

**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 May 20, 2013 and the related consolidated and separate statements of income, comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, 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 review.

**Scope of Review**

We conducted our review in accordance with Thai Standard on Review Engagements 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 review, nothing has come to our attention that causes us to believe that the aforementioned interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting".

### **Emphasis of Matter**

We draw attention to Note 3 to the notes to the financial statements. On September 1, 2012, the Company entered into the share sale and purchase agreement with ACS Capital Corporation Limited, a major shareholder, for the acquisition of 100% shares in 3 related companies comprising ACS Insurance Broker (Thailand) Company Limited, ACS Life Insurance Broker (Thailand) Company Limited and ACS Servicing (Thailand) Company Limited from ACS Capital Corporation Limited. The share sale and purchase is regarded as a business combination under common control transaction. The consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the three-month period ended May 20, 2012, presented herein as comparative information, have been retrospectively adjusted, as if the business combination had always been in use.

### **Other Matter**

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 February 20, 2013, presented herein as comparative information, were audited by another auditor of the same firm, whose report thereon dated April 18, 2013 expressed an unmodified opinion with an emphasis of matter paragraph regarding the acquisition of shares in 3 related companies which is regarded as a business combination under common control. The consolidated and separate statements of income, comprehensive income, changes in shareholders' equity and cash flows for the three-month period ended May 20, 2012 (after the restatement), presented herein as comparative information, were a part of the consolidated and separate financial statements for the three-month period ended May 20, 2012 (before the restatement), which were reviewed by another auditor of the same firm, whose report thereon dated June 21, 2012, concluded that nothing had come to his attention that caused him to believe that such interim financial information was not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting".

**BANGKOK**  
June 21, 2013

Dr. Suphamit Techamontrikul  
Certified Public Accountant (Thailand)  
Registration No. 3356  
**DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.**

**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MAY 20, 2013**

BAHT '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at May 20, 2013	As at February 20, 2013	As at May 20, 2013	As at February 20, 2013
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	6.1	2,533,609	2,186,552	1,650,480	1,519,043
Temporary investments	7	-	1,550,000	-	-
Accounts receivable and other receivables					
Accounts receivable	8	46,124,291	42,890,413	45,725,586	42,332,251
Other receivables		288,408	242,132	704,962	297,204
Seller loan in Special Purpose Vehicle for Securitization due within one year	10	-	-	-	2,650,878
Subordinated lendings due within one year	11	-	1,438,000	-	1,438,000
Receivables per currency swap contracts	14	-	50,096	-	50,096
Other current assets		52,063	54,178	38,002	38,225
Total Current Assets		<u>48,998,371</u>	<u>48,411,371</u>	<u>48,119,030</u>	<u>48,325,697</u>
<b>NON-CURRENT ASSETS</b>					
Accounts receivable	8	892,350	883,599	857,320	852,841
Fixed deposits at banks under obligations		5,020	3,366	-	-
Investments in subsidiaries	9.1	-	-	488,580	385,707
Other long-term investments					
Related companies	9.2	43,536	43,536	43,536	43,536
Other companies	9.3	-	10	-	10
Seller loan in Special Purpose Vehicle for Securitization	10	-	-	175,850	-
Subordinated lendings	11	1,399,352	-	1,399,352	-
Equipment		573,423	534,209	517,396	475,355
Intangible assets		660,892	707,718	590,588	629,666
Receivables per currency swap contracts	14	44,565	16,849	44,565	16,849
Deferred tax assets	12	300,270	297,904	296,246	278,522
Other non-current assets		154,317	114,692	147,465	107,794
Total Non-Current Assets		<u>4,073,725</u>	<u>2,601,883</u>	<u>4,560,898</u>	<u>2,790,280</u>
<b>TOTAL ASSETS</b>		<u><u>53,072,096</u></u>	<u><u>51,013,254</u></u>	<u><u>52,679,928</u></u>	<u><u>51,115,977</u></u>

See condensed notes to the financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENT OF FINANCIAL POSITION (CONTINUED)  
AS AT MAY 20, 2013

BAHT '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at May 20, 2013	As at February 20, 2013	As at May 20, 2013	As at February 20, 2013
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from financial institutions	13	2,329,545	3,401,172	2,220,000	3,335,000
Accounts payable and other payables					
Accounts payable		521,211	575,601	405,300	476,066
Other payables		1,263,746	1,035,580	1,281,355	1,424,438
Current portion of :					
Liabilities under finance lease agreements		9,579	14,775	-	-
Long-term loans	14	11,022,835	10,234,408	11,022,835	10,234,408
Accrued income tax		305,326	167,900	211,641	107,020
Payables per currency swap contracts	14	898,596	529,536	898,596	529,536
Other current liabilities		200,878	116,648	184,416	108,821
Total Current Liabilities		<u>16,551,716</u>	<u>16,075,620</u>	<u>16,224,143</u>	<u>16,215,289</u>
NON-CURRENT LIABILITIES					
Liabilities under finance lease agreements		643	1,305	-	-
Long-term loans	14	23,856,048	23,256,317	23,856,048	23,256,317
Long-term debentures	15	3,080,780	3,086,843	3,080,780	3,086,843
Payables per currency swap contracts	14 and 15	1,706,921	1,287,773	1,706,921	1,287,773
Employee benefit obligation	16	47,731	44,659	43,295	40,578
Other non-current liabilities		2,700	2,700	-	-
Total Non-Current Liabilities		<u>28,694,823</u>	<u>27,679,597</u>	<u>28,687,044</u>	<u>27,671,511</u>
<b>TOTAL LIABILITIES</b>		<u>45,246,539</u>	<u>43,755,217</u>	<u>44,911,187</u>	<u>43,886,800</u>

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENT OF FINANCIAL POSITION (CONTINUED)  
AS AT MAY 20, 2013

BAHT '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at May 20, 2013	As at February 20, 2013	As at May 20, 2013	As at February 20, 2013
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
(CONTINUED)					
SHAREHOLDERS' EQUITY	17				
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	4,850,000	4,850,000	4,850,000
Unappropriated		2,223,918	1,655,290	2,165,741	1,626,177
OTHER COMPONENTS OF EQUITY					
Exchange differences on translating financial statements of a foreign operation					
		(1,450)	(312)	-	-
EQUITY ATTRIBUTABLE TO					
OWNERS OF THE PARENT		7,825,468	7,257,978	7,768,741	7,229,177
NON-CONTROLLING INTERESTS		89	59	-	-
TOTAL SHAREHOLDERS' EQUITY		7,825,557	7,258,037	7,768,741	7,229,177
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>53,072,096</b>	<b>51,013,254</b>	<b>52,679,928</b>	<b>51,115,977</b>

See condensed notes to the financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENT OF INCOME  
FOR THE THREE-MONTH PERIOD ENDED MAY 20, 2013  
“UNAUDITED”

BAHT '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2013	2012 “Restated”	2013	2012
<b>REVENUES</b>					
Credit card income	18	1,235,852	1,096,065	1,222,005	1,034,082
Loan income		1,860,653	1,434,659	1,862,374	1,436,052
Hire purchase income		61,203	62,872	52,915	61,191
Other income					
Bad debt recovery		150,601	147,923	147,882	137,042
Collection service income		35,904	54,861	8,902	11,081
Commission income		48,378	32,319	-	-
Gain (loss) on sale of fixed assets		50	(2)	50	(2)
Others		56,166	42,487	26,301	34,242
Total other income		<u>291,099</u>	<u>277,588</u>	<u>183,135</u>	<u>182,363</u>
Total Revenues		<u>3,448,807</u>	<u>2,871,184</u>	<u>3,320,429</u>	<u>2,713,688</u>
<b>EXPENSES</b>					
Operating and administrative expenses		1,479,754	1,096,076	1,410,510	1,025,583
Directors and managements' remuneration	19	27,874	24,907	22,624	19,959
Bad debts and doubtful accounts		755,361	916,236	798,773	941,070
Finance cost		474,130	431,043	454,693	400,894
Total Expenses		<u>2,737,119</u>	<u>2,468,262</u>	<u>2,686,600</u>	<u>2,387,506</u>
INCOME BEFORE INCOME TAX EXPENSE		711,688	402,922	633,829	326,182
INCOME TAX EXPENSE	20	143,030	94,189	94,265	36,162
<b>NET PROFIT FOR THE PERIOD</b>		<u>568,658</u>	<u>308,733</u>	<u>539,564</u>	<u>290,020</u>
<b>NET PROFIT ATTRIBUTABLE TO :</b>					
Owners of the parent		568,628	286,864	539,564	290,020
Non-controlling interests		30	21,869	-	-
		<u>568,658</u>	<u>308,733</u>	<u>539,564</u>	<u>290,020</u>
<b>BASIC EARNINGS PER SHARE</b>	<b>BAHT</b>	2.27	1.15	2.16	1.16
<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  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE THREE-MONTH PERIOD ENDED MAY 20, 2013  
“UNAUDITED”

BAHT '000

Notes	CONSOLIDATED FINANCIAL STATEMENTS							Non-controlling interests	Total shareholders' equity
	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			
			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, 2012</b>									
- as previously reported	250,000	478,000	25,000	4,650,000	721,927	176	6,125,103	89	6,125,192
Effect of business combination under common control	3	-	-	-	-	-	-	256,644	256,644
<b>Beginning balance, as at February 21, 2012</b>									
- adjusted	250,000	478,000	25,000	4,650,000	721,927	176	6,125,103	256,733	6,381,836
Changes during the period									
Dividend paid	-	-	-	-	-	-	-	(30)	(30)
Net profit for the period	-	-	-	-	286,864	-	286,864	21,869	308,733
Other comprehensive income	-	-	-	-	-	1,232	1,232	-	1,232
<b>Ending balance, as at May 20, 2012</b>	<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,650,000</u>	<u>1,008,791</u>	<u>1,408</u>	<u>6,413,199</u>	<u>278,572</u>	<u>6,691,771</u>

**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)**  
**FOR THE THREE-MONTH PERIOD ENDED MAY 20, 2013**  
**“UNAUDITED”**

**BAHT '000**

Notes	CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)							Non- controlling interests	Total shareholders' equity
	Issued and paid-up share capital	Premium on ordinary shares	Owners of the parent Retained earnings		Unappropriated	Other components of equity Exchange differences on translating financial statements of a foreign operation	Total owners of the parent		
			Appropriated Legal reserve	Reserve for business expansion					
<b>Beginning balance, as at February 21, 2013</b>	250,000	478,000	25,000	4,850,000	1,655,290	(312)	7,257,978	59	7,258,037
Changes during the period									
Increase in share capital from non-controlling interests in subsidiaries	-	-	-	-	-	-	-	30	30
Dividend paid	-	-	-	-	-	-	-	(30)	(30)
Net profit for the period	-	-	-	-	568,628	-	568,628	30	568,658
Other comprehensive loss	-	-	-	-	-	(1,138)	(1,138)	-	(1,138)
<b>Ending balance, as at May 20, 2013</b>	<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>2,223,918</u>	<u>(1,450)</u>	<u>7,825,468</u>	<u>89</u>	<u>7,825,557</u>

See condensed notes to the financial statements



**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)**  
**FOR THE THREE-MONTH PERIOD ENDED MAY 20, 2013**  
**“UNAUDITED”**

**BAHT '000**

Notes	SEPARATE FINANCIAL STATEMENTS					Total shareholders' equity
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings Appropriated Legal reserve	Reserve for business expansion	Unappropriated	
<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						
Net profit for the period	-	-	-	-	290,020	290,020
<b>Ending balance, as at May 20, 2012</b>	<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,650,000</u>	<u>1,018,020</u>	<u>6,421,020</u>
<b>Beginning balance, as at February 21, 2013</b>	250,000	478,000	25,000	4,850,000	1,626,177	7,229,177
Changes during the period						
Net profit for the period	-	-	-	-	539,564	539,564
<b>Ending balance, as at May 20, 2013</b>	<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>2,165,741</u>	<u>7,768,741</u>

