

REVIEW REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE BOARD OF DIRECTORS

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED

We have reviewed the consolidated balance sheet of AEON Thana Sinsap (Thailand) Public Company Limited and its subsidiaries and the separate balance sheet of AEON Thana Sinsap (Thailand) Public Company Limited as at August 20, 2010, and the related consolidated and separate statements of income for the quarters and six-month periods ended August 20, 2010 and 2009 and the related consolidated and separate statements of changes in shareholders' equity and cash flows for the six-month periods ended August 20, 2010 and 2009. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. Our responsibility is to report on these financial statements based on our reviews.

We conducted our reviews in accordance with the Standard on Auditing applicable to review engagements. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit in accordance with generally accepted auditing standards and, accordingly, we do not express an opinion.

Based on our reviews, nothing has come to our attention that causes us to believe that the consolidated and separate financial statements referred to in the first paragraph are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

We have previously audited the consolidated financial statements of AEON Thana Sinsap (Thailand) Public Company Limited and its subsidiaries and the separate financial statements of AEON Thana Sinsap (Thailand) Public Company Limited for the year ended February 20, 2010, in accordance with generally accepted auditing standards, and expressed an unqualified opinion in our report dated April 9, 2010. The consolidated and separate balance sheets as at February 20, 2010, presented herein for comparison, have been derived from such consolidated and separate financial statements which we have audited and reported on. We have not performed any other audit procedures subsequent to such report date.

Niti Jungnitnirundr
Certified Public Accountant (Thailand)
Registration No. 3809

BANGKOK
September 22, 2010

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT AUGUST 20, 2010 AND FEBRUARY 20, 2010

BAHT : '000

| | Notes | CONSOLIDATED | | SEPARATE | |
|---|-------|----------------------|-------------------|----------------------|-------------------|
| | | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | | "Unaudited" | | "Unaudited" | |
| | | As at | As at | As at | As at |
| | | August 20, | February 20, | August 20, | February 20, |
| | | 2010 | 2010 | 2010 | 2010 |
| ASSETS | | | | | |
| CURRENT ASSETS | | | | | |
| Cash and cash equivalents | | 2,030,213 | 1,520,499 | 1,518,995 | 1,476,996 |
| Current investment in bill of exchange | | 125,000 | - | - | - |
| Accounts receivable - net | 5 | 32,031,144 | 32,460,142 | 29,011,970 | 31,460,949 |
| Participation amount in Special Purpose Vehicle | | | | | |
| for Securitization due within one year | 8 | - | - | 1,566,390 | 1,063,311 |
| Subordinated lending due within one year | 9 | 169,188 | 217,035 | 169,188 | 217,035 |
| Other current assets | | | | | |
| Other receivable | | 109,503 | 149,879 | 284,259 | 167,179 |
| Receivables per currency swap contracts | 12 | 915,760 | 538,629 | 915,760 | 538,629 |
| Others | 6 | 105,284 | 90,668 | 105,201 | 90,668 |
| | | <u>1,130,547</u> | <u>779,176</u> | <u>1,305,220</u> | <u>796,476</u> |
| Total Current Assets | | <u>35,486,092</u> | <u>34,976,852</u> | <u>33,571,763</u> | <u>35,014,767</u> |
| NON-CURRENT ASSETS | | | | | |
| Accounts receivable - net | 5 | 1,254,944 | 1,132,403 | 1,254,944 | 1,132,403 |
| Investments in subsidiaries | 7.1 | - | - | 31 | 21 |
| Other long-term investments | | | | | |
| Related companies | 7.2 | 118,805 | 118,733 | 118,805 | 118,733 |
| Other companies | 7.3 | 21 | 21 | 21 | 21 |
| | | <u>118,826</u> | <u>118,754</u> | <u>118,826</u> | <u>118,754</u> |
| Participation in Special Purpose Vehicle | | | | | |
| for Securitization | 8 | - | - | 1,991,162 | 195,815 |
| Subordinated lending | 9 | 2,155,843 | 744,000 | 2,155,843 | 744,000 |
| Equipment - net | | 367,780 | 406,599 | 367,780 | 406,599 |
| Intangible assets - net | | 840,316 | 872,250 | 840,316 | 872,250 |
| Receivables per currency swap contracts | 12 | 406,605 | 776,884 | 406,605 | 776,884 |
| Other non-current assets | 10 | 147,074 | 115,348 | 147,074 | 115,348 |
| | | <u>5,291,388</u> | <u>4,166,238</u> | <u>7,282,581</u> | <u>4,362,074</u> |
| Total Non-current Assets | | <u>5,291,388</u> | <u>4,166,238</u> | <u>7,282,581</u> | <u>4,362,074</u> |
| TOTAL ASSETS | | <u>40,777,480</u> | <u>39,143,090</u> | <u>40,854,344</u> | <u>39,376,841</u> |

