
Purchase of software	64,528	216,468	64,335	216,468
	<u>80,137</u>	<u>224,002</u>	<u>79,944</u>	<u>224,002</u>
<u>Less</u> Cash paid for investment in cost of software	(69,253)	(196,450)	(69,060)	(196,450)
Liabilities recorded - carried forward	<u>10,884</u>	<u>27,552</u>	<u>10,884</u>	<u>27,552</u>

4.3 During the six-month periods ended August 20, 2012 and 2011, the Company had non-cash items relating to sales of the right on credit card receivables as the Company sold additional revolving credit card receivables to subsidiaries during the revolving period which were settled by increasing the Seller Participation Account of Baht 1,185 million and Baht 1,649 million, respectively, instead of cash receipt.

## 5. INVESTMENTS IN BILLS OF EXCHANGE

As at February 20, 2012, the subsidiary invested in bills of exchange from a financial institution in Thailand in the amount of Baht 250.00 million carrying interest rate at the range of 2.79% - 3.15% per annum with maturity date within July 2012. As at August 20, 2012, the subsidiary has already received the repayment of the investment in bills of exchange in full.

## 6. ACCOUNTS RECEIVABLE - NET

6.1 Accounts receivable - net consist of:

	CONSOLIDATED FINANCIAL STATEMENTS					
	As at August 20, 2012			As at February 20, 2012		
	Due within 1 year Baht '000	Due after 1 year Baht '000	Total Baht '000	Due within 1 year Baht '000	Due after 1 year Baht '000	Total Baht '000
<b>Hire-purchase receivable</b>						
Hire-purchase and accrued interest receivable	813,029	356,301	1,169,330	1,170,810	314,625	1,485,435
<u>Less</u> Unearned financing income	(157,170)	(48,977)	(206,147)	(171,763)	(41,229)	(212,992)
	655,859	307,324	963,183	999,047	273,396	1,272,443
<u>Less</u> Allowance for doubtful accounts	(45,004)	(12)	(45,016)	(97,843)	-	(97,843)
Hire-purchase and accrued interest receivable - net	610,855	307,312	918,167	901,204	273,396	1,174,600
<b>Loans receivable</b>						
Loans and accrued interest receivable	26,397,456	601,813	26,999,269	24,937,716	670,984	25,608,700
<u>Less</u> Allowance for doubtful accounts	(1,570,926)	-	(1,570,926)	(1,720,738)	-	(1,720,738)
Loans and accrued interest receivable - net	24,826,530	601,813	25,428,343	23,216,978	670,984	23,887,962
<b>Credit card receivable</b>						
Credit card and accrued interest receivable	13,733,302	-	13,733,302	11,824,104	-	11,824,104
<u>Less</u> Allowance for doubtful accounts	(565,732)	-	(565,732)	(675,444)	-	(675,444)
Credit card and accrued interest receivable - net	13,167,570	-	13,167,570	11,148,660	-	11,148,660
<b>Total accounts receivable - net</b>	<b>38,604,955</b>	<b>909,125</b>	<b>39,514,080</b>	<b>35,266,842</b>	<b>944,380</b>	<b>36,211,222</b>

SEPARATE FINANCIAL STATEMENTS						
As at August 20, 2012			As at February 20, 2012			
	Due within 1 year	Due after 1 year	Total	Due within 1 year	Due after 1 year	Total
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
<b>Hire-purchase receivable</b>						
Hire-purchase and accrued interest receivable	810,252	323,179	1,133,431	1,165,460	312,599	1,478,059
Less Unearned financing income	(157,170)	(48,977)	(206,147)	(171,763)	(41,229)	(212,992)
	653,082	274,202	927,284	993,697	271,370	1,265,067
Less Allowance for doubtful accounts	(44,999)	-	(44,999)	(97,843)	-	(97,843)
Hire-purchase and accrued interest receivable - net	608,083	274,202	882,285	895,854	271,370	1,167,224
<b>Loans receivable</b>						
Loans and accrued interest receivable	26,397,456	601,813	26,999,269	24,937,716	670,984	25,608,700
Less Allowance for doubtful accounts	(1,570,926)	-	(1,570,926)	(1,720,738)	-	(1,720,738)
Loans and accrued interest receivable - net	24,826,530	601,813	25,428,343	23,216,978	670,984	23,887,962
<b>Credit card receivable</b>						
Credit card and accrued interest receivable	11,207,013	-	11,207,013	10,198,022	-	10,198,022
Less Allowance for doubtful accounts	(343,890)	-	(343,890)	(401,440)	-	(401,440)
Credit card and accrued interest receivable - net	10,863,123	-	10,863,123	9,796,582	-	9,796,582
<b>Total accounts receivable - net</b>	<b>36,297,736</b>	<b>876,015</b>	<b>37,173,751</b>	<b>33,909,414</b>	<b>942,354</b>	<b>34,851,768</b>

6.2 Hire-purchase and loan receivables classified by revenue recognition policies are as follows:

CONSOLIDATED FINANCIAL STATEMENTS						
As at August 20, 2012			As at February 20, 2012			
	Effective rate Method	Sum-of-digit Method	Total	Effective rate Method	Sum-of-digit Method	Total
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
<b>Hire-purchase receivable</b>						
Hire-purchase and accrued interest receivable	1,167,991	1,339	1,169,330	1,483,692	1,743	1,485,435
Less Unearned financing income	(206,044)	(103)	(206,147)	(212,887)	(105)	(212,992)
	961,947	1,236	963,183	1,270,805	1,638	1,272,443
Less Allowance for doubtful accounts	(43,887)	(1,129)	(45,016)	(96,617)	(1,226)	(97,843)
Hire-purchase and accrued interest receivable - net	918,060	107	918,167	1,174,188	412	1,174,600
<b>Loans receivable</b>						
Loans and accrued interest receivable	26,998,300	969	26,999,269	25,607,731	969	25,608,700
Less Allowance for doubtful accounts	(1,569,957)	(969)	(1,570,926)	(1,719,769)	(969)	(1,720,738)
Loan and accrued interest receivable - net	25,428,343	-	25,428,343	23,887,962	-	23,887,962

SEPARATE FINANCIAL STATEMENTS

	As at August 20, 2012			As at February 20, 2012		
	Effective rate	Sum-of-digit	Total	Effective rate	Sum-of-digit	Total
	Method	Method		Method	Method	
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
<b>Hire-purchase receivable</b>						
Hire-purchase and accrued interest receivable	1,132,092	1,339	1,133,431	1,476,315	1,744	1,478,059
<u>Less</u> Unearned financing income	(206,044)	(103)	(206,147)	(212,886)	(106)	(212,992)
	926,048	1,236	927,284	1,263,429	1,638	1,265,067
<u>Less</u> Allowance for doubtful accounts	(43,870)	(1,129)	(44,999)	(96,617)	(1,226)	(97,843)
Hire-purchase and accrued interest receivable - net	882,178	107	882,285	1,166,812	412	1,167,224
<b>Loans receivable</b>						
Loans and accrued interest receivable	26,998,300	969	26,999,269	25,607,731	969	25,608,700
<u>Less</u> Allowance for doubtful accounts	(1,569,957)	(969)	(1,570,926)	(1,719,769)	(969)	(1,720,738)
Loan and accrued interest receivable - net	25,428,343	-	25,428,343	23,887,962	-	23,887,962

### 6.3 Quality of assets

Accounts receivable classified by aging are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	August 20, 2012	February 20, 2012	August 20, 2012	February 20, 2012
	Baht '000	Baht '000	Baht '000	Baht '000
Less than 3 months	40,108,171	37,353,490	37,669,560	35,809,141
3 months up	1,587,583	1,351,757	1,464,006	1,262,648
Total	41,695,754	38,705,247	39,133,566	37,071,789
<u>Less</u> Allowance for doubtful accounts	(2,181,674)	(2,494,025)	(1,959,815)	(2,220,021)
Total accounts receivable – net	39,514,080	36,211,222	37,173,751	34,851,768

### 6.4 Troubled debt restructuring

For the three-month periods ended August 20, 2012 and 2011, the Company had recognized interest income on restructured debts totaling Baht 21.37 million and Baht 10.35 million, respectively.