See condensed notes to the financial statements

**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT MAY 20, 2013**

**BAHT '000**

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at May 20, 2013	As at February 20, 2013	As at May 20, 2013	As at February 20, 2013
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Bank overdrafts and short-term loans from financial institutions	13	2,329,545	3,401,172	2,220,000	3,335,000
Accounts payable and other payables					
Accounts payable		521,211	575,601	405,300	476,066
Other payables		1,263,746	1,035,580	1,281,355	1,424,438
Current portion of :					
Liabilities under finance lease agreements		9,579	14,775	-	-
Long-term loans	14	11,022,835	10,234,408	11,022,835	10,234,408
Accrued income tax		305,326	167,900	211,641	107,020
Payables per currency swap contracts	14	898,596	529,536	898,596	529,536
Other current liabilities		200,878	116,648	184,416	108,821
Total Current Liabilities		<u>16,551,716</u>	<u>16,075,620</u>	<u>16,224,143</u>	<u>16,215,289</u>
<b>NON-CURRENT LIABILITIES</b>					
Liabilities under finance lease agreements		643	1,305	-	-
Long-term loans	14	23,856,048	23,256,317	23,856,048	23,256,317
Long-term debentures	15	3,080,780	3,086,843	3,080,780	3,086,843
Payables per currency swap contracts	14 and 15	1,706,921	1,287,773	1,706,921	1,287,773
Employee benefit obligation	16	47,731	44,659	43,295	40,578
Other non-current liabilities		2,700	2,700	-	-
Total Non-Current Liabilities		<u>28,694,823</u>	<u>27,679,597</u>	<u>28,687,044</u>	<u>27,671,511</u>
<b>TOTAL LIABILITIES</b>		<u>45,246,539</u>	<u>43,755,217</u>	<u>44,911,187</u>	<u>43,886,800</u>

**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT MAY 20, 2013**

**BAHT '000**

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at May 20, 2013	As at February 20, 2013	As at May 20, 2013	As at February 20, 2013
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
(CONTINUED)					
SHAREHOLDERS' EQUITY	17				
SHARE CAPITAL					
Authorized share capital					
250,000,000 ordinary shares of Baht 1 each		<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
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	4,850,000	4,850,000	4,850,000
Unappropriated		2,223,918	1,655,290	2,165,741	1,626,177
OTHER COMPONENTS OF EQUITY					
Exchange differences on translating financial statements of a foreign operation		<u>(1,450)</u>	<u>(312)</u>	<u>-</u>	<u>-</u>
EQUITY ATTRIBUTABLE TO					
OWNERS OF THE PARENT		7,825,468	7,257,978	7,768,741	7,229,177
NON-CONTROLLING INTERESTS		89	59	-	-
TOTAL SHAREHOLDERS' EQUITY		<u>7,825,557</u>	<u>7,258,037</u>	<u>7,768,741</u>	<u>7,229,177</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<u>53,072,096</u>	<u>51,013,254</u>	<u>52,679,928</u>	<u>51,115,977</u>

See condensed notes to the financial statements

**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
CONDENSED NOTES TO THE FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIOD ENDED MAY 20, 2013  
"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, 27th Floor, Exchange Tower, Sukhumvit Road, Klongtoey, Bangkok. The Company's main objective is to do the retail finance services which consist of credit card, hire purchase and personal loans and others.

AEON Financial Service Corporation Limited (formerly 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 Financial Service Corporation Limited (formerly AEON Credit Service Company Limited) is the ultimate parent company.

The Company has subsidiaries which are under its control in finance and operations as mentioned in Note 2.4.

On March 14, 2013, Eternal 6 Special Purpose Vehicle Company Limited (Eternal 6), a new subsidiary of the Company, was registered as a special purpose company under the Civil and Commercial Code of Thailand and the Securitization Law. The main objective of Eternal 6 is to operate as a special purpose juristic person in securitization project and to engage in any activities for the purpose of implementing or facilitating the securitization in accordance with the securitization projects approved by the Office of the Securities and Exchange Commission of Thailand ("the SEC") on May 10, 2013. On May 14, 2013, the Company entered into the Receivables Sales and Purchase Agreement with Eternal 6 of Baht 4,500 million (see Note 8.5).

**2. BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS**

2.1 The Company and its 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 (TFRSs) and practices generally accepted in Thailand.

All financial information presented has been rounded to the nearest thousand Baht unless otherwise stated.

- 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 periods ended May 20, 2013 and 2012 (after the restatement) 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, 2013, 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 periods ended May 20, 2013 and 2012 (after the restatement) include the accounts of the Company and its subsidiaries by eliminating significant intercompany balances and transactions.

For the three-month periods ended May 20, 2013 and 2012, the subsidiaries included in the consolidated financial statements are as follows:

	Business type	Country of Registration	Registration Date	Percentage of holdings	
				2013	2012
Eternal 3 Special Purpose Vehicle Company Limited	Special purpose juristic person in securitization projects	Thailand	December 21, 2005	- *	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	100.00
ACS Insurance Broker (Thailand) Company Limited	Non-life insurance broker	Thailand	January 26, 2005	100.00****	-
ACS Life Insurance Broker (Thailand) Company Limited	Life insurance broker	Thailand	October 11, 2006	100.00****	-
ACS Servicing (Thailand) Company Limited	Collection servicer	Thailand	March 13, 2007	100.00****	-
AEON Microfinance (Myanmar) Company Limited	Retail finance	Myanmar	November 2, 2012	100.00	-
AEON Leasing Service (Lao) Company Limited	Retail finance	Laos	January 11, 2013	100.00	-
Eternal 6 Special Purpose Vehicle Company Limited	Special purpose juristic person in securitization projects	Thailand	March 14, 2013	26.00	-

- \* Eternal 3 Special Purpose Vehicle Company Limited had already registered the completion of the liquidation process with Department of Business Development, Ministry of Commerce on November 9, 2012 (see Note 8.5).
- \*\* Eternal 4 Special Purpose Vehicle Company Limited had already registered the dissolution with the Department of Business Development, Ministry of Commerce on February 20, 2013 (see Note 8.5).
- \*\*\* Eternal 5 Special Purpose Vehicle Company Limited has redeemed all seller loan in special purpose vehicle for securitization, subordinated lending and debentures (see Note 8.5).
- \*\*\*\* The Company has restated the consolidated financial statements, presented herein for comparison, regarding business combination under common control as if the business combination had always been in use (see Note 3).

The 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, 2013.
- 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 period ended May 20, 2013 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 are effective as follows:
  - 1) TSI and TFRI which are effective for the financial statements for the periods beginning on or after January 1, 2014:

**Thai Accounting Standard Interpretation (TSI)**

TSI 29	Disclosure - Service Concession Arrangements
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**Thai Financial Reporting Interpretations (TFRI)**

TFRI 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRI 4	Determining Whether an Arrangement Contains a Lease
TFRI 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRI 7	Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
TFRI 10	Interim Financial Reporting and Impairment
TFRI 12	Service Concession Arrangements
TFRI 13	Customer Loyalty Programmes

- 2) TFRS which is effective for the financial statements for the periods beginning on or after January 1, 2016:

**The Financial Reporting Standard (TFRS)**  
TFRS 4 Insurance contract

The Company and its subsidiaries' managements will adopt the above TFRSs relevant to the Company and its subsidiaries in the preparation of the Company and its subsidiaries' financial statements when they become effective. The Company's management is in the process of assessing the impact of these standards on the financial statements for the period in which they are initially applied.

### 3. BUSINESS COMBINATIONS UNDER COMMON CONTROL

On September 1, 2012, the Company entered into the share sale and purchase agreement with ACS Capital Corporation Limited ("ACS Capital"), a major shareholder, for the acquisition of 100.00% shares in 3 related companies comprising 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. The acquisition prices to be sold and purchased are the net book values based on the audited financial statements as at August 31, 2012 of such 3 related companies as follows:

Company	Business type	Date of Acquisition	Number of shares acquired Shares	Proportion of shares acquired %	Acquisition price Baht '000
ACSB	Non-life insurance broker	September 1, 2012	5,999,997	100.00	90,844
ACSL	Life insurance broker	September 1, 2012	3,999,997	100.00	58,380
ACSS	Collection servicer	September 1, 2012	14,799,997	100.00	175,349
					<u>324,573</u>

On September 25, 2012, the Company paid for the acquisition of shares to ACS Capital amounting to Baht 324.57 million.

Such share sale and purchase is regarded as the business combination under common control transaction which the Company has restated the comparative consolidated financial statements, as if the business combination had always been in use. Revenues and net profit of such related companies for the three-month periods ended May 20, 2013 and 2012 included in consolidated income statements are summarized as follows:

	For the three-month periods ended May 20,	
	2013 Baht '000	2012 Baht '000
Revenues		
ACSB	48,154	24,174
ACSL	23,558	18,900
ACSS	105,304	91,143
Total revenues	<u>177,016</u>	<u>134,217</u>
Net profit		
ACSB	10,302	7,869
ACSL	8,188	6,245
ACSS	11,718	7,725
Total net profit	<u>30,208</u>	<u>21,839</u>

Effects of the business combinations under common control on the consolidated financial statements for the items which have been changed are summarized as follows:

	<b>For the three-month period ended May 20, 2012</b>	
	<b>As previously reported</b>	<b>Restated</b>
	<b>Baht '000</b>	<b>Baht '000</b>
<b>Consolidated statement of income</b>		
Loan income	1,436,052	1,434,659
Collection service income	11,081	54,861
Commission income	-	32,319
Other income - others	36,629	42,487
Operating and administrative expenses	1,048,272	1,096,076
Directors and managements' remuneration	21,707	24,907
Finance cost	430,496	431,043
Income tax expense	87,012	94,189
Net profit for the period	286,897	308,733
Net profit attributable to non-controlling interests	30	21,869
<b>Consolidated statements of comprehensive income</b>		
Net profit for the period	286,897	308,733
Total comprehensive income for the period	288,129	309,965
Total comprehensive income attributable to non-controlling interests	30	21,869
<b>Consolidated statements of changes in shareholders' equity</b>		
Non-controlling interests		
Beginning balance	89	256,733
Ending balance	89	278,572
<b>Consolidated statements of cash flows</b>		
CASH FLOWS FROM OPERATING ACTIVITIES	373,909	402,922
Profit before income tax		
Adjustments for:	51,154	57,157
Depreciation	73,885	81,768
Amortization of cost of software	1,837	1,877
Employee benefit expense	(2,414,901)	(2,398,188)
Accounts receivable and other receivables	542	(15,061)
Other current assets	(2,432)	(3,777)
Other non-current assets	346,853	329,769
Accounts payable and other payables	(13,583)	(6,743)
Finance cost paid	(327,743)	(339,963)
Income tax paid	(8,217)	(8,640)



	<b>For the three month period ended May 20, 2012</b>	
	<b>As previously reported</b>	<b>Restated</b>
	<b>Baht '000</b>	<b>Baht '000</b>
<b>Consolidated statements of cash flows (continued)</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed deposits at bank under obligation increase	-	49
Cash payment for fixed assets acquisition	(22,872)	(24,564)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from increased share capital in subsidiaries before business combination under common control	-	(7,155)
Net decrease in cash and cash equivalents	38,431	49,966
Cash and cash equivalents as at beginning of the period	1,638,842	1,776,173
Cash and cash equivalents as at the end of the period	1,677,273	1,827,371

#### **4. ADOPTION OF NEW AND REVISED THAI FINANCIAL REPORTING STANDARDS**

Since February 21, 2013, the Company and subsidiaries have adopted the new and revised Thai Financial Reporting Standards (TFRS) issued by the Federation of Accounting Professions, which are effective for the financial statements for the accounting periods beginning on or after January 1, 2013 onwards, in the preparation and presentation of these financial statements. Details of such TFRSs adopted in these financial statements are as follows:

##### **4.1 TAS 12 “Income taxes”**

The Company and its subsidiaries have early adopted TAS 12 “Income Taxes” before the effective date, by changing from the accrual basis, based on the taxable profit for the year, to deferred income tax. Therefore, this standard did not have impact on the financial statement for the three-month period ended May 20, 2013.