See notes to the interim financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (CONTINUED)

AS AT AUGUST 20, 2010 AND FEBRUARY 20, 2010

BAHT : '000

| | Notes | CONSOLIDATED | | SEPARATE | |
|--|-----------|----------------------|----------------------|----------------------|----------------------|
| | | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | | "Unaudited" | | "Unaudited" | |
| | | As at | As at | As at | As at |
| | | August 20, 2010 | February 20, 2010 | August 20, 2010 | February 20, 2010 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | |
| CURRENT LIABILITIES | | | | | |
| Short-term loans from financial institutions | 11 | 850,000 | 4,846,225 | 850,000 | 4,846,225 |
| Current portion of : | | | | | |
| Long-term loans | 12 | 9,082,363 | 7,982,764 | 9,082,363 | 7,982,764 |
| Long-term debentures | 13 | 999,924 | 1,296,474 | 999,924 | 1,296,474 |
| Accounts payable | | 356,631 | 532,574 | 356,631 | 532,574 |
| Other current liabilities | | | | | |
| Accrued income tax | | 144,062 | 201,087 | 22,923 | 177,327 |
| Accrued interest expense | | 251,666 | 253,207 | 246,872 | 248,798 |
| Accrued expenses - others | | 165,541 | 146,869 | 158,493 | 142,805 |
| Other payable | | 129,590 | 151,392 | 339,536 | 417,443 |
| Payables per currency swap contracts | 12 | 64,837 | 61,229 | 64,837 | 61,229 |
| Others | | 16,011 | 17,344 | 16,011 | 17,344 |
| | | <u>771,707</u> | <u>831,128</u> | <u>848,672</u> | <u>1,064,946</u> |
| Total Current Liabilities | | <u>12,060,625</u> | <u>15,489,165</u> | <u>12,137,590</u> | <u>15,722,983</u> |
| NON-CURRENT LIABILITIES | | | | | |
| Long-term loans | 12 | 20,368,309 | 16,193,662 | 20,368,309 | 16,193,662 |
| Long-term debentures | 13 | 2,164,133 | 1,535,295 | 2,164,133 | 1,535,295 |
| Payables per currency swap contracts | 12 and 13 | 189,243 | 68,773 | 189,243 | 68,773 |
| Total Non-current Liabilities | | <u>22,721,685</u> | <u>17,797,730</u> | <u>22,721,685</u> | <u>17,797,730</u> |
| TOTAL LIABILITIES | | <u>34,782,310</u> | <u>33,286,895</u> | <u>34,859,275</u> | <u>33,520,713</u> |

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (CONTINUED)

AS AT AUGUST 20, 2010 AND FEBRUARY 20, 2010

BAHT : '000

| | Notes | CONSOLIDATED | | SEPARATE | |
|---|-------|----------------------|--------------|----------------------|--------------|
| | | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | | "Unaudited" | | "Unaudited" | |
| | | As at | As at | As at | As at |
| | | August 20, | February 20, | August 20, | February 20, |
| | | 2010 | 2010 | 2010 | 2010 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | |
| (CONTINUED) | | | | | |
| SHAREHOLDERS' EQUITY | 14 | | | | |
| 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 |
| UNREALIZED GAIN FROM REVALUATION | | | | | |
| ON INVESTMENTS | 7.2 | 57,488 | 57,415 | 57,488 | 57,415 |
| RETAINED EARNINGS | | | | | |
| Appropriated | | | | | |
| Legal reserve | | 25,000 | 25,000 | 25,000 | 25,000 |
| Reserve for business expansion | | 4,250,000 | 3,750,000 | 4,250,000 | 3,750,000 |
| Unappropriated | | 934,593 | 1,295,721 | 934,581 | 1,295,713 |
| TOTAL COMPANY'S SHAREHOLDERS' EQUITY | | 5,995,081 | 5,856,136 | 5,995,069 | 5,856,128 |
| MINORITY INTEREST | | 89 | 59 | - | - |
| TOTAL SHAREHOLDERS' EQUITY | | 5,995,170 | 5,856,195 | 5,995,069 | 5,856,128 |
| TOTAL LIABILITIES AND | | | | | |
| SHAREHOLDERS' EQUITY | | 40,777,480 | 39,143,090 | 40,854,344 | 39,376,841 |