For the six-month periods ended August 20, 2012 and 2011, the Company had recognized interest income on restructured debts totaling Baht 71.19 million and Baht 170.02 million, respectively.

The Company had the outstanding debts as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	As at August 20, 2012		As at February 20, 2012	
	Number of debtors	Amount Baht '000	Number of debtors	Amount Baht '000
Restructured accounts receivable	37,632	1,147,466	27,958	951,723
Non-restructured accounts receivable	3,000,844	40,548,288	2,942,667	37,753,524
Total accounts receivable	<u>3,038,476</u>	<u>41,695,754</u>	<u>2,970,625</u>	<u>38,705,247</u>

	SEPARATE FINANCIAL STATEMENTS			
	As at August 20, 2012		As at February 20, 2012	
	Number of debtors	Amount Baht '000	Number of debtors	Amount Baht '000
Restructured accounts receivable	37,632	1,147,466	27,958	951,723
Non-restructured accounts receivable	2,768,705	37,986,100	2,699,224	36,120,066
Total accounts receivable	<u>2,806,337</u>	<u>39,133,566</u>	<u>2,727,182</u>	<u>37,071,789</u>

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

#### 6.5 Allowance for doubtful accounts

	CONSOLIDATED FINANCIAL STATEMENTS		SEPERATE FINANCIAL STATEMENTS	
	As at August 20, 2012	As at February 20, 2012	As at August 20, 2012	As at February 20, 2012
	Baht '000	Baht '000	Baht '000	Baht '000
Beginning balance	2,494,025	1,162,182	2,220,021	1,076,818
Bad debts and doubtful accounts	1,766,074	4,530,132	1,707,420	4,062,915
Bad debts written off	<u>(2,078,425)</u>	<u>(3,198,289)</u>	<u>(1,967,626)</u>	<u>(2,919,712)</u>
Ending balance	<u>2,181,674</u>	<u>2,494,025</u>	<u>1,959,815</u>	<u>2,220,021</u>

During October and November 2011, many areas in Thailand had severe flooding. The situation had impacted customer's ability to repay loan of the Company and domestic subsidiaries. The Company and domestic subsidiaries had assessed the impact that the flooding situation might 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 in the consolidated and separate financial statements, respectively, as at February 20, 2012.

Subsequently, as at August 20, 2012, the Company and domestic subsidiaries reduced the allowance for doubtful accounts for those customers estimated to be impacted by Baht 499.78 million and Baht 430.80 million in the consolidated and separate statement of income for the six-month period ended August 20, 2012, respectively. As at August 20, 2012, the Company and domestic subsidiaries have the allowance for doubtful accounts for those customers of Baht 923.20 million and Baht 775.27 million, in the consolidated and separate financial statements, respectively.

## 6.6 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:

		ESPT*	Eternal 4**	Eternal 5***
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 10)	Baht	370, 000,000	744, 000,000	1,438,000,000
Minimum seller participation - pari passu with debentures (see Note 9)	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% per annum	18% per annum	20% per annum

\* 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 tax other than corporate income tax and special business tax.

On May 10, 2011, ESPT redeemed the remaining 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. On February 20, 2012, the Extraordinary Shareholders' Meetings of ESPT had passed the resolutions to approve the dissolution and liquidation. At present, ESPT is in the process of liquidation.

For the three-month and six-month periods ended August 20, 2012 and 2011, transactions relating to the transfer of financial assets under the securitization projects are summarized as follows:

	For the three-month periods ended August 20,		For the six-month periods ended August 20,	
	2012 Million Baht	2011 Million Baht	2012 Million Baht	2011 Million Baht
Transfers of future credit card receivables (at book value)				
- Credit card receivable (ESPT)	-	-	-	632
- Credit card receivable (Eternal 4)	900	936	1,801	1,958
- Credit card receivable (Eternal 5)	1,779	1,828	3,558	3,893
	<u>2,679</u>	<u>2,764</u>	<u>5,359</u>	<u>6,483</u>
Cash collection on behalf of				
- Credit card receivable (ESPT)	-	-	-	624
- Credit card receivable (Eternal 4)	1,013	1,073	2,012	2,110
- Credit card receivable (Eternal 5)	1,987	2,126	3,957	4,185
	<u>3,000</u>	<u>3,199</u>	<u>5,969</u>	<u>6,919</u>
Servicing income on cash collection from the SPV				
- Credit card receivable (ESPT)	-	-	-	21
- Credit card receivable (Eternal 4)	37	38	72	73
- Credit card receivable (Eternal 5)	71	74	140	144
	<u>108</u>	<u>112</u>	<u>212</u>	<u>238</u>

The outstanding receivables sold to Special Purpose Vehicles and managed by the Company are classified by aging as follows:

	<b>As at August 20, 2012 Million Baht</b>	<b>As at February 20, 2012 Million Baht</b>
Credit card receivables (included accrued interest income) - Eternal 4		
Less than 3 months	2,372	2,361
3 months up	41	32
	<u>2,413</u>	<u>2,393</u>
<u>Less</u> Allowance for doubtful accounts	<u>(70)</u>	<u>(92)</u>
	<u>2,343</u>	<u>2,301</u>
Credit card receivables (included accrued interest income) - Eternal 5		
Less than 3 months	4,707	4,701
3 months up	83	57
	<u>4,790</u>	<u>4,758</u>
<u>Less</u> Allowance for doubtful accounts	<u>(152)</u>	<u>(182)</u>
	<u>4,638</u>	<u>4,576</u>
<b>Total</b>	<u><u>6,981</u></u>	<u><u>6,877</u></u>

## 7. OTHER RECEIVABLES

Other receivables consist of:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	August 20,	February 20,	August 20,	February 20,
	2012	2012	2012	2012
	Baht '000	Baht '000	Baht '000	Baht '000
Other receivable - related parties (see Note 23.2.1)	9,283	9,726	82,834	44,019
Other receivable - other companies	166,751	353,857	165,605	352,446
Prepaid expense	49,563	24,454	49,260	24,156
Advance payment	4,037	2,843	3,559	2,468
<b>Total</b>	<u>229,634</u>	<u>390,880</u>	<u>301,258</u>	<u>423,089</u>



## 8. 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:

### 8.1 Investments in subsidiaries consist of:

	SEPARATE FINANCIAL STATEMENTS			
	As at August 20, 2012		As at February 20, 2012	
	% of Ownership	Cost Baht '000	% of Ownership	Cost Baht '000
Investments in subsidiaries (see Note 23.1)				
Eternal 3 Special Purpose Vehicle Company Limited	26.00	10.4	26.00	10.4
Eternal 4 Special Purpose Vehicle Company Limited	26.00	10.4	26.00	10.4
Eternal 5 Special Purpose Vehicle Company Limited	26.00	10.4	26.00	10.4
AEON Microfinance (Cambodia) Private Company Limited	100.00	29,960.0	100.00	29,960.0
<b>Total investments in subsidiaries</b>		<u>29,991.2</u>		<u>29,991.2</u>

On May 10, 2011, Eternal 3 Special Purpose Vehicle Company Limited (ESPT) redeemed the remaining 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 Note 6.6). On February 20, 2012, the Extraordinary Shareholders' Meetings of ESPT had passed the resolutions to approve the dissolution and liquidation. At present, ESPT is in the process of liquidation.