##### **4.2 TAS 21 (revised 2009) “The Effects of Changes in Foreign Exchange Rates”**

TAS 21 (revised 2009) “The Effects of Changes in Foreign Exchange Rates” has required the Company and subsidiaries to determine its functional currency and translate foreign currency items into its functional currency, reporting the effects of such translation. Management has determined that the functional currency of the Company is Thai Baht; therefore, the adoption of such TFRS has no significant impact on the Company and subsidiaries’ financial statements.

#### 4.3 TFRS 8 “Operating Segments”

TFRS 8 “Operating Segments” changed requirements about the presentation and disclosure of information on operating segments in the financial statements. Therefore, it affected the presentation and disclosure of segment information based on the internal reports provided to the Company and its subsidiaries’ Chief Operating Decision Maker to make decisions about assessing the performance of each segment and allocating resources to those segments. A resignation of the Company and subsidiaries’ financial statements for the three-month period ended May 20, 2013 is disclosed in Note 22.

### 5. 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, 2013, except adoption of new and revised Thai Financial Reporting Standard as disclosed in Note 4.

### 6. SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

6.1 Cash and cash equivalents are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	May 20,	February 20,	May 20,	February 20,
	2013	2013	2013	2013
	Baht’ 000	Baht’ 000	Baht’ 000	Baht’ 000
Cash	824,585	807,202	820,700	799,626
Deposits at bank - call deposits	1,709,024	1,069,350	829,780	719,417
Fixed deposits with maturity within 3 months from acquisition date	-	310,000	-	-
	<u>2,533,609</u>	<u>2,186,552</u>	<u>1,650,480</u>	<u>1,519,043</u>
<u>Less</u> Bank overdraft	(450,000)	(495,000)	(450,000)	(495,000)
Cash and cash equivalents	<u>2,083,609</u>	<u>1,691,552</u>	<u>1,200,480</u>	<u>1,024,043</u>

6.2 Cash paid for purchase of equipment and cost of software for the three-month periods ended May 20, are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2013	2012	2013	2012
	Baht '000	Baht '000	Baht '000	Baht '000
<b>Equipment</b>				
Liabilities recorded - brought forward	38,474	66,277	38,474	66,277
Purchase of equipment	107,584	19,936	104,353	17,689
Increase in deposits for equipment	(13,582)	-	(13,582)	-
	<u>132,476</u>	<u>86,213</u>	<u>129,245</u>	<u>83,966</u>
<u>Less</u> Cash payments for purchase of equipment	<u>(75,561)</u>	<u>(24,564)</u>	<u>(72,330)</u>	<u>(22,317)</u>
Liabilities recorded - carried forward	<u>56,915</u>	<u>61,649</u>	<u>56,915</u>	<u>61,649</u>
<b>Cost of software</b>				
Liabilities recorded - brought forward	10,234	15,609	10,234	15,609
Purchase of software	64,467	26,427	63,461	26,364
	<u>74,701</u>	<u>42,036</u>	<u>73,695</u>	<u>41,973</u>
<u>Less</u> Cash payments for investment in cost of software	<u>(48,916)</u>	<u>(31,653)</u>	<u>(47,910)</u>	<u>(31,590)</u>
Liabilities recorded - carried forward	<u>25,785</u>	<u>10,383</u>	<u>25,785</u>	<u>10,383</u>

6.3 During the three-month periods ended May 20, 2013 and 2012, the Company had non-cash item relating to sale of the right on credit card receivables as the Company sold additional revolving credit card receivables to subsidiaries during the revolving period or repurchased the right on credit card receivables which was settled by decreasing the Seller loan Account of Baht 2,522.55 million and increasing of Baht 265.21 million, respectively, instead of cash receipt.

## 7. TEMPORARY INVESTMENTS

As at February 20, 2013, a subsidiary invested in fixed deposits of a financial institution in Thailand in the amount of Baht 1,550 million carrying interest at the rates of 2.02% - 2.33% per annum. As at May 20, 2013, such temporary investments were already redeemed.

## 8. ACCOUNTS RECEIVABLE

### 8.1 Accounts receivable consist of:

	CONSOLIDATED FINANCIAL STATEMENTS					
	As at May 20, 2013			As at February 20, 2013		
	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	796,149	390,999	1,187,148	755,390	374,020	1,129,410
<u>Less</u> Unearned financing income	<u>(162,366)</u>	<u>(55,199)</u>	<u>(217,565)</u>	<u>(159,254)</u>	<u>(53,246)</u>	<u>(212,500)</u>
	633,783	335,800	969,583	596,136	320,774	916,910
<u>Less</u> Allowance for doubtful accounts	<u>(33,428)</u>	<u>(516)</u>	<u>(33,944)</u>	<u>(30,597)</u>	<u>(136)</u>	<u>(30,733)</u>
Hire-purchase and accrued interest receivable - net	<u>600,355</u>	<u>335,284</u>	<u>935,639</u>	<u>565,539</u>	<u>320,638</u>	<u>886,177</u>
<b>Loans receivable</b>						
Loans and accrued interest receivable	30,453,450	557,066	31,010,516	28,258,743	562,961	28,821,704
<u>Less</u> Allowance for doubtful accounts	<u>(984,638)</u>	<u>-</u>	<u>(984,638)</u>	<u>(1,154,756)</u>	<u>-</u>	<u>(1,154,756)</u>
Loans and accrued interest receivable - net	<u>29,468,812</u>	<u>557,066</u>	<u>30,025,878</u>	<u>27,103,987</u>	<u>562,961</u>	<u>27,666,948</u>
<b>Credit card receivable</b>						
Credit card and accrued interest receivable	16,447,422	-	16,447,422	15,578,689	-	15,578,689
<u>Less</u> Allowance for doubtful accounts	<u>(477,072)</u>	<u>-</u>	<u>(477,072)</u>	<u>(434,516)</u>	<u>-</u>	<u>(434,516)</u>
Credit card and accrued interest receivable - net	<u>15,970,350</u>	<u>-</u>	<u>15,970,350</u>	<u>15,144,173</u>	<u>-</u>	<u>15,144,173</u>
<b>Receivable from rendering the collection service</b>	6,154	-	6,154	4,557	-	4,557
<b>Receivable from insurance broker business</b>	78,620	-	78,620	72,157	-	72,157
<b>Total accounts receivable</b>	<u>46,124,291</u>	<u>892,350</u>	<u>47,016,641</u>	<u>42,890,413</u>	<u>883,599</u>	<u>43,774,012</u>

SEPARATE FINANCIAL STATEMENTS						
	As at May 20, 2013			As at February 20, 2013		
	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	717,607	355,453	1,073,060	717,738	343,126	1,060,864
<u>Less</u> Unearned financing income	(162,366)	(55,199)	(217,565)	(159,254)	(53,246)	(212,500)
	555,241	300,254	855,495	558,484	289,880	848,364
<u>Less</u> Allowance for doubtful accounts	(33,384)	-	(33,384)	(30,513)	-	(30,513)
Hire-purchase and accrued interest receivable - net	521,857	300,254	822,111	527,971	289,880	817,851
<b>Loans receivable</b>						
Loans and accrued interest receivable	30,453,450	557,066	31,010,516	28,258,743	562,961	28,821,704
<u>Less</u> Allowance for doubtful accounts	(984,638)	-	(984,638)	(1,154,756)	-	(1,154,756)
Loans and accrued interest receivable – net	29,468,812	557,066	30,025,878	27,103,987	562,961	27,666,948
<b>Credit card receivable</b>						
Credit card and accrued interest receivable	16,187,939	-	16,187,939	15,038,364	-	15,038,364
<u>Less</u> Allowance for doubtful accounts	(453,022)	-	(453,022)	(338,071)	-	(338,071)
Credit card and accrued interest receivable - net	15,734,917	-	15,734,917	14,700,293	-	14,700,293
<b>Total accounts receivable</b>	<b>45,725,586</b>	<b>857,320</b>	<b>46,582,906</b>	<b>42,332,251</b>	<b>852,841</b>	<b>43,185,092</b>

## 8.2 Quality of assets

Accounts receivable classified by aging, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at May 20, 2013 Baht '000	As at February 20, 2013 Baht '000	As at May 20, 2013 Baht '000	As at February 20, 2013 Baht '000
Less than 3 months	47,440,761	44,219,200	46,983,056	43,597,177
3 months up	1,071,534	1,174,817	1,070,894	1,111,255
Total	48,512,295	45,394,017	48,053,950	44,708,432
<u>Less</u> Allowance for doubtful accounts	(1,495,654)	(1,620,005)	(1,471,044)	(1,523,340)
Total accounts receivable – net	47,016,641	43,774,012	46,582,906	43,185,092

### 8.3 Troubled debt restructuring

For the three-month periods ended May 20, 2013 and 2012, the Company had recognized interest income on restructured debts totaling Baht 63.10 million and Baht 49.82 million, respectively.

The Company had the outstanding balances of credit card receivables, hire-purchase receivables and loan receivables, as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	As at May 20, 2013		As at February 20, 2013	
	Number of debtors	Amount Baht '000	Number of debtors	Amount Baht '000
Restructured accounts receivable	34,471	969,549	37,515	1,069,549
Non-restructured accounts receivable	3,220,568	47,457,972	3,086,823	44,247,754
Total accounts receivable	3,255,039	48,427,521	3,124,338	45,317,303

	SEPARATE FINANCIAL STATEMENTS			
	As at May 20, 2013		As at February 20, 2013	
	Number of debtors	Amount Baht '000	Number of debtors	Amount Baht '000
Restructured accounts receivable	34,471	969,549	37,515	1,069,549
Non-restructured accounts receivable	3,035,966	47,084,401	2,941,038	43,638,883
Total accounts receivable	3,070,437	48,053,950	2,978,553	44,708,432

As at May 20, 2013 and February 20, 2013, the Company had no commitment to provide additional loans to its restructured debtors after debt restructuring

### 8.4 Allowance for doubtful accounts

Allowance for doubtful accounts are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at May 20, 2013	As at February 20, 2013	As at May 20, 2013	As at February 20, 2013
	Baht '000	Baht '000	Baht '000	Baht '000
Beginning balance	1,620,005	2,494,025	1,523,340	2,220,021
Bad debts and doubtful accounts	755,361	3,129,141	798,773	3,090,729
Bad debts written off	(879,712)	(4,003,161)	(851,069)	(3,787,410)
Ending balance	1,495,654	1,620,005	1,471,044	1,523,340

### 8.5 Transfers of financial assets

The Company entered into the Receivables Sale and Purchase Agreements with four 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***	Eternal 6****
Approved date of the securitization projects by the Office of the Securities and Exchange Commission of Thailand ("the SEC")		February 3, 2006	June 21, 2007	May 19, 2010	May 10, 2013
Initial selling date		February 6, 2006	June 25, 2007	May 20, 2010	May 20, 2013
Type of transferred receivables		Credit Card Receivable	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)	April 2013 - April 2018 (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	4,500,002,090
Proceeds from transfer of the right of receivables (see Note 15)	Baht	2,280,000,000	2,205,000,000	2,790,000,000	2,960,000,000
Subordinated lendings (see Note 11)	Baht	370,000,000	744,000,000	1,438,000,000	1,399,351,988
Minimum seller loan - pari passu with debentures (see Note 10)	Baht	132,500,000	88,470,000	126,840,000	140,650,102
Number of contracts		181,389	178,751	205,485	183,047
Average principal amount outstanding	Baht	15,340	16,996	21,194	24,584
Interest rate		18% p.a.	18% p.a.	20% p.a.	20% p.a.