See notes to the interim financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE QUARTERS ENDED AUGUST 20, 2010 AND 2009

"UNAUDITED"

BAHT : '000

| | Notes | CONSOLIDATED | | SEPARATE | |
|--|---------------|----------------------|------------------|----------------------|------------------|
| | | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | | 2010 | 2009 | 2010 | 2009 |
| REVENUES | | | | | |
| Credit card income | 15 | 1,022,502 | 830,122 | 803,625 | 693,900 |
| Loan income | | 934,526 | 1,083,842 | 934,526 | 1,083,842 |
| Hire purchase income | | 355,611 | 278,943 | 355,611 | 278,943 |
| Other income | | | | | |
| Bad debt recovery | | 161,898 | 153,875 | 147,685 | 141,969 |
| Outsource collection service income | | 9,170 | 16,013 | 9,170 | 16,013 |
| Gain on sale of fixed assets | | 197 | 31 | 197 | 31 |
| Others | | 34,556 | 29,338 | 33,949 | 28,290 |
| | | <u>205,821</u> | <u>199,257</u> | <u>191,001</u> | <u>186,303</u> |
| Total Revenues | | <u>2,518,460</u> | <u>2,392,164</u> | <u>2,284,763</u> | <u>2,242,988</u> |
| EXPENSES | | | | | |
| Operating and administrative expenses | | 907,282 | 890,973 | 880,194 | 877,440 |
| Directors and managements remuneration | 16 | 28,531 | 12,981 | 28,531 | 12,981 |
| Bad debts and doubtful accounts | | 914,277 | 703,356 | 827,786 | 615,900 |
| Total Expenses | | <u>1,850,090</u> | <u>1,607,310</u> | <u>1,736,511</u> | <u>1,506,321</u> |
| INCOME BEFORE FINANCE COST | | | | | |
| AND INCOME TAX | | 668,370 | 784,854 | 548,252 | 736,667 |
| FINANCE COST | | <u>427,179</u> | <u>417,246</u> | <u>382,443</u> | <u>380,373</u> |
| INCOME BEFORE INCOME TAX | | 241,191 | 367,608 | 165,809 | 356,294 |
| INCOME TAX (REVERSAL) | 17 | 72,288 | 103,723 | (3,094) | 92,439 |
| NET INCOME | | <u>168,903</u> | <u>263,885</u> | <u>168,903</u> | <u>263,855</u> |
| PROFIT ATTRIBUTABLE TO | | | | | |
| Equity holders of the parent company | | 168,903 | 263,855 | 168,903 | 263,855 |
| Minority interest | | - | 30 | - | - |
| | | <u>168,903</u> | <u>263,885</u> | <u>168,903</u> | <u>263,855</u> |
| BASIC EARNINGS PER SHARE | BAHT | 0.68 | 1.06 | 0.68 | 1.06 |
| WEIGHTED AVERAGE NUMBER | | | | | |
| OF ORDINARY SHARES | SHARES | 250,000,000 | 250,000,000 | 250,000,000 | 250,000,000 |

See notes to the interim financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE SIX-MONTH PERIODS ENDED AUGUST 20, 2010 AND 2009

"UNAUDITED"