### 8.2 Long-term investments in related companies consist of:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	As at August 20, 2012		As at February 20, 2012	
	% of Ownership	Cost Baht '000	% of Ownership	Cost Baht '000
<b>General investments</b>				
Aeon (Thailand) Co., Ltd. (340,000 shares of Baht 100 each, Baht 25 called up)	8.50	8,500	8.50	8,500
PT. Aeon Credit Service Indonesia (173 shares of IDR 30 million each, fully paid, par value IDR 30 million)	5.18	19,072	5.18	19,072
AEON Credit Technology Systems (Philippines) Inc. (100,000 shares of PHP100 each, fully paid, par value of PHP 100)	10.00	7,645	10.00	7,645
ACS Trading Vietnam Co., Ltd. (20% of joint venture's ownership of VND 50,000 million, fully paid)	20.00	16,819	20.00	16,819
		<u>52,036</u>		<u>52,036</u>
<u>Less</u> Allowance for impairment of investment		<u>(8,500)</u>		<u>(8,500)</u>
<b>Total long-term investments in related parties</b>		<u>43,536</u>		<u>43,536</u>

8.3 Long-term investment in other company consists of:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	As at August 20, 2012		As at February 20, 2012	
	% of Ownership	Cost Baht '000	% of Ownership	Cost Baht '000
Eternal Special Purpose Vehicle Company Limited (ESPV)	26.00	10.4	26.00	10.4

ESPV were registered as special purpose companies under a securitization law on October 3, 2003. Subsequently, ESPV redeemed all debentures and the Company repurchased all outstanding receivables from ESPV which led to the end of the securitization projects of ESPV on May 12, 2008. On December 20, 2010, the Extraordinary Shareholders' Meeting of ESPV had passed the resolutions to approve the dissolution and liquidation which such company registered the dissolution with the Ministry of Commerce on December 20, 2010. At the present, such company is in the process of liquidation.

**9. PARTICIPATION IN SPECIAL PURPOSE VEHICLES FOR SECURITIZATION**

Participation in Special Purpose Vehicles for securitization is as follows:

	SEPARATE FINANCIAL STATEMENTS	
	As at August 20, 2012 Baht '000	As at February 20, 2012 Baht '000
Participation in Special Purpose Vehicles for securitization (see Note 23.2.1)		
Eternal 4 Special Purpose Vehicle Company Limited (Eternal 4)	2,250,787	1,408,705
Eternal 5 Special Purpose Vehicle Company Limited (Eternal 5)	794,732	451,724
Total	3,045,519	1,860,429
<u>Less</u> Current portion of Participation amounts in Special Purpose Vehicles for securitization	(2,250,787)	(1,408,705)
<b>Participation in Special Purpose Vehicle for Securitization - net</b>	<b>794,732</b>	<b>451,724</b>

On the contract dates under securitization projects, the Company received partial payments from Eternal 4 and Eternal 5 with seller participation accounts under securitization projects of 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 Eternal 4 and Eternal 5 not less than 3% of the aggregate of the outstanding principal amounts of the debentures and the subordinated loans of Eternal 4 and Eternal 5, of which such amounts will be repaid by cash approximately within 2012, and 2015, respectively, or when these projects end.

#### 10. SUBORDINATED LENDINGS

Subordinated lendings with Special Purpose Vehicles are as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at August 20, 2012 Baht '000	As at February 20, 2012 Baht '000
Subordinated lendings (see Note 23.2.1)		
Eternal 4 Special Purpose Vehicle Company Limited (Eternal 4)	243,158	592,530
Eternal 5 Special Purpose Vehicle Company Limited (Eternal 5)	1,438,000	1,438,000
Total	1,681,158	2,030,530
Less Current portion of subordinated lendings	(243,158)	(592,530)
<b>Subordinated lendings - net</b>	<u>1,438,000</u>	<u>1,438,000</u>

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 6.6). 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 August 20, 2012 and February 20, 2012, the Company received partial repayment of such subordinated lending.

On May 20, 2010, the Company entered into the subordinated bridging loan agreement with Eternal 5 amounting to Baht 1,438,000,000 for the purpose of partial payment of the Initial Credit Card Receivables from Eternal 5 under the provision of the Receivable Sale Agreement (see Note 6.6). 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 August 20, 2012 and February 20, 2012, the Company has not yet received any repayment of such subordinated lending.

## 11. DEFERRED TAX ASSETS - NET

Deferred tax assets - net consist of:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	August 20,	February 20,	August 20,	February 20,
	2012	2012	2012	2012
	Baht '000	Baht '000	Baht '000	Baht '000
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	501,781	573,626	450,758	510,605
Non-accrual of interest income	64,457	44,542	62,889	43,814
Employee benefit obligation	5,977	5,242	5,977	5,242
Others	9,882	9,264	9,884	9,266
	<u>582,097</u>	<u>632,674</u>	<u>529,508</u>	<u>568,927</u>
<b>Deferred tax liabilities</b>				
Unrealized loss on currency swap contracts	79,352	81,011	79,352	81,011
	<u>79,352</u>	<u>81,011</u>	<u>79,352</u>	<u>81,011</u>
<b>Deferred tax assets – net</b>	<u>502,745</u>	<u>551,663</u>	<u>450,156</u>	<u>487,916</u>

The movements of deferred tax assets and deferred tax liabilities for the six-month period ended August 20, 2012 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	As at	Items as	Items as	As at
	February 20,	recognized in	recognized	August 20,
	2012	profit or loss	in other	2012
			comprehensive	
			income	
	Baht '000	Baht '000	Baht '000	Baht '000
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	573,626	(71,845)	-	501,781
Non-accrual of interest income	44,542	19,915	-	64,457
Employee benefit obligation	5,242	735	-	5,977
Others	9,264	618	-	9,882
	<u>632,674</u>	<u>(50,577)</u>	<u>-</u>	<u>582,097</u>
<b>Deferred tax liabilities</b>				
Unrealized loss on currency swap contracts	81,011	(1,659)	-	79,352
	<u>81,011</u>	<u>(1,659)</u>	<u>-</u>	<u>79,352</u>
<b>Deferred tax assets – net</b>	<u>551,663</u>	<u>(48,918)</u>	<u>-</u>	<u>502,745</u>

	SEPARATE FINANCIAL STATEMENTS			
	As at February 20, 2012	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at August 20, 2012
	Baht '000	Baht '000	Baht '000	Baht '000
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	510,605	(59,847)	-	450,758
Non-accrual of interest income	43,814	19,075	-	62,889
Employee benefit obligation	5,242	735	-	5,977
Others	9,266	618	-	9,884
	<u>568,927</u>	<u>(39,419)</u>	<u>-</u>	<u>529,508</u>
<b>Deferred tax liabilities</b>				
Unrealized loss on currency swap contracts	81,011	(1,659)	-	79,352
	<u>81,011</u>	<u>(1,659)</u>	<u>-</u>	<u>79,352</u>
<b>Deferred tax assets – net</b>	<u>487,916</u>	<u>(37,760)</u>	<u>-</u>	<u>450,156</u>

The movements of deferred tax assets and deferred tax liabilities for the year ended February 20, 2012 are as follows:

	CONSOLIDATED 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 '000	Baht '000	Baht '000	Baht '000
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	348,655	224,971	-	573,626
Non-accrual of interest income	25,899	18,643	-	44,542
Employee benefit obligation	5,630	(388)	-	5,242
Others	9,655	(391)	-	9,264
	<u>389,839</u>	<u>242,835</u>	<u>-</u>	<u>632,674</u>
<b>Deferred tax liabilities</b>				
Unrealized loss on currency swap contracts	115,359	(34,348)	-	81,011
	<u>115,359</u>	<u>(34,348)</u>	<u>-</u>	<u>81,011</u>
<b>Deferred tax assets - net</b>	<u>274,480</u>	<u>277,183</u>	<u>-</u>	<u>551,663</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 '000	Baht '000	Baht '000	Baht '000
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	323,046	187,559	-	510,605
Non-accrual of interest income	25,019	18,795	-	43,814
Employee benefit obligation	5,630	(388)	-	5,242
Others	9,654	(388)	-	9,266
	<u>363,349</u>	<u>205,578</u>	<u>-</u>	<u>568,927</u>
<b>Deferred tax liabilities</b>				
Unrealized loss on currency swap contracts	115,359	(34,348)	-	81,011
	<u>115,359</u>	<u>(34,348)</u>	<u>-</u>	<u>81,011</u>
<b>Deferred tax assets - net</b>	<u>247,990</u>	<u>239,926</u>	<u>-</u>	<u>487,916</u>

## 12. OTHER NON-CURRENT ASSETS

Other non-current assets consist of the following:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at August 20, 2012 Baht '000	As at February 20, 2012 Baht '000
Deposits	110,266	101,530
Others	11,969	20,644
<b>Total</b>	<u>122,235</u>	<u>122,174</u>

## 13. BANK OVERDRAFT AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Bank overdraft and short-term loans from financial institutions consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS					
	As at August 20, 2012			As at February 20, 2012		
	Interest rate %	Foreign currency Million	Baht Equivalent Baht '000	Interest rate %	Foreign currency Million	Baht Equivalent Baht '000
Bank overdraft in THB currency	3.02		450,000	-		-
Loan in THB currency	3.10 - 3.15		1,530,000	3.10 - 3.15		610,000
Loan in USD currency	1.08 - 1.34	0.75	23,639	-	-	-
<b>Total</b>			<u>2,003,639</u>			<u>610,000</u>

	SEPARATE FINANCIAL STATEMENTS			
	As at August 20, 2012		As at February 20, 2012	
	Interest rate %	Baht '000	Interest rate %	Baht '000
Bank overdraft in THB currency	3.02	450,000	-	-
Loan in THB currency	3.10 - 3.15	1,530,000	3.10 - 3.15	610,000
<b>Total</b>		<u>1,980,000</u>		<u>610,000</u>

Bank overdraft and short-term loans are unsecured loans. Short-term loans from financial institutions are short-term loans from various financial institutions in the form of promissory notes.

#### 14. OTHER PAYABLES

Other payables consist of:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	August 20, 2012	February 20, 2012	August 20, 2012	February 20, 2012
	Baht '000	Baht '000	Baht '000	Baht '000
Other payable - related parties (see Note 23.2.1)	41,203	41,559	738,684	232,968
Other payable - other companies	224,288	193,014	223,635	192,399
Interest payable	305,947	270,002	303,246	266,621
Accrued expenses	318,218	271,803	312,321	264,765
<b>Total</b>	<b>889,656</b>	<b>776,378</b>	<b>1,577,886</b>	<b>956,753</b>

#### 15. LONG-TERM LOANS

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

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
As at August 20, 2012			
Interest rate	Foreign Currency	Baht Equivalent	
%	Million	Baht '000	
Loan in YEN currency	2.83 - 6.61	21,500.00	8,622,833
Loan in USD currency	2.59 - 4.60	483.85	15,313,853
Loan in THB currency	3.65 - 5.30		9,440,000
<u>Less</u> Loan issuance cost			(92,288)
			33,284,398
<u>Less</u> Current portion of long-term loans			(13,593,915)
<b>Total long-term loans - net</b>			<b>19,690,483</b>

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
As at February 20, 2012			
Interest rate	Foreign Currency	Baht Equivalent	
%	Million	Baht '000	
Loan in YEN currency	2.83 - 6.61	26,750.00	10,534,739
Loan in USD currency	2.59 - 4.60	353.85	10,955,373
Loan in THB currency	3.80 - 5.52		10,890,000
<u>Less</u> Loan issuance cost			(72,853)
			32,307,259
<u>Less</u> Current portion of long-term loans			(9,735,496)
<b>Total long-term loans - net</b>			<b>22,571,763</b>

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

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
As at August 20, 2012				
	Principal to be received/ paid Baht '000	Carrying amount		Total Baht '000
		Less than 1 year Baht '000	1 - 5 years Baht '000	
<b>Receivable per currency swap</b>				
Cross Currency Swap Agreements				
YEN currency	1,840,681	90,305	74,324	164,629
USD currency	583,050	-	34,125	34,125
Cross Currency Interest Rate Swap Agreements				
YEN currency	5,945,180	552,321	120,022	672,343
USD currency	11,963,944	-	415,954	415,954
	<u>20,332,855</u>	<u>642,626</u>	<u>644,425</u>	<u>1,287,051</u>
<b>Payable per currency swap</b>				
Cross Currency Interest Rate Swap Agreements				
USD currency	2,475,480	(158,700)	-	(158,700)
	<u>2,475,480</u>	<u>(158,700)</u>	<u>-</u>	<u>(158,700)</u>

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
As at February 20, 2012				
	Principal to be received/ paid Baht '000	Carrying amount		Total Baht '000
		Less than 1 year Baht '000	1 - 5 years Baht '000	
<b>Receivable per currency swap</b>				
Cross Currency Swap Agreements				
YEN currency	1,840,681	34,293	94,136	128,429
USD currency	583,050	-	20,680	20,680
Cross Currency Interest Rate Swap Agreements				
YEN currency	7,830,455	182,290	552,883	735,173
USD currency	6,996,844	-	159,676	159,676
Interest Rate Swap Agreements				
THB currency	2,450,000	5,674	-	5,674
	<u>19,701,030</u>	<u>222,257</u>	<u>827,375</u>	<u>1,049,632</u>
<b>Payable per currency swap</b>				
Cross Currency Interest Rate Swap Agreements				
USD currency	3,406,080	(209,171)	(1,785)	(210,956)
Interest Rate Swap Agreements				
THB currency	2,740,000	(16,572)	-	(16,572)
	<u>6,146,080</u>	<u>(225,743)</u>	<u>(1,785)</u>	<u>(227,528)</u>



## 16. LONG-TERM DEBENTURES

Long-term debentures represent unsubordinated and unsecured debentures 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	
								As at August 20, 2012	As at February 20, 2012
								Baht '000	Baht '000
25/08/2008	25/08/2012	1,000,000	THB	1,000	1,000,000,000	5.20	Semi-annual	1,000,000	1,000,000
30/07/2010	30/07/2015	20	USD	1,000,000	20,000,000	USD-LIBOR 6M + 0.50	Semi-annual	633,000	619,210
14/07/2011	14/07/2016	15	USD	1,000,000	15,000,000	USD-LIBOR 6M + 0.30	Semi-annual	474,750	464,408
16/12/2011	16/12/2016	20	USD	1,000,000	20,000,000	USD-LIBOR 6M + 0.80	Semi-annual	633,000	619,210
								2,740,750	2,702,828
<u>Less</u>	Debenture issuance cost							(34,640)	(41,629)
								2,706,110	2,661,199
<u>Less</u>	Current portion of long-term debentures							(999,948)	(997,576)
	<b>Long-term debentures - net</b>							<b>1,706,162</b>	<b>1,663,623</b>

- (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. The Company repaid such debenture 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”). Subsequently on August 27, 2012, the Company has repaid such debenture in full.