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

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

\*\*\* Eternal 5 Special Purpose Vehicle Company Limited (Subsidiary)

\*\*\*\* Eternal 6 Special Purpose Vehicle Company Limited (Subsidiary)

The Company does not recognize other assets obtained in the transfer of financial assets including retained interests on the financial statements because it is not practical to estimate their reliable fair values.

Other related information is summarized as follows:

During the life of the securitization projects, the Company may repurchase the Purchased Receivables from such Special Purpose Vehicle in the following circumstances:

1. When the Company has breached its representations and warranties with respect to the Purchased Receivables which are ineligible. The Company is obliged to repurchase such ineligible receivables on the next Monthly Purchase Date.
2. On a Monthly Purchase Date, the Company may exercise its option to repurchase any Purchased Receivables which become a defaulted receivable on the Collection Period End Date immediately preceding such Monthly Purchase Date.
3. The Company, as the collection agent, may exercise the Clean up Call Option for repurchase of remaining Purchased Receivables whenever the continued servicing of the Purchase Receivables is deemed to be burdensome.

4. The Company may exercise the Tax Redemption Option for repurchase of remaining Purchased Receivables, where there is incurred taxes other than corporate income tax and special business tax.

On May 10, 2011, ESPT redeemed the remaining seller loan 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 and ESPT had already registered the completion of the liquidation process with the Department of Business Development, Ministry of Commerce on the same date on November 9, 2012.

On October 10, 2012, Eternal 4 redeemed all seller loan in special purpose vehicle for securitization, subordinated lending and debentures, and the Company repurchased all outstanding receivables from Eternal 4 which led to the end of the securitization project of Eternal 4 on the same date. As at February 20, 2013, the Extraordinary Shareholders' Meetings of Eternal 4 had passed the resolutions to approve the liquidation and dissolution and Eternal 4 registered the dissolution with Department of Business Development, Ministry of Commerce on the same date. The process of liquidation will be commenced later (see Note 9.1).

On May 10, 2013, Eternal 5 redeemed all seller loan in special purpose vehicle for securitization, subordinated lending and debentures, and the Company repurchased all outstanding receivables from Eternal 5 which led to the end of the securitization project of Eternal 5 on the same date. As at May 20, 2013, Eternal 5 is in the process of dissolution (see Note 9.1).

For the three-month periods ended May 20, 2013 and 2012, transactions relating to the transfer of financial assets under the securitization projects are summarized as follows:

	<b>2013</b>	<b>2012</b>
	<b>Million</b>	<b>Million</b>
	<b>Baht</b>	<b>Baht</b>
Transfers of future credit card receivables (at book value)		
- Credit card receivable (Eternal 4)	-	901
- Credit card receivable (Eternal 5)	1,132	1,779
- Credit card receivable (Eternal 6)	674	-
	<u>1,806</u>	<u>2,680</u>
Cash collection on behalf of Special Purpose Vehicles		
- Credit card receivable (Eternal 4)	-	999
- Credit card receivable (Eternal 5)	1,270	1,970
- Credit card receivable (Eternal 6)	678	-
	<u>1,948</u>	<u>2,969</u>
Servicing income on cash collection from Special Purpose Vehicles		
- Credit card receivable (Eternal 4)	-	35
- Credit card receivable (Eternal 5)	45	69
- Credit card receivable (Eternal 6)	1	-
	<u>46</u>	<u>104</u>



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

	As at May 20, 2013 Million Baht	As at February 20, 2013 Million Baht
Credit card receivables (included accrued interest income) - Eternal 5		
Less than 3 months	-	4,705
3 months up	-	63
	-	4,768
<u>Less</u> Allowance for doubtful accounts	-	(96)
	-	4,672
Credit card receivables (included accrued interest income) - Eternal 6		
Less than 3 months	4,595	-
3 months up	-	-
	4,595	-
<u>Less</u> Allowance for doubtful accounts	-	-
	4,595	-
<b>Total</b>	<u>4,595</u>	<u>4,672</u>

## 9. INVESTMENTS IN SUBSIDIARIES AND LONG-TERM INVESTMENTS IN RELATED COMPANIES AND OTHER COMPANIES

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

### 9.1 Investments in subsidiaries consist of:

	SEPARATE FINANCIAL STATEMENTS			
	As at May 20, 2013		As at February 20, 2013	
	% of Ownership	Cost Baht '000	% of Ownership	Cost Baht '000
Investments in subsidiaries (see Note 21.1)				
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
Eternal 6 Special Purpose Vehicle Company Limited	26.00	10.4	-	-
AEON Microfinance (Cambodia) Private Company Limited	100.00	118,160.0	100.00	29,960.0
ACS Insurance Broker (Thailand) Company Limited	100.00	90,844.0	100.00	90,844.0
ACS Life Insurance Broker (Thailand) Company Limited	100.00	58,380.2	100.00	58,380.2
ACS Servicing (Thailand) Company Limited	100.00	175,349.1	100.00	175,349.1
AEON Microfinance (Myanmar) Company Limited	100.00	15,789.6	100.00	1,127.1
AEON Leasing Service (Lao) Company Limited	100.00	30,026.3	100.00	30,026.3
<b>Total investments in subsidiaries</b>		<u>488,580.4</u>		<u>385,707.5</u>

On October 10, 2012, Eternal 4 Special Purpose Vehicle Company Limited (Eternal 4) redeemed all seller loan in special purpose vehicle for securitization, subordinated lending and debentures, and the Company repurchased all outstanding receivables from Eternal 4 which led to the end of the securitization project of Eternal 4 on the same date. As at February 20, 2013, the Extraordinary Shareholders' Meetings of Eternal 4 had passed the resolutions to approve the dissolution and liquidation and Eternal 4 registered the dissolution with Department of Business Development, Ministry of Commerce on the same date. The process of liquidation will be commenced later (see Note 8.5).

On April 4, 2013, the Company paid Baht 88.20 million for additional investment in ordinary shares of AEON Microfinance (Cambodia) Private Company Limited.

On April 5, 2013, the Company paid Baht 14.66 million for additional investment in ordinary shares of AEON Microfinance (Myanmar) Company Limited.

On May 10, 2013, Eternal 5 Special Purpose Vehicle Company Limited (Eternal 5) has redeemed all seller loan in special purpose vehicle for securitization, subordinated lending and debentures, and the Company repurchased all outstanding receivables from Eternal 5 which led to the end of the securitization project of Eternal 5 on the same date. As at May 20, 2013, Eternal 5 is in the process of dissolution (see note 8.5).

On May 20, 2013, the Company paid Baht 10,400 for investment in ordinary shares of Eternal 6 Special Purpose Vehicle Company Limited (Eternal 6), a new subsidiary of the Company, which was registered as a special purpose company under the Civil and Commercial Code of Thailand and the Securitization Law.

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

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	As at May 20, 2013		As at February 20, 2013	
	% of Ownership	Cost Baht '000	% of Ownership	Cost Baht '000
<b>Long-term investments in related companies</b>				
Aeon (Thailand) Co., Ltd. (340,000 shares of Baht 100 each, Baht 25 called up)	5.23	8,500	8.50	8,500
PT. Aeon Credit Service Indonesia (173 shares of IDR 30 million each, par value of IDR 30 million, fully paid)	5.18	19,072	5.18	19,072
AEON Credit Service Systems (Philippines) Inc. (100,000 shares of PHP 100 each, par value of PHP 100, fully paid)	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
		52,036		52,036
<u>Less</u> Allowance for impairment of investment		(8,500)		(8,500)
<b>Total long-term investments in related parties</b>		43,536		43,536

9.3 Long-term investments in other companies consist of:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
As at May 20, 2013		As at February 20, 2013	
% of	Cost	% of	Cost
Ownership	Baht '000	Ownership	Baht '000
-	-	26.00	10.4
<b>Total long-term investments in other companies</b>			<b>10.4</b>

ESPV were registered as special purpose companies under the 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' Meetings of ESPV passed the resolutions to approve the liquidation and dissolution. ESPV has already registered the liquidation with the Ministry of Commerce.

**10. SELLER LOAN IN SPECIAL PURPOSE VEHICLES FOR SECURITIZATION**

Seller loan in Special Purpose Vehicles for securitization is as follows:

SEPARATE FINANCIAL STATEMENTS		
	As at	As at
	May 20, 2013	February 20, 2013
	Baht '000	Baht '000
Seller loan in Special Purpose Vehicles for securitization (see Note 21.2.1)		
Eternal 5 Special Purpose Vehicle Company Limited (Eternal 5)	-	2,650,878
Eternal 6 Special Purpose Vehicle Company Limited (Eternal 6)	175,850	-
Total	175,850	2,650,878
<u>Less</u> Current portion of seller loan amounts in Special Purpose Vehicles for securitization	-	(2,650,878)
<b>Seller loan in Special Purpose Vehicle for Securitization</b>	<b>175,850</b>	<b>-</b>

On the contract dates under securitization projects, the Company received partial payments from Eternal 5 and Eternal 6 with seller loan accounts under securitization projects of Baht 127,040,449, and Baht 175,849,782 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 loan 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. Seller loan 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 Seller loan Minimum Amounts on Eternal 5 and Eternal 6 not less than 3% of the aggregate of the outstanding principal amounts of the debentures and the subordinated loans of Eternal 5, and Eternal 6 of which such amounts will be repaid by cash approximately within 2015, and 2018 respectively, or when these projects end.

On May 10, 2013, Eternal 5 has redeemed the remaining seller loan in special purpose vehicle for securitization (see Notes 8.5 and 9.1).

## 11. SUBORDINATED LENDINGS

Subordinated lendings with Special Purpose Vehicles are as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at	As at
	May 20, 2013	February 20, 2013
	Baht '000	Baht '000
Subordinated lendings (see Note 21.2.1)		
Eternal 5 Special Purpose Vehicle Company Limited (Eternal 5)	-	1,438,000
Eternal 6 Special Purpose Vehicle Company Limited (Eternal 6)	1,399,352	-
Total	1,399,352	1,438,000
<u>Less</u> Current portion of subordinated lendings	-	(1,438,000)
<b>Subordinated lendings</b>	<u>1,399,352</u>	<u>-</u>

- (1) 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 8.5). 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.

Subsequently, on May 10, 2013, Eternal 5 has redeemed the remaining subordinated lending (see Notes 8.5 and 9.1).

- (2) On May 14, 2013, the Company entered into the subordinated bridging loan agreement with Eternal 6 amounting to Baht 1,399,351,988 for the purpose of partial payment of the Initial Credit Card Receivables from Eternal 6 under the provision of the Receivable Sale Agreement (see Note 8.5). The interest was received on the monthly basis at the rate of 12% per annum.