BAHT : '000

| | Notes | CONSOLIDATED | | SEPARATE | |
|--|---------------|----------------------|------------------|----------------------|------------------|
| | | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | | 2010 | 2009 | 2010 | 2009 |
| REVENUES | | | | | |
| Credit card income | 15 | 1,961,266 | 1,656,828 | 1,610,252 | 1,378,442 |
| Loan income | | 1,804,954 | 2,057,566 | 1,804,954 | 2,057,566 |
| Hire purchase income | | 648,381 | 580,463 | 648,381 | 580,463 |
| Other income | | | | | |
| Bad debt recovery | | 313,507 | 279,795 | 286,320 | 257,711 |
| Outsource collection service income | | 19,027 | 33,501 | 19,027 | 33,501 |
| Gain on sale of fixed assets | | 225 | 471 | 225 | 471 |
| Others | | 62,753 | 59,501 | 59,161 | 57,672 |
| | | <u>395,512</u> | <u>373,268</u> | <u>364,733</u> | <u>349,355</u> |
| Total Revenues | | <u>4,810,113</u> | <u>4,668,125</u> | <u>4,428,320</u> | <u>4,365,826</u> |
| EXPENSES | | | | | |
| Operating and administrative expenses | | 1,806,727 | 1,707,921 | 1,765,358 | 1,680,446 |
| Directors and managements remuneration | 16 | 38,735 | 23,451 | 38,735 | 23,451 |
| Bad debts and doubtful accounts | | 1,583,583 | 1,424,631 | 1,444,802 | 1,241,739 |
| Total Expenses | | <u>3,429,045</u> | <u>3,156,003</u> | <u>3,248,895</u> | <u>2,945,636</u> |
| INCOME BEFORE FINANCE COST | | | | | |
| AND INCOME TAX | | 1,381,068 | 1,512,122 | 1,179,425 | 1,420,190 |
| FINANCE COST | | <u>820,006</u> | <u>828,385</u> | <u>739,598</u> | <u>755,840</u> |
| INCOME BEFORE INCOME TAX | | 561,062 | 683,737 | 439,827 | 664,350 |
| INCOME TAX | 17 | <u>159,663</u> | <u>184,024</u> | <u>38,476</u> | <u>164,667</u> |
| NET INCOME | | <u>401,399</u> | <u>499,713</u> | <u>401,351</u> | <u>499,683</u> |
| PROFIT ATTRIBUTABLE TO | | | | | |
| Equity holders of the parent company | | 401,355 | 499,683 | 401,351 | 499,683 |
| Minority interest | | 44 | 30 | - | - |
| | | <u>401,399</u> | <u>499,713</u> | <u>401,351</u> | <u>499,683</u> |
| BASIC EARNINGS PER SHARE | BAHT | 1.61 | 2.00 | 1.61 | 2.00 |
| WEIGHTED AVERAGE NUMBER | | | | | |
| OF ORDINARY SHARES | SHARES | 250,000,000 | 250,000,000 | 250,000,000 | 250,000,000 |

See notes to the interim financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE SIX-MONTH PERIODS ENDED AUGUST 20, 2010 AND 2009
 "UNAUDITED"

BAHT' : 000

| | Notes | CONSOLIDATED FINANCIAL STATEMENTS | | | | | | | Total Shareholders' Equity |
|---|---------------|-----------------------------------|----------------------------|---|---------------|---|------------------|-------------------|----------------------------|
| | | Issued and Paid-up Share Capital | Premium on Ordinary Shares | Unrealized Gain from Revaluation on Investments | Legal Reserve | Retained Earnings Appropriated Reserve for Business Expansion | Unappropriated | Minority Interest | |
| Beginning balance, as at February 21, 2009 | | 250,000 | 478,000 | 34,933 | 25,000 | 3,100,000 | 1,486,427 | 59 | 5,374,419 |
| Available-for-sale investments | | | | | | | | | |
| Gain recognized in shareholders' equity | 4.3 | - | - | 17,378 | - | - | - | - | 17,378 |
| Total revenues recognized in shareholders' equity | | - | - | 17,378 | - | - | - | - | 17,378 |
| Net income | | - | - | - | - | - | 499,683 | 30 | 499,713 |
| Total revenues recognized during the period | | - | - | 17,378 | - | - | 499,683 | 30 | 517,091 |
| Appropriation for the previous period | | | | | | | | | |
| Reserve for business expansion | 14.1 | - | - | - | - | 650,000 | (650,000) | - | - |
| Dividend | 14.1 and 14.3 | - | - | - | - | - | (262,483) | (30) | (262,513) |
| Ending balance, as at August 20, 2009 | | <u>250,000</u> | <u>478,000</u> | <u>52,311</u> | <u>25,000</u> | <u>3,750,000</u> | <u>1,073,627</u> | <u>59</u> | <u>5,628,997</u> |
| Beginning balance, as at February 21, 2010 | | 250,000 | 478,000 | 57,415 | 25,000 | 3,750,000 | 1,295,721 | 59 | 5,856,195 |
| Available-for-sale investments | | | | | | | | | |
| Gain recognized in shareholders' equity | 4.3 | - | - | 73 | - | - | - | - | 73 |
| Total revenues recognized in shareholders' equity | | - | - | 73 | - | - | - | - | 73 |
| Net income | | - | - | - | - | - | 401,355 | 44 | 401,399 |
| Total revenues recognized during the period | | - | - | 73 | - | - | 401,355 | 44 | 401,472 |
| Appropriation for the previous period | | | | | | | | | |
| Reserve for business expansion | 14.2 | - | - | - | - | 500,000 | (500,000) | - | - |
| Dividend | 14.2 and 14.3 | - | - | - | - | - | (262,483) | (44) | (262,527) |
| Issued and paid up share capital - new subsidiary | | - | - | - | - | - | - | 30 | 30 |
| Ending balance, as at August 20, 2010 | | <u>250,000</u> | <u>478,000</u> | <u>57,488</u> | <u>25,000</u> | <u>4,250,000</u> | <u>934,593</u> | <u>89</u> | <u>5,995,170</u> |