- (2) 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.

- (3) 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.

- (4) 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.

- (5) On June 14, 2012, the Company's Annual General Meeting of shareholders of 2012 had the resolution for the Issuance and Offering of unsubordinated debentures in an issuing amount not exceeding Baht 3 billion or equivalent amount for sale to specific investors and/or institutional investors 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. As at August 20, 2012, the Company has not issued such debenture.

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 August 20, 2012</b>				
	<b>Principal to be received/ paid</b>	<b>Carrying amount</b>		
		<b>Less than 1 year</b>	<b>1 - 5 years</b>	<b>Total</b>
	<b>Baht '000</b>	<b>Baht '000</b>	<b>Baht '000</b>	<b>Baht '000</b>
<b>Receivable per currency swap</b>				
Cross Currency Interest Rate Swap Agreements				
USD currency	1,082,050	-	25,700	25,700
	<u>1,082,050</u>	<u>-</u>	<u>25,700</u>	<u>25,700</u>
<b>Payable per currency swap</b>				
Cross Currency Interest Rate Swap Agreements				
USD currency	646,000	-	(13,000)	(13,000)
	<u>646,000</u>	<u>-</u>	<u>(13,000)</u>	<u>(13,000)</u>

<b>CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS</b>				
<b>As at February 20, 2012</b>				
	<b>Principal to be received/ paid</b>	<b>Carrying amount</b>		
		<b>Less than 1 year</b>	<b>1 - 5 years</b>	<b>Total</b>
	<b>Baht '000</b>	<b>Baht '000</b>	<b>Baht '000</b>	<b>Baht '000</b>
<b>Receivable per currency swap</b>				
Cross Currency Interest Rate Swap Agreements				
USD currency	456,450	-	7,958	7,958
	<u>456,450</u>	<u>-</u>	<u>7,958</u>	<u>7,958</u>
<b>Payable per currency swap</b>				
Cross Currency Interest Rate Swap Agreements				
USD currency	1,271,600	-	(33,180)	(33,180)
	<u>1,271,600</u>	<u>-</u>	<u>(33,180)</u>	<u>(33,180)</u>

- (6) On June 25, 2007 and May 24, 2010, Eternal 4 Special Purpose Vehicle Company Limited and Eternal 5 Special Purpose Vehicle Company Limited, the Company's subsidiaries, issued the debentures of Baht 2,205 million and Baht 2,790 million, respectively, under the Securitization projects. Cash flows from a pool of credit card receivables will be used to make payments for the debentures. Interest on the debentures will be payable monthly commencing on 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. Subsequently on June 11, 2012, Eternal 4 Special Purpose Vehicle Co., Ltd. has redeemed additional debenture of Baht 500 million.

The subsidiaries' debentures are as follows:

Debenture Classes	Maturity date	Amount Baht '000	Interest rate %	As at	As at
				August 20, 2012 Baht '000	February 20, 2012 Baht '000
<b>Eternal 4 Special Purpose Vehicle Co., Ltd.</b>					
Class A-2	July 10, 2012	500,000	4.76	-	500,000
Class B	Gradually redeemable after July 10, 2012	205,000	4.76	205,000	205,000
				<u>205,000</u>	<u>705,000</u>
<b>Eternal 5 Special Purpose Vehicle Co., Ltd.</b>					
Class A-1	May 10, 2015	2,790,000	3.10	2,790,000	2,790,000
				<u>2,790,000</u>	<u>2,790,000</u>
				<u>2,995,000</u>	<u>3,495,000</u>

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

## 17. EMPLOYEE BENEFIT OBLIGATION

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

Amounts recognized in statement of income in respect of the post-employment benefit plans for the three-month and six-month periods ended August 20, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	For the three-month periods ended August 20,		For the six-month periods ended August 20,	
	2012	2011	2012	2011
	Baht '000	Baht '000	Baht '000	Baht '000
Current service cost	1,595	1,129	3,176	2,218
Interest cost	256	201	511	390
Total	<u>1,851</u>	<u>1,330</u>	<u>3,687</u>	<u>2,608</u>

	SEPARATE FINANCIAL STATEMENTS			
	For the three-month periods ended August 20,		For the six-month periods ended August 20,	
	2012	2011	2012	2011
	Baht '000	Baht '000	Baht '000	Baht '000
Current service cost	1,582	1,129	3,164	2,218
Interest cost	256	201	511	390
Total	<u>1,838</u>	<u>1,330</u>	<u>3,675</u>	<u>2,608</u>

Movements in the present value of the post-employment benefit obligation for the six-month period ended August 20, 2012 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS 2012 Baht '000	SEPARATE FINANCIAL STATEMENTS 2012 Baht '000
Beginning balance of employment benefit obligation	26,212	26,212
Current service cost	3,176	3,164
Interest cost	511	511
Ending balance of employment benefit obligation	<u>29,899</u>	<u>29,887</u>

Movements in the present value of the post-employment benefit obligation for the year ended February 20, 2012 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS 2012 Baht '000	SEPARATE FINANCIAL STATEMENTS 2012 Baht '000
Beginning balance of employment benefit obligation	18,769	18,769
Current service cost	6,654	6,654
Interest cost	789	789
Ending balance of employment benefit obligation	<u>26,212</u>	<u>26,212</u>

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

	<b>% per annum</b>
Financial assumptions	
Discount rate	3.87
Turnover rate	
Monthly staffs	8.0 - 13.0
	Subject to range of age of employees
Daily staffs	20.0 - 40.0
	Subject to range of age of employees
Expected rate of salary increase	5.0
Retirement age	60 years

## 18. SHAREHOLDERS' EQUITY

- 18.1 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 262.50 million. The aforementioned shareholders include 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 262.46 million on June 30, 2011.
- 18.2 On June 14, 2011, the Annual General Meeting of Shareholders had the resolutions to approve the following matters;
- The appropriation of net income of Baht 200 million as a reserve for business expansion.
  - The declaration of final dividends for the 2011 fiscal year at the rate of Baht 1.05 per share, amounting to Baht 262.50 million. The aforementioned shareholders include 277,805 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 262.21 million on June 28, 2012.
- 18.3 Under the Securitization project, the subsidiaries have to pay dividend to their shareholders from all remaining amounts after deducting the required accumulated reserves and payment of all fees and expenses. The subsidiaries appropriate interim dividends on a monthly basis at each Monthly Purchase Date as an appropriation of net profit after income tax of each month.

In addition, the subsidiaries' registered share capital comprises 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.

**19. EXCHANGE DIFFERENCES ON TRANSLATING FINANCIAL STATEMENTS OF A FOREIGN OPERATION**

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

	CONSOLIDATED FINANCIAL STATEMENTS	
	As at August 20, 2012 Baht '000	As at February 20, 2012 Baht '000
Beginning balance	176	-
Increase during the period	649	176
Ending balance	<u>825</u>	<u>176</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.