## 12. DEFERRED TAX ASSETS

Deferred tax assets consist of:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at May 20, 2013 Baht '000	As at February 20, 2013 Baht '000	As at May 20, 2013 Baht '000	As at February 20, 2013 Baht '000
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	299,019	323,957	294,209	304,668
Non-accrual of interest income	38,857	43,762	38,857	43,131
Employee benefit obligation	9,546	8,932	8,659	8,115
Others	43,463	11,202	43,600	11,204
	<u>390,885</u>	<u>387,853</u>	<u>385,325</u>	<u>367,118</u>
<b>Deferred tax liabilities</b>				
Finance lease	1,536	1,353	-	-
Unrealized loss on currency swap contracts	89,079	88,596	89,079	88,596
	<u>90,615</u>	<u>89,949</u>	<u>89,079</u>	<u>88,596</u>
<b>Deferred tax assets</b>	<u>300,270</u>	<u>297,904</u>	<u>296,246</u>	<u>278,522</u>

The movements of deferred tax assets and liabilities during the years/periods are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	Beginning balance As at February 20, 2013 Baht '000	Items as recognized in profit or loss Baht '000	Items as recognized in other comprehensive income Baht '000	Balance As at May 20, 2013 Baht '000
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	323,957	(24,938)	-	299,019
Non-accrual of interest income	43,762	(4,905)	-	38,857
Employee benefit obligation	8,932	614	-	9,546
Others	11,202	32,261	-	43,463
	<u>387,853</u>	<u>3,032</u>	<u>-</u>	<u>390,885</u>
<b>Deferred tax liabilities</b>				
Finance lease	1,353	183	-	1,536
Unrealized loss on currency swap contracts	88,596	483	-	89,079
	<u>89,949</u>	<u>666</u>	<u>-</u>	<u>90,615</u>
<b>Deferred tax assets</b>	<u>297,904</u>	<u>2,366</u>	<u>-</u>	<u>300,270</u>

CONSOLIDATED FINANCIAL STATEMENTS				
	Beginning balance As at February 20, 2012 Baht '000	Items as recognized in profit or loss Baht '000	Items as recognized in other comprehensive income Baht '000	Balance As at February 20, 2013 Baht '000
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	573,626	(249,669)	-	323,957
Non-accrual of interest income	44,542	(780)	-	43,762
Employee benefit obligation	5,861	1,705	1,366	8,932
Others	9,264	1,938	-	11,202
	<u>633,293</u>	<u>(246,806)</u>	<u>1,366</u>	<u>387,853</u>
<b>Deferred tax liabilities</b>				
Finance lease	197	1,156	-	1,353
Unrealized loss on currency swap contracts	81,011	7,585	-	88,596
	<u>81,208</u>	<u>8,741</u>	<u>-</u>	<u>89,949</u>
<b>Deferred tax assets</b>	<u>552,085</u>	<u>(255,547)</u>	<u>1,366</u>	<u>297,904</u>

SEPARATE FINANCIAL STATEMENTS				
	Beginning balance As at February 21, 2013 Baht '000	Items as recognized in profit or loss Baht '000	Items as recognized in other comprehensive income Baht '000	Balance As at May 20, 2013 Baht '000
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	304,668	(10,459)	-	294,209
Non-accrual of interest income	43,131	(4,274)	-	38,857
Employee benefit obligation	8,115	544	-	8,659
Others	11,204	32,396	-	43,600
	<u>367,118</u>	<u>18,207</u>	<u>-</u>	<u>385,325</u>
<b>Deferred tax liabilities</b>				
Unrealized loss on currency swap contracts	88,596	483	-	89,079
	<u>88,596</u>	<u>483</u>	<u>-</u>	<u>89,079</u>
<b>Deferred tax assets</b>	<u>278,522</u>	<u>17,724</u>	<u>-</u>	<u>296,246</u>

SEPARATE FINANCIAL STATEMENTS				
	Beginning balance As at February 21, 2012 Baht '000	Items as recognized in profit or loss Baht '000	Items as recognized in other comprehensive income Baht '000	Balance As at February 20, 2013 Baht '000
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	510,605	(205,937)	-	304,668
Non-accrual of interest income	43,814	(683)	-	43,131
Employee benefit obligation	5,242	1,507	1,366	8,115
Others	9,266	1,938	-	11,204
	<u>568,927</u>	<u>(203,175)</u>	<u>1,366</u>	<u>367,118</u>
<b>Deferred tax liabilities</b>				
Unrealized loss on currency swap contracts	81,011	7,585	-	88,596
	<u>81,011</u>	<u>7,585</u>	<u>-</u>	<u>88,596</u>
<b>Deferred tax assets</b>	<u>487,916</u>	<u>(210,760)</u>	<u>1,366</u>	<u>278,522</u>

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

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

CONSOLIDATED FINANCIAL STATEMENTS				
	As at May 20, 2013		As at February 20, 2013	
	Interest rate	Baht '000	Interest rate	Baht '000
	%		%	
Overdrafts in THB currency	2.90	450,000	2.90	495,000
Short term loans in THB currency	2.85 - 3.27	1,770,000	2.85 - 3.17	2,840,000
Short term loans in USD currency	0.99 - 1.20	109,545	0.95 - 1.16	66,172
Total		<u>2,329,545</u>		<u>3,401,172</u>

SEPARATE FINANCIAL STATEMENTS				
	As at May 20, 2013		As at February 20, 2012	
	Interest rate	Baht '000	Interest rate	Baht '000
	%		%	
Overdrafts in THB currency	2.90	450,000	2.90	495,000
Short term loans in THB currency	2.85 - 3.27	1,770,000	2.85 - 3.17	2,840,000
Total		<u>2,220,000</u>		<u>3,335,000</u>

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

### 14. LONG-TERM LOANS

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

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
As at May 20, 2013			
	Interest rate	Foreign currency	Baht equivalent
	%	Million	Baht '000
Loan in YEN currency	3.01 - 6.61	28,220.00	8,296,116
Loan in USD currency	2.59 - 4.60	600.65	17,977,755
Loan in THB currency	3.65 - 5.00	-	8,720,000
<u>Less</u> Loan issuance cost			<u>(114,988)</u>
			34,878,883
<u>Less</u> Current portion of long-term loans			<u>(11,022,835)</u>
<b>Total long-term loans – net</b>			<b><u>23,856,048</u></b>

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
As at February 20, 2013

	Interest rate %	Foreign currency Million	Baht equivalent Baht '000
Loan in YEN currency	3.01 - 6.61	28,220.00	9,081,563
Loan in USD currency	2.59 - 4.60	519.65	15,604,206
Loan in THB currency	3.65 - 5.00	-	8,920,000
<u>Less</u> Loan issuance cost			(115,044)
			33,490,725
<u>Less</u> Current portion of long-term loans			(10,234,408)
<b>Total long-term loans – net</b>			<b>23,256,317</b>

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

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
As at May 20, 2013

	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 Contracts				
USD currency	1,205,070	-	7,115	7,115
Cross Currency Interest Rate Swap Contracts				
USD currency	2,955,600	-	37,450	37,450
	<u>4,160,670</u>	<u>-</u>	<u>44,565</u>	<u>44,565</u>
<b>Payable per currency swap</b>				
Cross Currency Swap Contracts				
YEN currency	1,284,240	(255,310)	-	(255,310)
USD currency	597,740	-	(29,061)	(29,061)
Cross Currency Interest Rate Swap Contracts				
YEN currency	9,109,880	(609,300)	(1,233,394)	(1,842,694)
USD currency	13,537,944	(33,986)	(300,118)	(334,104)
	<u>24,529,804</u>	<u>(898,596)</u>	<u>(1,562,573)</u>	<u>(2,461,169)</u>

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
As at February 20, 2013

	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 Contracts				
USD currency	583,050	-	2,502	2,502
Cross Currency Interest Rate Swap Contracts				
YEN currency	1,076,250	50,096	-	50,096
USD currency	2,688,200	-	14,347	14,347
	<u>4,347,500</u>	<u>50,096</u>	<u>16,849</u>	<u>66,945</u>



**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**  
**As at February 20, 2013**

	Principal to be received/ paid Baht '000	Carrying amount		Total Baht '000
		Less than 1 year Baht '000	1 - 5 years Baht '000	
<b>Payable per currency swap</b>				
Cross Currency Swap Contracts				
YEN currency	1,284,240	(157,895)	-	(157,895)
USD currency	597,740	-	(27,202)	(27,202)
Cross Currency Interest Rate Swap Contracts				
YEN currency	8,033,630	(353,233)	(851,526)	(1,204,759)
USD currency	12,038,944	(18,408)	(274,966)	(293,374)
	<u>21,954,554</u>	<u>(529,536)</u>	<u>(1,153,694)</u>	<u>(1,683,230)</u>

## 15. 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 May 20, 2013 Baht '000	As at February 20, 2013 Baht '000
30/07/2010	30/07/2015	20	USD	1,000,000	20,000,000	USD-LIBOR 6M + 0.50	Semi-annual	598,610	600,566
14/07/2011	14/07/2016	15	USD	1,000,000	15,000,000	USD-LIBOR 6M + 0.30	Semi-annual	448,958	450,425
16/12/2011	16/12/2016	20	USD	1,000,000	20,000,000	USD-LIBOR 6M + 0.80	Semi-annual	598,610	600,566
30/08/2012	30/08/2017	30	USD	1,000,000	30,000,000	USD-LIBOR 3M	Quarterly	897,915	900,849
13/09/2012	13/09/2017	20	USD	1,000,000	20,000,000	USD-LIBOR 3M + 0.20	Quarterly	598,610	600,566
								<u>3,142,703</u>	<u>3,152,972</u>
<u>Less</u> Debenture issuance cost								<u>(61,923)</u>	<u>(66,129)</u>
<b>Long-term debentures</b>								<u>3,080,780</u>	<u>3,086,843</u>

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

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**  
**As at May 20, 2013**

	Principal to be received/ paid Baht '000	Carrying amount		Total Baht '000
		Less than 1 year Baht '000	1 - 5 years Baht '000	
<b>Payable per currency swap</b>				
Cross Currency Interest Rate Swap Contracts				
USD currency	3,287,050	-	(144,348)	(144,348)
	<u>3,287,050</u>	<u>-</u>	<u>(144,348)</u>	<u>(144,348)</u>

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

As at February 20, 2013

	Principal to be	Carrying amount		Total
	received/ paid	Less than 1 year	1 - 5 years	
	Baht '000	Baht '000	Baht '000	Baht '000
<b>Payable per currency swap</b>				
Cross Currency Interest Rate Swap Contracts				
USD currency	3,287,050	-	(134,079)	(134,079)
	<u>3,287,050</u>	<u>-</u>	<u>(134,079)</u>	<u>(134,079)</u>

On May 24, 2010, and May 20, 2013, Eternal 5 Special Purpose Vehicle Company Limited, and Eternal 6 Special Purpose Vehicle Company Limited, the Company's subsidiaries, issued the debentures of Baht 2,790 million, and Baht 2,960 million respectively (see Note 8.5), 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 July 10, 2010, and July 9, 2013, respectively.

On May 10, 2013, Eternal 5 Special Purpose Vehicle Co., Ltd. redeemed the remaining balance of debentures in full (see Note 8.5).

The subsidiaries' debentures are as follows:

Debenture Classes	Maturity date	Amount Baht' 000	Interest rate %	As at	As at
				May 20, 2013 Baht '000	February 20, 2013 Baht '000
<b>Eternal 5 Special Purpose Vehicle Co., Ltd.</b>					
Class A-1	May 10, 2015	2,790,000	3.10	-	2,790,000
				<u>-</u>	<u>2,790,000</u>
<b>Eternal 6 Special Purpose Vehicle Co., Ltd.</b>					
ClassA-sf	June 8, 2018	2,960,000	3.83	2,960,000	-
				<u>2,960,000</u>	<u>-</u>
				<u>2,960,000</u>	<u>2,790,000</u>

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

## 16. EMPLOYEE BENEFITS OBLIGATION

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

For the three-month periods ended May 20, 2013 and 2012, amounts recognized in the statements of income in respect of the post-employment benefit plans are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Current service cost	2,613	1,809	2,295	1,582
Interest cost	459	281	422	255
Total	<u>3,072</u>	<u>2,090</u>	<u>2,717</u>	<u>1,837</u>

Movements in the present value of the post-employment benefits obligation for the three-month period ended May 20, are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Beginning balance of employment				
Benefit obligations	44,659	29,306	40,578	26,212
Current service cost	2,613	1,809	2,295	1,582
Interest cost	459	281	422	255
Ending balance	<u>47,731</u>	<u>31,396</u>	<u>43,295</u>	<u>28,049</u>

The principal actuarial assumptions used to calculate the obligation under the defined benefit plans as at May 20, 2013 and February 20, 2013 are as follows:

	CONSOLIDATED FINANCIAL	SEPARATE FINANCIAL
	STATEMENTS	STATEMENTS
	% per annum	% per annum
Financial assumptions		
Discount rate	4.15 - 4.16	4.16
Turnover rate		
Monthly staffs	0.0 - 66.0	7.0 - 19.0
	Subject to range of age of employees	Subject to range of age of employees
Daily staffs	0.0 - 66.0	20.0 - 47.0
	Subject to range of age of employees	Subject to range of age of employees
Temporary staffs	20.0 - 65.0	20.0 - 65.0
	Subject to range of age of employees	Subject to range of age of employees
Expected rate of salary increase	5.0	5.0

## 17. SHAREHOLDERS' EQUITY

- 17.1 On June 14, 2012, the Annual General Meeting of Shareholders of the Company 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.
- 17.2 On September 25, 2012, the Company's Board of Directors' meeting passed the resolution the declare interim dividends for the 2012 fiscal year at the rate Baht 1.15 per share amounting to Baht 287.50 million. The aforementioned shareholders included 60,800 shares of foreign shareholders who had no right to receive dividend in accordance with regulation of Thailand Securities Depository, thus the Company paid dividend to shareholders amounting of Baht 287.43 million on October 22, 2012.
- 17.3 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 non-controlling interests. 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.

## 18. REVENUE RELATING TO SECURITIZATION TRANSACTION

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

For the three-month periods ended May 20, 2013 and 2012, the details of revenues from securitization transaction consist of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS 2013 Baht '000	FINANCIAL STATEMENTS 2012 Baht '000	FINANCIAL STATEMENTS 2013 Baht '000	FINANCIAL STATEMENTS 2012 Baht '000
Credit Card Income				
Interest income from subordinated lending	-	-	28,353	64,283
Revenue from seller loan in				
Special Purpose Vehicle	-	-	9,490	8,031
Dividend from investment in				
Special Purpose Vehicle	-	-	163,027	170,132
Servicing income	-	-	45,857	104,498
Total	-	-	246,727	346,944

## 19. 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 periods ended May 20, 2013 and 2012, directors and managements' remuneration are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2013	2012	2013	2012
	Baht '000	Baht '000	Baht '000	Baht '000
Short-term employee benefits				
Managements' remuneration	20,090	18,562	15,425	13,802
Directors' remuneration	7,173	5,821	6,810	5,795
Post-employment benefits	611	524	389	362
	<u>27,874</u>	<u>24,907</u>	<u>22,624</u>	<u>19,959</u>

For the three-month periods ended May 20, 2013 and 2012, directors' remunerations which were included in short-term employee benefits were approved by the ordinary shareholders' meetings of the Company held on June 18, 2013 and June 14, 2012, respectively.

## 20. CORPORATE INCOME TAX

According to the Royal Decree No. 555 B.E. 2555 issued under the Revenue Code regarding the corporate income tax rate reduction effective on December 27, 2012, the corporate income tax rate was reduced from 30% to 23% for an accounting period beginning on or after January 1, 2012 and 20% for accounting period beginning on or after January 1, 2013 but not later than December 31, 2014.

The Company and its local subsidiaries used tax rates of 20% and 23% for corporate income tax calculation for the three-month periods ended May 20, 2013 and 2012, respectively. The foreign subsidiary used 20% for corporate income tax calculation for the three-month periods ended May 20, 2013 and 2012.

The Company and its subsidiaries used tax rates of 20% and 23% for calculation of deferred tax for the three-month periods ended May 20, 2013 and 2012.

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

For the three-month periods ended May 20, 2013 and 2012, income tax consists of:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
	Baht '000	Baht '000	Baht '000	Baht '000
Current tax expense for the period	145,396	83,206	111,989	41,372
Deferred income tax expense (revenue)	(2,366)	10,983	(17,724)	(5,210)
Income tax expense per income statements	<u>143,030</u>	<u>94,189</u>	<u>94,265</u>	<u>36,162</u>

Reconciliations of effective tax rates for the three-month periods ended May 20, 2013 and 2012 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	2013		2012	
	Amount Baht' 000	Rate %	Amount Baht' 000	Rate %
Profit before tax	<u>711,688</u>		<u>402,922</u>	
Income tax at the tax rate	142,338	20.00	92,673	23.00
<u>Add</u> Tax effect of income and expense that are not exempt for tax purposes	933	0.13	1,523	0.38
<u>Less</u> Tax effect of income and expense that are exempt for tax purposes	(241)	(0.03)	(7)	(0.00)
<b>Income tax expenses per income statements</b>	<u>143,030</u>	<u>20.10</u>	<u>94,189</u>	<u>23.38</u>

	SEPARATE FINANCIAL STATEMENTS			
	2013		2012	
	Amount Baht' 000	Rate %	Amount Baht' 000	Rate %
Profit before tax	<u>633,829</u>		<u>326,182</u>	
Income tax at the tax rate	126,766	20.00	75,022	23.00
<u>Add</u> Tax effect of income and expense that are not exempt for tax purposes	345	0.05	277	0.08
<u>Less</u> Tax effect of income and expense that are exempt for tax purposes	(32,846)	(5.18)	(39,137)	(12.00)
<b>Income tax expenses per income statements</b>	<u>94,265</u>	<u>14.87</u>	<u>36,162</u>	<u>11.08</u>

## 21. 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:

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

Related parties	Relationship	Paid-up Capital Baht' 000	% Ownership	SEPARATE FINANCIAL STATEMENTS	
				As at May 20, 2013 Cost Baht '000	As at February 20, 2013 Cost Baht '000
Eternal 4 Special Purpose Vehicle Company Limited	Subsidiary	40.0	26.0	10.4	10.4
Eternal 5 Special Purpose Vehicle Company Limited	Subsidiary	40.0	26.0	10.4	10.4
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	40.0	26.0	10.4	-
AEON Microfinance (Cambodia) Private Company Limited	Subsidiary	118,160.0	100.0	118,160.0	29,960.0
ACS Insurance Broker (Thailand) Company Limited	Subsidiary	60,000.0	100.0	90,844.0	90,844.0
ACS Life Insurance Broker (Thailand) Company Limited	Subsidiary	40,000.0	100.0	58,380.2	58,380.2
ACS Servicing (Thailand) Company Limited	Subsidiary	148,000.0	100.0	175,349.1	175,349.1
AEON Microfinance (Myanmar) Company Limited	Subsidiary	15,789.6	100.0	15,789.6	1,127.1
AEON Leasing Service (Lao) Company Limited	Subsidiary	30,026.3	100.0	30,026.3	30,026.3
				<u>488,580.4</u>	<u>385,707.5</u>

## 21.2 Business transactions with related parties

### 21.2.1 Balances with related parties

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		As at May 20, 2013 Baht '000	As at February 20, 2013 Baht '000	As at May 20, 2013 Baht '000	As at February 20, 2013 Baht '000
<b>Other Current Assets</b>					
<b>Other receivables</b>					
Eternal Special Purpose Vehicle Company Limited	Related company	-	8,332	-	8,332
Eternal 4 Special Purpose Vehicle Company Limited	Subsidiary	-	-	2,413	2,456
Eternal 5 Special Purpose Vehicle Company Limited	Subsidiary	-	-	30,106	89,454
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	-	-	421,339	-
AEON Financial Service Corporation Limited (Formerly AEON Credit Service Company Limited)	Major shareholder and one common director	154	59	154	59
ACS Capital Corporation Limited	Shareholder and three common directors	231	675	231	675
ACS Insurance Broker (Thailand) Co., Ltd.	Subsidiary	-	-	228	315
ACS Servicing (Thailand) Co., Ltd.	Subsidiary	-	-	428	324
ACS Life Insurance Broker (Thailand) Co., Ltd.	Subsidiary	-	-	30	106
AEON Leasing Service (Lao) Company Limited	Subsidiary	10,593	-	10,593	-
		<u>10,978</u>	<u>9,066</u>	<u>465,522</u>	<u>101,721</u>
<b>Seller loan in Special Purpose Vehicle for Securitization</b> (see Note 10)					
Eternal 5 Special Purpose Vehicle Company Limited	Subsidiary	-	-	-	2,650,878
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	-	-	175,850	-
		<u>-</u>	<u>-</u>	<u>175,850</u>	<u>2,650,878</u>
<b>Subordinated lending</b> (see Note 11)					
Eternal 5 Special Purpose Vehicle Company Limited	Subsidiary	-	1,438,000	-	1,438,000
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	1,399,352	-	1,399,352	-
		<u>1,399,352</u>	<u>1,438,000</u>	<u>1,399,352</u>	<u>1,438,000</u>
<b>Accounts payable</b>					
Aeon (Thailand) Co., Ltd.	Holding shares and two common directors	2,423	-	2,423	-
ACS Insurance Broker (Thailand) Co., Ltd.	Subsidiary	-	-	53,545	52,118
ACS Life Insurance Broker (Thailand) Co., Ltd.	Subsidiary	-	-	40,032	37,643
Jay Mart Public Company Limited	One common director	1,627	11,060	1,627	11,060
		<u>4,050</u>	<u>11,060</u>	<u>97,627</u>	<u>100,821</u>
<b>Other payables</b>					
Eternal 5 Special Purpose Vehicle Company Limited	Subsidiary	-	-	-	368,783
AEON Financial Service Corporation Limited (Formerly AEON Credit Service Company Limited)	Major shareholder and one common director	12,618	1,440	12,618	1,440
ACS Insurance Broker (Thailand) Co., Ltd.	Subsidiary	-	-	6,752	4,553
ACS Servicing (Thailand) Co., Ltd.	Subsidiary	-	-	27,134	31,833
Aeon (Thailand) Co., Ltd.	Holding shares and two common director	366	17	366	17
ACS Life Insurance Broker (Thailand) Co., Ltd.	Subsidiary	-	-	5,982	6,053
Jay Mart Public Company Limited	One common director	1,687	2,358	1,687	2,358
AEON Credit Service Systems (Philippines) Inc.	Holding shares and one common director	779	747	779	747
		<u>15,450</u>	<u>4,562</u>	<u>55,318</u>	<u>415,784</u>