**20. 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 three-month and six-month periods ended August 20, 2012 and 2011, the details of revenues from securitization transaction consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS			
	For the three-month periods ended August 20,		For the six-month periods ended August 20,	
	2012 Baht '000	2011 Baht '000	2012 Baht '000	2011 Baht '000
Credit Card Income				
Dividend from investment in Special Purpose Vehicle	-	4	-	5,537
Total	<u>-</u>	<u>4</u>	<u>-</u>	<u>5,537</u>

	SEPARATE FINANCIAL STATEMENTS			
	For the three-month periods ended August 20,		For the six-month periods ended August 20,	
	2012 Baht '000	2011 Baht '000	2012 Baht '000	2011 Baht '000
Credit Card Income				
Interest income from subordinated lending	64,759	67,679	129,042	138,734
Revenue from seller participation in Special Purpose Vehicle	10,281	10,573	18,312	20,231
Dividend from investment in Special Purpose Vehicle	92,652	143,002	262,784	248,229
Servicing income	107,406	111,086	211,904	237,691
Total	<u>275,098</u>	<u>332,340</u>	<u>622,042</u>	<u>644,885</u>

## 21. 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 three-month and six-month periods ended August 20, 2012 and 2011, directors and managements' remuneration are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	For the three-month periods ended		For the six-month periods ended	
	August 20,		August 20,	
	2012	2011	2012	2011
	Baht '000	Baht '000	Baht '000	Baht '000
Short-term employee benefits				
Managements remuneration	15,528	11,846	31,052	22,136
Directors remuneration	1,393	5,845	7,214	6,400
Post-employment benefits	288	223	650	403
	<u>17,209</u>	<u>17,914</u>	<u>38,916</u>	<u>28,939</u>

	SEPARATE FINANCIAL STATEMENTS			
	For the three-month periods ended		For the six-month periods ended	
	August 20,		August 20,	
	2012	2011	2012	2011
	Baht '000	Baht '000	Baht '000	Baht '000
Short-term employee benefits				
Managements remuneration	15,174	11,846	28,976	22,136
Directors remuneration	810	5,845	6,605	6,400
Post-employment benefits	288	223	650	403
	<u>16,272</u>	<u>17,914</u>	<u>36,231</u>	<u>28,939</u>

For the three-month and six-month periods ended August 20, 2012 and 2011, directors' remunerations including in short-term employee benefits were approved by the ordinary shareholders' meetings of the Company held on June 14, 2012 and June 16, 2011, respectively.

## 22. CORPORATE INCOME TAX

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% for the accounting periods beginning on or after January 1, 2013 and 2014 only.

The Company and its local subsidiaries used tax rates of 23% and 30% for corporate income tax calculation for the three-month and six-month periods ended August 20, 2012 and 2011, respectively. The foreign subsidiary used 20% for corporate income tax calculation for the three-month and six-month period ended August 20, 2012.



The Company and its subsidiary used tax rates of 20% and 23% for calculation of deferred tax for the three-month and six-month period ended August 20, 2012 and used tax rate of 30% for calculation of deferred tax for the three-month and six-month period ended August 20, 2011.

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.

For the three-month and six-month periods ended August 20, 2012 and 2011, income tax consists of:

	CONSOLIDATED FINANCIAL STATEMENTS			
	For the three-month periods ended August 20,		For the six-month periods ended August 20,	
	2012	2011	2012	2011
	Baht '000	Baht '000	Baht '000	Baht '000
Current tax expense for the period	72,368	104,372	148,778	207,173
Deferred tax expense (revenue)	38,316	(463)	48,918	(4,056)
Income tax expense per income statements	<u>110,684</u>	<u>103,909</u>	<u>197,696</u>	<u>203,117</u>

	SEPARATE FINANCIAL STATEMENTS			
	For the three-month periods ended August 20,		For the six-month periods ended August 20,	
	2012	2011	2012	2011
	Baht '000	Baht '000	Baht '000	Baht '000
Current tax expense for the period	40,005	62,049	81,377	117,554
Deferred tax expense (revenue)	42,970	438	37,760	(7,513)
Income tax expense per income statements	<u>82,975</u>	<u>62,487</u>	<u>119,137</u>	<u>110,041</u>

Reconciliation of effective tax rates for the three-month and six-month periods ended August 20, 2012 and 2011 consists of:

	CONSOLIDATED FINANCIAL STATEMENTS							
	For the three-month periods ended August 20,				For the six-month periods ended August 20,			
	2012		2011		2012		2011	
	Baht '000	Tax rate %	Baht '000	Tax rate %	Baht '000	Tax rate %	Baht '000	Tax rate %
Profit before income tax	<u>479,243</u>		<u>357,885</u>		<u>853,152</u>		<u>682,828</u>	
Income tax at the domestic tax rate	110,226	23.00	107,365	30.00	196,225	23.00	204,848	30.00
Add Tax effect of income and expense that are not exempted from tax purposes	1,160	0.24	(117)	(0.03)	2,180	0.26	1,694	0.25
Less Tax effect of income and expense that are exempted from tax purposes	(702)	(0.15)	(3,339)	(0.93)	(709)	(0.08)	(3,425)	(0.50)
Income tax per income statements	<u>110,684</u>	<u>23.09</u>	<u>103,909</u>	<u>29.04</u>	<u>197,696</u>	<u>23.18</u>	<u>203,117</u>	<u>29.75</u>

	SEPARATE FINANCIAL STATEMENTS							
	For the three-month periods ended				For the six-month periods ended			
	August 20,				August 20,			
	2012		2011		2012		2011	
Baht	Tax rate	Baht	Tax rate	Baht	Tax rate	Baht	Tax rate	
'000	%	'000	%	'000	%	'000	%	
Profit before income tax	<u>455,862</u>		<u>336,788</u>		<u>782,044</u>		<u>610,032</u>	
Income tax at the domestic tax rate	104,848	23.00	101,036	30.00	179,870	23.00	183,010	30.00
<u>Add</u> Tax effect of income and expense that are not exempted from tax purposes	199	0.04	1,009	0.30	476	0.06	1,693	0.28
<u>Less</u> Tax effect of income and expense that are exempted from tax purposes	<u>(22,072)</u>	<u>(4.84)</u>	<u>(39,558)</u>	<u>(11.75)</u>	<u>(61,209)</u>	<u>(7.83)</u>	<u>(74,662)</u>	<u>(12.24)</u>
<b>Income tax per income statements</b>	<u><u>82,975</u></u>	<u><u>18.20</u></u>	<u><u>62,487</u></u>	<u><u>18.55</u></u>	<u><u>119,137</u></u>	<u><u>15.23</u></u>	<u><u>110,041</u></u>	<u><u>18.04</u></u>

### 23. 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:

#### 23.1 Investments in subsidiaries (see Note 8.1)

Related parties	Relationship	Paid-up Capital Baht '000	% Ownership	SEPARATE FINANCIAL STATEMENTS	
				As at	As at
				August 20, 2012	February 20, 2012
				Cost	Cost
				Baht '000	Baht '000
Eternal 3 Special Purpose Vehicle Company Limited	Subsidiary	40	26.0	10.4	10.4
Eternal 4 Special Purpose Vehicle Company Limited	Subsidiary	40	26.0	10.4	10.4
Eternal 5 Special Purpose Vehicle Company Limited	Subsidiary	40	26.0	10.4	10.4
AEON Microfinance (Cambodia) Private Company Limited	Subsidiary	29,960	100.0	<u>29,960.0</u>	<u>29,960.0</u>
				<u>29,991.2</u>	<u>29,991.2</u>