## 21.2.2 Transactions with related parties

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS For the years ended May 20,		SEPARATE FINANCIAL STATEMENTS For the years ended May 20,	
		2013 Baht '000	2012 Baht '000	2013 Baht '000	2012 Baht '000
<b>Credit card income</b>					
Aeon (Thailand) Co., Ltd.	Holding shares and two common director	-	205	-	205
<b>Revenue relating to securitization transaction</b> (including in credit card income)					
Eternal 4 Special Purpose Vehicle Company Limited	Subsidiary	-	-	-	127,209
Eternal 5 Special Purpose Vehicle Company Limited	Subsidiary	-	-	85,603	219,745
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	-	-	1,252	-
		<u>-</u>	<u>-</u>	<u>86,855</u>	<u>346,954</u>
<b>Other income</b>					
ACS Capital Corporation Limited	Shareholder and three common directors	3,950	6,000	3,950	6,000
ACS Life Insurance Broker (Thailand) Co., Ltd.	Subsidiary	-	-	2,291	3,050
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	1,000	1,800
ACS Insurance Broker (Thailand) Company Limited	Subsidiary	-	-	1,775	2,693
		<u>3,950</u>	<u>6,000</u>	<u>9,016</u>	<u>13,543</u>
<b>Operating and administrative expenses</b>					
<b>Collection service fee</b>					
ACS Servicing (Thailand) Co., Ltd.	Subsidiary	-	61,431	76,711	61,431
<b>Others</b>					
Aeon Financial Service Co., Ltd. (Formerly AEON Credit Service Company Limited)	Major shareholder and one common director	7,075	5,807	7,075	5,807
Aeon (Thailand) Company Limited	Holding shares and two common directors	2,579	1,533	2,579	1,533
ACS Capital Corporation Limited	Shareholder and three common directors	6,066	5,153	6,066	5,153
Jay Mart Public Company Limited	One common directors	3,877	2,515	3,877	2,515
AEON Credit Service Systems (Philippines) Inc.	Holding shares and one common director	1,688	2,291	1,688	2,291
		<u>21,285</u>	<u>78,730</u>	<u>97,996</u>	<u>78,730</u>

- For the three-month periods ended May 20, 2013 and 2012, other income includes the management and operating fee charged to ACS Capital Corporation Limited, ACS Insurance Broker (Thailand) Co., Ltd., ACS Life Insurance Broker (Thailand) Co., Ltd. and ACS Servicing (Thailand) Co., Ltd. at the rates of Baht 950,000 per month, Baht 300,000 per month, Baht 300,000 per month and Baht 400,000 per month, respectively, and for the computer fee at the rates of Baht 1,000,000 per month, Baht 100,000 per month, Baht 100,000 per month and Baht 200,000 per month, respectively, and charged to ACS Capital Corporation Limited for marketing support fee at the rate of Baht 200,000 per month and the marketing research fee at the rate of Baht 50,000 per month. Such agreements were terminated on March 31, 2013.
- Revenues relating to securitization transactions are determined by the Company and the subsidiaries in accordance with securitization projects (see Note 8.5).
- 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 Financial Service Corporation Limited (Formerly AEON Credit Service Company Limited) as stated in the agreement.
- Pricing policy for other operating and administrative expenses is determined by the Company and related parties based on the cost plus basis.
- Computer programs purchasing price is paid to AEON Credit Service Systems (Philippines) based on specified in the agreement.

## 22. SEGMENT INFORMATION

Since February 21, 2013, the Company and subsidiaries have adopted TFRS 8 “Operating Segments”. Such TFRS requires a change in the presentation and disclosure of segment information based on the internal reports provided to the Company and its subsidiaries’ Chief Operating Decision Maker to make decisions about assessing the performance of each segment and allocating resources to those segments. The Company and subsidiaries previously presented segment information in financial statements in respect of its business segments in accordance with TAS 14 “Segment Reporting”. As a result, following the adoption of such TFRS, the reportable segment has restoratively adjusted segment information for the financial statements for the three-month period ended May 20, 2012 and as of February 20, 2013.

The Company and subsidiaries presented segment information in respect of the business segments based on the management and internal reporting structure. The business segments of the Company and subsidiaries consist of:

Retail finance services	Consist of credit card, hire purchase and personal loans and others
Other business	Consist of debt collection service and insurance brokerage services

The Company and subsidiaries do not have revenues from transactions with a single external customer amount to 10% of total revenues.

The segment information of the Company and its subsidiaries were presented by business segment as follows:

## 22.1 Statement of income classified by business

<b>CONSOLIDATED FINANCIAL STATEMENTS</b>					
<b>For the three-month period ended May 20, 2013</b>					
	<b>Retail finance services</b>		<b>Other domestic</b>	<b>Elimination</b>	<b>Total</b>
	<b>Domestic</b>	<b>Foreign</b>	<b>Business</b>		
	<b>Baht '000</b>	<b>Baht '000</b>	<b>Baht '000</b>	<b>Baht '000</b>	<b>Baht '000</b>
<b>Revenues</b>					
Revenue from external customers	3,263,128	8,663	177,016	-	3,448,807
Inter - segment revenues	166,620	-	-	(166,620)	-
	<u>3,429,748</u>	<u>8,663</u>	<u>177,016</u>	<u>(166,620)</u>	<u>3,448,807</u>
<b>Expenses</b>					
Operating and administrative expenses	1,465,916	6,800	135,815	(128,777)	1,479,754
Directors and managements' remuneration	22,624	2,212	3,038	-	27,874
Bad debts and doubtful accounts	755,021	340	-	-	755,361
Finance cost	511,568	232	173	(37,843)	474,130
Total expenses	<u>2,755,129</u>	<u>9,584</u>	<u>139,026</u>	<u>(166,620)</u>	<u>2,737,119</u>
Net income (loss) before income tax expense	674,619	(921)	37,990	-	711,688
Income tax expense	135,022	226	7,782	-	143,030
Net income (loss) for the period	<u>539,597</u>	<u>(1,147)</u>	<u>30,208</u>	<u>-</u>	<u>568,658</u>

<b>CONSOLIDATED FINANCIAL STATEMENTS</b>					
<b>For the three-month period ended May 20, 2012</b>					
	<b>Retail finance services</b>		<b>Other Domestic</b>	<b>Elimination</b>	<b>Total</b>
	<b>Domestic</b>	<b>Foreign</b>	<b>Business</b>		
	<b>Baht '000</b>	<b>Baht '000</b>	<b>Baht '000</b>	<b>Baht '000</b>	<b>Baht '000</b>
<b>Revenues</b>					
Revenue from external customers	2,735,196	1,771	134,217	-	2,871,184
Inter - segment revenues	230,465	-	-	(230,465)	-
	<u>2,965,661</u>	<u>1,771</u>	<u>134,217</u>	<u>(230,465)</u>	<u>2,871,184</u>
<b>Expenses</b>					
Operating and administrative expenses	1,149,615	3,158	101,454	(158,151)	1,096,076
Directors and managements' remuneration	19,959	1,748	3,200	-	24,907
Bad debts and doubtful accounts	916,236	-	-	-	916,236
Finance cost	502,808	2	547	(72,314)	431,043
Total expenses	<u>2,588,618</u>	<u>4,908</u>	<u>105,201</u>	<u>(230,465)</u>	<u>2,468,262</u>
Net income (loss) before income tax expense	377,043	(3,137)	29,016	-	402,922
Income tax expense	86,992	20	7,177	-	94,189
Net income (loss) for the period	<u>290,051</u>	<u>(3,157)</u>	<u>21,839</u>	<u>-</u>	<u>308,733</u>

## 22.2 Financial position classified by business

CONSOLIDATED FINANCIAL STATEMENTS					
As at May 20, 2013					
	Retail finance services		Other domestic	Elimination	Total
	Domestic	Foreign	Business		
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Accounts receivable and other receivable	51,917,685	79,795	263,987	(4,956,418)	47,305,049
Equipment and intangible assets	1,107,984	7,983	118,348	-	1,234,315
Other assets	4,723,321	83,885	294,663	(569,137)	4,532,732
Total assets	<u>57,748,990</u>	<u>171,663</u>	<u>676,998</u>	<u>(5,525,555)</u>	<u>53,072,096</u>
Total liabilities	<u>49,980,116</u>	<u>115,908</u>	<u>275,689</u>	<u>(5,125,174)</u>	<u>45,246,539</u>

CONSOLIDATED FINANCIAL STATEMENTS					
As at February 20, 2013					
	Retail finance services		Other domestic	Elimination	Total
	Domestic	Foreign	Business		
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Accounts receivable and other receivable	48,564,190	38,590	249,449	(4,836,085)	44,016,144
Equipment and intangible assets	1,105,022	6,980	129,925	-	1,241,927
Other assets	8,476,009	68,530	233,481	(3,022,837)	5,755,183
Total assets	<u>58,145,221</u>	<u>114,100</u>	<u>612,855</u>	<u>(7,858,922)</u>	<u>51,013,254</u>
Total liabilities	<u>50,915,956</u>	<u>70,722</u>	<u>241,753</u>	<u>(7,473,214)</u>	<u>43,755,217</u>

## 23. CREDIT FACILITIES AND LETTER OF GUARANTEE

- 23.1 As at February 20, 2013, the Company has the committed and unsecured revolving credit facility agreements with a financial institution for general corporate funding requirements totaling Baht 400 million. As at May 20, 2013, such agreements were terminated.
- 23.2 As at May 20, 2013 and February 20, 2013, the Company has unused overdraft facilities with various banks totaling same amount of Baht 145.10 million and 100.10 Baht 100.10 million, respectively. Such overdraft facilities are unsecured.
- 23.3 As at May 20, 2013 and February 20, 2013, the Company has bank's letter of guarantees issued to suppliers for guarantee payment of Baht 2.20 million and Baht 2.50 million, respectively. Such letter of guarantees are unsecured.
- 23.4 As at May 20, 2013 and February 20, 2013, The subsidiaries have letters of guarantee issued by banks in the amounts of Baht 5.02 million and Baht 3.37 million, respectively.

**24. EVENT AFTER THE REPORTING PERIOD**

At the Annual General Meeting of shareholders held on June 18, 2013, the shareholders had the resolutions to approve the declaration of final dividends for the fiscal year 2012 at the rate of Baht 1.85 per share, totaling Baht 462.36 million which will be paid to all shareholders on June 27, 2013 in addition to the interim dividends which were paid to all shareholders at Baht 1.15 per share, totaling Baht 287.43 million on October 22, 2012.

**25. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS**

The interim financial statements were approved for issuing by the Company's authorized director on June 21, 2013.

(Translation)

## **Management Discussion and Analysis for the 1<sup>st</sup> Quarter 2013 ended May 20, 2013**

AEON Thana Sinsap (Thailand) Public Company Limited (“the Company”) has already submitted the consolidated reviewed the 1<sup>st</sup> quarter financial statements as of May 20, 2013 which were reviewed by Deloitte Touche Tohmatsu Jaiyos Audit Company Limited. The Company has consolidated all subsidiaries with consolidated net profit attributed to owners of the parent of 569 million baht or 2.27 baht per share. The financial performance can be summarized as follows.

### **Overview**

According to the Bank of Thailand, Thai economy in the first quarter of 2013 expanded by 5.3% y-y. However, the household spending still continued to expand by 4.2% compared to the expansion of 2.9% in the same period last year, which was mainly supported by the first car tax-rebate scheme. Consumer Confidence Index regarding the overall economic situation increased to 73.8%, comparing to 69.4% in the previous quarter, which reflected the consumer’s view on better economic situation.

As of May 20, 2013, the Company’s total cards reached 6.81 million cards (including 2.15 million credit cards and 4.66 million member cards), increasing by 485,000 cards from May 20, 2012. For AEONTS networks, the Company has 104 branches and 389 ATMs to support customers’ convenience nationwide. Moreover, total dealers have reached more than 15,800 shops.

### **Summary of Operation Results**

#### **1. Operating Results**

##### **Revenues**

For the first 3 months of fiscal year 2013, the total consolidated revenues were 3,449 million baht, increasing by 20% from the same period last year. This was mainly attributed by the revenues growth from loan and credit card businesses. As of May 20, 2013, the Company had ID base of 2.12 million IDs, from Bangkok 38%, and upcountry 62%. Details of each business can be described as follows:

##### **- Credit Card**

Credit cards turnover shared 40% of total turnovers. Income from credit card in Q1/2013 increased by 13% y-y to 1,236 million baht and represented 36% of total revenues. This was due to the fact that the Company has focused more to launch new AEON card privileges and campaigns to increase more spending volume. In addition, in March 2013, the Company issued new co-brand card with Wuttisak Clinic Group Pcl. “AEON Wuttisak Visa Card” to reach new group of customers from beauty

segment; and to shift up AEON brand image, the Company opened AEON Lounge at Central World department store to facilitate gold card and platinum card members in May 2013. Focusing on card recruitment activities, the Company has developed more card recruitment channels including setting booths in high traffic areas and encouraging card application on the Company's website and dealer network nationwide. Consequently, the number of credit cards as of May 20, 2013 grew by 5% or increased by 108,000 cards from May 20, 2012.

- **Loans**

In Q1/2013, loans shared 53% of total turnovers (shared 25% from personal loan and 28% from purposed loan for mobile phone, IT products, electrical appliances and etc. at department stores and over 15,800 dealers nationwide) with the revenues of 1,861 million baht, increasing by 30% y-y. The increase was mainly from growth of revolving loan "Your Cash" which the Company has expanding more service channels providing more convenience to customers and this also saves the Company's operation cost. AEON members can utilize the revolving loans service through many service channels; besides AEONTS ATMs, other major bank ATMs i.e. Kasikorn, Thanachart, Bangkok Bank, Krungsri and Counter Service through 7-11 nationwide, they can transfer and receive cash through Thailand Post Office nationwide since January this year. As of May 20, 2013, number of member card grew by 9% y-y or increased by 376,000 cards from the same period last year.

- **Hire Purchase**

In Q1/2013, total turnover for hire purchase represented only motorcycle transaction, sharing 1% of total turnovers with revenues of 61 million baht, decreasing by 3% from total hire purchase revenues last year. This was mainly from migration of new hire purchase contract, except motorcycle, to installment loan contract since January 2011. However, the company has continued launching exclusive campaigns with motorcycle manufacturers and suppliers, i.e., Honda, Yamaha and Kawasaki as well as increased distribution channel for motorcycle sales through our branches.

- **Other Income**

In the first quarter of 2013, other incomes were 291 million baht, representing 8% of total revenues, mainly comprised bad debt recovery, commission income, collection service income and etc. The majority of other incomes came from bad debt recovery of 151 million baht which accounted for 4% of total revenues. Since acquisition of new subsidiaries in September 2012, in Q1/2013, the Company had commission income of 48 million baht and collection service income of 36 million baht; which the Company has planed to generate more fee base income in the future.

## **Expenses**

The Company's expenses mainly consist of operating and administrative expenses, bad debt and doubtful accounts and finance cost. In Q1/2013, the Company had total consolidated expenses of 2,737 million baht, increasing by 11% y-y. Details of expenses are shown as follows:

### **- Operating and Administrative Expenses**

For the first 3 months, the operating and administrative expenses were 1,480 million baht, increasing by 35% y-y, and represented 43% of total revenues. This was as a result of increase in marketing expenses to stimulate sales performance as well as improve competitive edge.

### **- Bad debt and Doubtful accounts**

In Q1/2013, the Company posted bad debt and doubtful accounts of 755 million baht, decreasing by 18% from the same period last year. The decrease was mainly due to improved quality of accounts receivable from increase of new upcountry customers, which typically have good payment record. As of May 20, 2013, upcountry customers represented around 62% of total portfolio.

### **- Finance Cost**

The Company had finance cost of 474 million baht, 10% increase from the same period last year. This was because of an increase in total borrowings to support business growth. However, finance cost in Q1/2013 accounted for 14% of revenues, decreasing from 15% last year. The average interest rate cost in Q1/2013 was 4.28% which was 0.20% higher than that of 4.08% from FY2012. This was due to the fact that the Company has a policy to reduce liquidity risk and interest rate fluctuation risk by mainly locking in long-term borrowing, represented 67% of total borrowing in Q1/2013.

## **Net Profit**

In Q1/2013, the Company had consolidated operating income of 712 million baht, increasing from 403 million baht in the same period last year, and reported net profit attributed to owners of the parent of 569 million baht, or 2.27 baht per share, up from 1.15 baht per share in the same period last year, which was 98% growth y-y. Net profit margin was 16%, increasing from 10% in Q1/2012.



## **2. Consolidated Financial Status**

### **Total Assets**

As of May 20, 2013, consolidated total assets were 53,072 million baht, an increase of 2,059 million baht or 4% from 51,013 million baht as of February 20, 2013. The main assets were attributed to the portfolio of net account receivables which shared 89% of total assets.

#### **- Accounts Receivable**

The Company had gross accounts receivable of 48,512 million baht (both current assets and non-current assets) as of May 20, 2013, increasing by 7% from 45,394 million baht as of February 20, 2013. This can be categorized by business type as follows: credit card receivable 16,447 million baht, increased by 6%, loans receivable 31,010 million baht, increasing by 8%, and hire purchase receivable 970 million baht, increasing by 6%.

As of May 20, 2013, the Company provided allowance for doubtful accounts of 1,496 million baht or 3.08% of total accounts receivable, comparing to that of 1,620 million baht or 3.57% of total accounts receivable at the end of previous fiscal year.

### **Liabilities**

The consolidated liabilities of the Company as of May 20, 2013 totaled 45,246 million baht, increasing by 1,491 million baht, or 3% over the end of fiscal year 2012. This was mainly due to increase in total borrowings of 310 million baht and increase of payables per currency swap contracts from increased amount of borrowings in foreign currency compared to FY2012. As of May 20, 2013, there were both short-term and long-term borrowings totaling 40,289 million baht, comparing with that of 39,979 million baht as of February 20, 2013.

On May 20, 2013, Eternal 6 Special Purpose Vehicle Co., Ltd. ("Eternal 6"), a newly-established special purpose company limited which was set up by the Company for the purpose of securitization, issued Fixed Interest Rate Asset-Backed Debentures, cross border syndicate loan, with the principal amount of 2,960 million baht with the maturity of within 5 years.

### **Shareholders' Equity**

As of May 20, 2013, total shareholders' equity amounted to 7,826 million baht, increasing by 568 million baht, or 8% over the end of fiscal year 2012. This was mainly due to an increase of retained earnings from recorded a net profit of 569 million baht in Q1/2013.

Book value as of May 20, 2013 was 31.3 baht per share and debt to equity ratio was 5.8 times. Return on Equity and Return on Asset in Q1/2013 were 30.2% and 4.4%, respectively.

Reference to our notification to the Stock Exchange of Thailand on the amalgamation of ACS Insurance Broker (Thailand) Co., Ltd. ("ACSB") and ACS Life Insurance Broker (Thailand) Co., Ltd. ("ACSL") on March 26, 2013, we would like to inform that ACSB and ACSL will be amalgamated to be the new Company, namely, "AEON Insurance Service (Thailand) Co., Ltd." and commence its operation on July 1, 2013.

(Translation)

No.28/2013

June 25, 2013

President

The Stock Exchange of Thailand

Re: Notification of the Resolution of the Board of Directors' Meeting No. 5/2013

We, AEON Thana Sinsap (Thailand) Public Company Limited ("Company"), hereby report the resolutions passed at the meeting of the Board of Directors No. 5/2013, held on June 25, 2013 from 10:30 a.m. as follows:

1. Unanimously acknowledged of the report by the Board of Directors with respect of the Company's performance for the first quarter ended May 20, 2013;
2. Unanimously approved the reviewed financial statements of the Company for the first quarter ended May 20, 2013;
3. Approved the related transactions with the related companies (Details as attachment)
4. Notification for the end of securitization project Eternal 5

The Company would like to inform that the securitization project of Eternal 5 Special Purpose Vehicle Company Limited ("Eternal 5"), which was incorporated under the Civil and Commercial Code and the Securitization Law of Thailand, whose securitization project was approved by the Office of the Securities and Exchange Commission ("SEC"), has already stopped the operation and transferred credit card receivables back to the Company on May 10, 2013.

5. Notification of the Liquidation of ESPV

The Company would like to inform that the securitization project of Eternal Special Purpose Vehicle Company Limited (“ESPV”), a subsidiary of the Company with 26% shareholding which was incorporated under the Civil and Commercial Code and the Securitization Law of Thailand, whose securitization project was approved by the Office of the Securities and Exchange Commission (“SEC”), has already registered its dissolution with the Business Development Department, the Ministry of Commerce, on December 20, 2010 and the end of liquidation process on May 21, 2013.

Please be informed accordingly

Yours sincerely,

Yasuhiko Kondo  
Managing Director

## Disclosure of Connected transactions

The Board of Director's meeting of AEON Thana Sinsap (Thailand) Plc. No. 5/2013 held on June 25, 2013 had a resolution of the connected transaction as follows:

### Date of agreement

From June 25, 2013 to February 20, 2014

### Related parties with AEON Thana Sinsap (Thailand) Public Company Limited. ("AEONTS")

Company	Business	Relationship with AEONTS
1) AEON Credit Service Systems (Philippines) Inc. ("AEON Philippines")	System Development	- A subsidiary of AEON Financial Service Co., Ltd. ("AFS"), holding 699,995 of its shares or 70%; and AFS is also a major shareholder of AEONTS, holding 87,800,000 shares or 35.12%. - AEONTS holds 100,000 shares or 10% of AEON Philippines.
2) AEON Microfinance (Cambodia) Private Company Limited ("AEON Cambodia")	Retail Finance	AEONTS holds 100% of AEON Cambodia

### General characteristics of transactions

AEON Cambodia needs to purchase the credit card system to launch the credit card business in 2014

### Value of consideration

(Baht)

Related company name	Amount
AEON Philippines	52,000,000
<b>Total</b>	<b>52,000,000</b>

Name, position and shareholding proportion of the connected persons

Related company name	Name of connected persons	Share (s) in related company	% of share in AEONTS
AEON Philippines (Paid-up capital 100 Million Peso, 1,000,000 shares)	Mr. Jun Suzuki	1 share	-
AEON Cambodia (Paid-up capital 4 Million USD, 4,000,000 shares)	Mr. Yasuhiko Kondo	-	0.0400%

The measurement of total transactions

By measurement in percentage of the Company Net Tangible Assets (NTA) of the first quarter ended May 20, 2013 Company's Statement of Financial Position, total transaction is 52 million baht or 0.73% which more than 0.03% but less than 3% of NTA of the Company. So this transaction is the connected transaction pursuant to the Notifications which shall be approved by Audit Committee and Board of Director as well as disclose to the Stock Exchange of Thailand.

In addition, the Company has approved the connected transaction within the last 6 months as follows:

- Board of Directors' meeting No. 01/2013 on February 14, 2013, AEONTS received management fee income from ACS Capital Corporation Limited concerning the support of back office operation (Accounting, Administration, Personnel, Promotion, Legal, and System Support) for the amount of totally not more than 26.4 million or 0.37% of NTA.
- Board of Directors' meeting No. 02/2013 on March 26, 2013, AEONTS and its subsidiaries (AEON Cambodia, AEON Leasing Service (Lao) Company Limited and AEON Microfinance (Myanmar) Company Limited) have made outsource service agreement with AEON Systems to develop and maintenance the systems which need for each company operation. The total transaction is 34.0 million baht or 0.47% of NTA.

So the total connected transaction approved by the Board of Directors & meeting in the last six months period including this time was 112.4 million baht or 1.57% which more than 0.03% of the Company NTA but less than 3% of NTA of the Company as of May 20, 2013.

Opinion of the Board of Director

The Board of Directors has considered the value of contract and has opinion that, for continued implement of system within the Group, the price of service agreement between AEON Cambodia and AEON Philippines is fair and comparable to the similar price charged by other outsourcers which providing the

same services.

The connected persons who are the connected persons in each transaction did not vote during consideration of these transactions

Opinion of the Audit Committee

Audit Committee has opinion that this transaction of service agreement between AEON Cambodia and AEON Philippines is necessary and reasonable.