## 23.2 Business transactions with related parties

### 23.2.1 Balances with related parties

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		As at August 20, 2012 Baht '000	As at February 20, 2012 Baht '000	As at August 20, 2012 Baht '000	As at February 20, 2012 Baht '000
<b>Other Current Assets</b>					
<b>Other receivable</b> (see Note 7)					
Eternal Special Purpose Vehicle Company Limited	Related company	8,332	8,332	8,332	8,332
Eternal 3 Special Purpose Vehicle Company Limited	Subsidiary	-	-	4,801	4,812
Eternal 4 Special Purpose Vehicle Company Limited	Subsidiary	-	-	16,455	-
Eternal 5 Special Purpose Vehicle Company Limited	Subsidiary	-	-	52,295	29,481
Aeon Credit Service Company Limited	Major shareholder and one common director	59	-	59	-
ACS Capital Corporation Limited	Shareholder and three common directors	227	845	227	845
ACS Insurance Broker (Thailand) Co., Ltd.	Two common directors	216	23	216	23
ACS Servicing (Thailand) Co., Ltd.	Two common director	-	514	-	514
AEON Microfinance (Cambodia) Private Company Limited	Subsidiary	-	12	-	12
ACS Trading Vietnam Co., Ltd.	Holding shares and One common director	449	-	449	-
		<u>9,283</u>	<u>9,726</u>	<u>82,834</u>	<u>44,019</u>
<b>Participation in Special Purpose Vehicle for Securitization</b> (see Note 9)					
Eternal 4 Special Purpose Vehicle Company Limited	Subsidiary	-	-	2,250,787	1,408,705
Eternal 5 Special Purpose Vehicle Company Limited	Subsidiary	-	-	794,732	451,724
		-	-	<u>3,045,519</u>	<u>1,860,429</u>
<b>Subordinated lending</b> (see Note 10)					
Eternal 4 Special Purpose Vehicle Company Limited	Subsidiary	243,158	592,530	243,158	592,530
Eternal 5 Special Purpose Vehicle Company Limited	Subsidiary	1,438,000	1,438,000	1,438,000	1,438,000
		<u>1,681,158</u>	<u>2,030,530</u>	<u>1,681,158</u>	<u>2,030,530</u>
<b>Accounts payable</b>					
Aeon (Thailand) Co., Ltd.	Holding shares and two common directors	113	2,971	113	2,971
ACS Insurance Broker (Thailand) Co., Ltd.	Two common directors	53,218	49,171	53,218	49,171
ACS Life Insurance Broker (Thailand) Co., Ltd.	Two common directors	31,543	29,817	31,543	29,817
Jay Mart Public Company Limited	One common director	-	640	-	640
		<u>84,874</u>	<u>82,599</u>	<u>84,874</u>	<u>82,599</u>

Related parties	Relationship	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		August 20, 2012	February 20, 2012	August 20, 2012	February 20, 2012
		Baht '000	Baht '000	Baht '000	Baht '000
<b>Other payable</b> (see Note 14)					
Eternal 3 Special Purpose Vehicle Company Limited	Subsidiary	-	-	4,870	11,728
Eternal 4 Special Purpose Vehicle Company Limited	Subsidiary	-	-	342,702	119,079
Eternal 5 Special Purpose Vehicle Company Limited	Subsidiary	-	-	349,909	60,602
Aeon Credit Service Company Limited	Major shareholder and one common director	1,654	2,626	1,654	2,626
ACS Insurance Broker (Thailand) Co., Ltd.	Two common directors	5,227	4,263	5,227	4,263
ACS Capital Corporation Limited	Shareholder and three common directors	-	274	-	274
ACS Servicing (Thailand) Co., Ltd.	Two common director	28,103	29,369	28,103	29,369
Aeon (Thailand) Co., Ltd.	Holding shares and two common directors	108	13	108	13
ACS Life Insurance Broker (Thailand) Co., Ltd	Two common directors	6,111	5,014	6,111	5,014
		<u>41,203</u>	<u>41,559</u>	<u>738,684</u>	<u>232,968</u>

### 23.2.2 Transactions with related parties

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS			
		For the three-month periods		For the six-month periods	
		ended		ended	
		August 20,		August 20,	
		2012	2011	2012	2011
		Baht '000	Baht '000	Baht '000	Baht '000
<b>Credit card income</b>					
Aeon (Thailand) Company Limited	Holding shares and two common directors	-	112	-	408
<b>Revenue relating to securitization transaction</b> (including in credit card income)					
Eternal Credit Card Special Purpose Vehicle Company Limited	Related company	-	4	-	5,537
<b>Other income</b>					
ACS Capital Corporation Limited	Shareholder and three common directors	6,000	5,400	12,000	10,800
ACS Life Insurance Broker (Thailand) Company Limited	Two common directors	3,230	2,385	6,280	4,350
ACS Servicing (Thailand) Company Limited	Two common directors	1,800	1,800	3,600	3,600
ACS Insurance Broker (Thailand) Company Limited	Two common directors	2,814	3,673	5,507	7,473
ACS Credit Management Company Limited	Holding shares and one common director	-	-	-	440
ACS Trading Vietnam Co., Ltd.	Holding shares and one common director	420	-	420	-
		<u>14,264</u>	<u>13,258</u>	<u>27,807</u>	<u>26,663</u>

CONSOLIDATED FINANCIAL STATEMENTS					
Related parties	Relationship	For the three-month periods ended		For the six-month periods ended	
		August 20,		August 20,	
		2012	2011	2012	2011
		Baht '000	Baht '000	Baht '000	Baht '000
<b>Operating and administrative expenses</b>					
<b>Collection service fee</b>					
ACS Servicing (Thailand) Company Limited	Two common directors	80,305	69,017	141,736	125,915
<b>Others</b>					
Aeon Credit Service Company Limited	Major shareholder and one common director	6,733	8,565	13,778	16,290
Aeon (Thailand) Company Limited	Holding shares and two common directors	1,689	844	3,223	1,482
ACS Capital Corporation Limited	Shareholder and three common directors	5,801	4,093	10,954	7,930
Jay Mart Public Company Limited	One common director	3,439	1,549	5,954	2,786
Aeon Credit Technology System (Philippines)	Holding shares and one common director	2,233	5,823	4,524	10,564
		<u>100,200</u>	<u>89,891</u>	<u>180,169</u>	<u>164,967</u>

SEPARATE FINANCIAL STATEMENTS					
Related parties	Relationship	For the three-month periods ended		For the six-month periods ended	
		August 20,		August 20,	
		2012	2011	2012	2011
		Baht '000	Baht '000	Baht '000	Baht '000
<b>Credit card income</b>					
Aeon (Thailand) Company Limited	Holding shares and two common directors	-	112	-	408
<b>Revenue relating to securitization transaction</b> (including in credit card income)					
Eternal Credit Card Special Purpose Vehicle Company Limited	Related company	-	4	-	5,537
Eternal 3 Special Purpose Vehicle Company Limited	Subsidiary	-	24,277	-	79,297
Eternal 4 Special Purpose Vehicle Company Limited	Subsidiary	98,936	109,183	226,145	202,389
Eternal 5 Special Purpose Vehicle Company Limited	Subsidiary	176,152	198,878	395,897	357,662
		<u>275,088</u>	<u>332,342</u>	<u>622,042</u>	<u>644,885</u>
<b>Other income</b>					
ACS Capital Corporation Limited	Shareholder and three common directors	6,000	5,400	12,000	10,800
ACS Life Insurance Broker (Thailand) Company Limited	Two common directors	3,230	2,385	6,280	4,350
ACS Servicing (Thailand) Company Limited	Two common directors	1,800	1,800	3,600	3,600
ACS Insurance Broker (Thailand) Company Limited	Two common directors	2,814	3,673	5,507	7,473
ACS Credit Management Company Limited	Holding shares and one common director	-	-	-	440
ACS Trading Vietnam Co., Ltd.	Holding shares and one common director	420	-	420	-
		<u>14,264</u>	<u>13,258</u>	<u>27,807</u>	<u>26,663</u>

		SEPARATE FINANCIAL STATEMENTS			
		For the three-month		For the six-month	
		periods ended		periods ended	
		August 20,		August 20,	
Related parties	Relationship	2012	2011	2012	2011
		Baht '000	Baht '000	Baht '000	Baht '000
<b>Operating and administrative expenses</b>					
<b>Collection service fee</b>					
ACS Servicing (Thailand) Company Limited	Two common directors	80,305	69,017	141,736	125,915
<b>Others</b>					
Aeon Credit Service Company Limited	Major shareholder and one common director	4,968	8,565	10,776	16,290
Aeon (Thailand) Company Limited	Holding shares and two common directors	1,689	844	3,223	1,482
ACS Capital Corporation Limited	Shareholder and three common directors	5,801	4,093	10,954	7,930
Jay Mart Public Company Limited	One common director	3,439	1,549	5,954	2,786
Aeon Credit Technology System (Philippines)	Holding shares and one common director	2,233	5,823	4,524	10,564
		<u>98,435</u>	<u>89,891</u>	<u>177,167</u>	<u>164,967</u>

- For the three-month and six-month periods ended August 20, 2012 and 2011, other income includes the management and operating fees 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 6.6).
- Collection service fee paid to ACS Servicing (Thailand) Co., Ltd. is based on general market price and in the normal course of business.
- Management assistant fee is paid to Aeon Credit Service Company Limited as stated in the agreement.
- Pricing policy for other operating and administrative expenses is determined by the Company and related parties based on the cost plus basis.

## 24. FINANCIAL INFORMATION BY SEGMENT

The operations of the Company and its subsidiaries consist 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.

The financial information by geographical location of the Company and its subsidiaries is summarized as follows:

CONSOLIDATED FINANCIAL STATEMENTS						
For the three-month periods ended August 20,						
	2012			2011		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Total income	2,920,396	3,136	2,923,532	2,576,556	-	2,576,556
Total expenses	1,995,624	7,392	2,003,016	1,809,557	-	1,809,557
Net income (loss) before						
finance cost and income tax	924,772	(4,256)	920,516	766,999	-	766,999
Finance cost	441,237	36	441,273	409,114	-	409,114
Income tax expenses	110,650	34	110,684	103,909	-	103,909
Net income (loss) for the periods	372,885	(4,326)	368,559	253,976	-	253,976

CONSOLIDATED FINANCIAL STATEMENTS						
For the six-month periods ended August 20,						
	2012			2011		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Total income	5,709,246	4,907	5,714,153	5,048,791	-	5,048,791
Total expenses	3,976,934	12,298	3,989,232	3,563,331	-	3,563,331
Net income (loss) before						
finance cost and income tax	1,732,312	(7,391)	1,724,921	1,485,460	-	1,485,460
Finance cost	871,732	37	871,769	802,632	-	802,632
Income tax expenses	197,643	53	197,696	203,117	-	203,117
Net income (loss) for the years	662,937	(7,481)	655,456	479,711	-	479,711

CONSOLIDATED FINANCIAL STATEMENTS						
	As at August 20, 2012			As at February 20, 2012		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Total assets	46,131,649	44,891	46,176,540	43,584,461	25,308	43,609,769

SEPARATE FINANCIAL STATEMENTS						
For the three-month periods ended August 20,						
	2012			2011		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Total income	2,763,519	-	2,763,519	2,462,379	-	2,462,379
Total expenses	1,892,050	-	1,892,050	1,746,735	-	1,746,735
Net income before finance cost and income tax	871,469	-	871,469	715,644	-	715,644
Finance cost	415,608	-	415,608	378,856	-	378,856
Income tax expenses	82,975	-	82,975	62,487	-	62,487
Net income for the years	372,886	-	372,886	274,301	-	274,301

SEPARATE FINANCIAL STATEMENTS						
For the six-month periods ended August 20,						
	2012			2011		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Total income	5,477,206	-	5,477,206	4,713,906	-	4,713,906
Total expenses	3,878,660	-	3,878,660	3,363,392	-	3,363,392
Net income before finance cost and income tax	1,598,546	-	1,598,546	1,350,514	-	1,350,514
Finance cost	816,502	-	816,502	740,482	-	740,482
Income tax expenses	119,137	-	119,137	110,041	-	110,041
Net income for the years	662,907	-	662,907	499,991	-	499,991

SEPARATE FINANCIAL STATEMENTS						
	As at August 20, 2012			As at February 20, 2012		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Total assets	46,783,974	-	46,783,974	43,709,224	-	43,709,224

## 25. CREDIT FACILITIES AND LETTER OF GUARANTEE

25.1 As at August 20, 2012, the Company has the committed and unsecured revolving credit facility agreements with various financial institutions for general corporate funding requirements totaling Baht 770 million and JPY 10,000 million.

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

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

25.2 As at August 20, 2012 and February 20, 2012, the Company has unused overdraft facilities with various banks in the same amounts of Baht 145.10 million and Baht 95.10 million, respectively. Such overdraft facilities are unsecured.

25.3 As at August 20, 2012 and February 20, 2012, the Company has bank's letter of guarantees issued to suppliers for guarantee payment of Baht 6.60 million. Such letters of guarantees are unsecured.



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

- 26.1 The Company entered into the Receivables Sale and Purchase Agreements with Eternal 4 Special Purpose Vehicle Company Limited (Eternal 4) and Eternal 5 Special Purpose Vehicle Company Limited (Eternal 5) (the subsidiaries), on 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.
- 26.2 The Company entered into the Servicing Agreements with Eternal 4 and Eternal 5 (the subsidiaries) on 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 recordkeeping 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 and appointment of the substitute servicer.

## **27. SALES OF WRITTEN-OFF ACCOUNTS RECEIVABLE**

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 the “Asset Sale and Purchase Agreement” with the buyer. The agreement sets out the conditions and terms in respect of the sales, assignment and conveyance of the Company’s rights, title, claim, obligation, liability and interest in the written-off 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 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.

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 are 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.

During the six-month period ended August 20, 2012, the Company has already received cash proceeds of the remaining balance in full.

## **28. EVENTS AFTER THE REPORTING PERIOD**

On September 1, 2012, the Company entered into a share sale and purchase agreement with ACS Capital Corporation Limited (“ACS Capital”), which is a major shareholder for the acquisition of 99.99% shares in 3 related companies, ACS Insurance Broker (Thailand) Company Limited (ACSB), ACS Life Insurance Broker (Thailand) Company Limited (ACSL) and ACS Servicing (Thailand) Company Limited (ACSS) from ACS Capital according to the resolution the Extraordinary General Meeting of Shareholders No. 1/2012 on August 10, 2012. The acquisition price to be sold and purchased is the latest audited book value as at December 31, 2011 of 3 related companies, adjusted with any transaction that reflect changes to the total equity of these companies from January 1, 2012 until August 31, 2012, to be paid on by October 1, 2012. However, total acquisition price shall not exceed Baht 360 million as follows:

<b>Company</b>	<b>Shares</b>	<b>Acquisition Price</b>
ACSB	5,999,997	Latest audited book value with adjustments as mentioned above, but not exceed Baht 100 million.
ACSL	3,999,997	Latest audited book value with adjustments as mentioned above, but not exceed Baht 70 million.
ACSS	14,799,997	Latest audited book value with adjustments as mentioned above, but not exceed Baht 190 million.

## **29. APPROVAL OF INTERIM FINANCIAL STATEMENTS**

These interim financial statements have been approved for issuing by the audit committee and authorized director of the Company on September 24, 2012.