See notes to the interim financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE SIX-MONTH PERIODS ENDED AUGUST 20, 2010 AND 2009
 "UNAUDITED"

BAHT' : 000

| | Notes | SEPARATE FINANCIAL STATEMENTS | | | | | Unappropriated | Total Shareholders' Equity |
|---|---------------|----------------------------------|----------------------------|--|---------------|---|------------------|----------------------------|
| | | Issued and Paid-up Share Capital | Premium on Ordinary Shares | Unrealized Gain from Revaluation on Investment | Legal Reserve | Retained Earnings Appropriated Reserve for Business Expansion | | |
| Beginning balance, as at February 21, 2009 | | 250,000 | 478,000 | 34,933 | 25,000 | 3,100,000 | 1,486,419 | 5,374,352 |
| Available-for-sale investments | | | | | | | | |
| Gain recognized in shareholders' equity | 4.3 | - | - | 17,378 | - | - | - | 17,378 |
| Total revenues recognized in shareholders' equity | | - | - | 17,378 | - | - | - | 17,378 |
| Net income | | - | - | - | - | - | 499,683 | 499,683 |
| Total revenues recognized during the period | | - | - | 17,378 | - | - | 499,683 | 517,061 |
| Appropriation for the previous period | | | | | | | | |
| Reserve for business expansion | 14.1 | - | - | - | - | 650,000 | (650,000) | - |
| Dividend | 14.1 and 14.3 | - | - | - | - | - | (262,483) | (262,483) |
| Ending balance, as at August 20, 2009 | | <u>250,000</u> | <u>478,000</u> | <u>52,311</u> | <u>25,000</u> | <u>3,750,000</u> | <u>1,073,619</u> | <u>5,628,930</u> |
| Beginning balance, as at February 21, 2010 | | 250,000 | 478,000 | 57,415 | 25,000 | 3,750,000 | 1,295,713 | 5,856,128 |
| Available-for-sale investments | | | | | | | | |
| Gain recognized in shareholders' equity | 4.3 | - | - | 73 | - | - | - | 73 |
| Total revenues recognized in shareholders' equity | | - | - | 73 | - | - | - | 73 |
| Net income | | - | - | - | - | - | 401,351 | 401,351 |
| Total revenues recognized during the period | | - | - | 73 | - | - | 401,351 | 401,424 |
| Appropriation for the previous period | | | | | | | | |
| Reserve for business expansion | 14.2 | - | - | - | - | 500,000 | (500,000) | - |
| Dividend | 14.2 and 14.3 | - | - | - | - | - | (262,483) | (262,483) |
| Ending balance, as at August 20, 2010 | | <u>250,000</u> | <u>478,000</u> | <u>57,488</u> | <u>25,000</u> | <u>4,250,000</u> | <u>934,581</u> | <u>5,995,069</u> |

See notes to the interim financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIODS ENDED AUGUST 20, 2010 AND 2009

"UNAUDITED"

BAHT : '000

| | CONSOLIDATED | | SEPARATE | |
|---|-----------------------------|--------------------|-----------------------------|--------------------|
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | 2010 | 2009 | 2010 | 2009 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Income before income tax | 561,062 | 683,737 | 439,827 | 664,350 |
| Adjustments for: | | | | |
| Bad debts and doubtful accounts | 1,583,583 | 1,424,631 | 1,444,802 | 1,241,739 |
| Amortization of interest on bill of exchange | - | 5,608 | - | 5,608 |
| Depreciation | 82,987 | 77,759 | 82,987 | 77,759 |
| Amortization of cost of software | 145,549 | 131,589 | 145,549 | 131,589 |
| Gain on sale of fixed assets | (225) | (471) | (225) | (471) |
| Finance cost | 820,006 | 828,385 | 739,598 | 755,840 |
| Dividend income | (1,988) | (2,889) | (1,988) | (2,889) |
| | <u>3,190,974</u> | <u>3,148,349</u> | <u>2,850,550</u> | <u>2,873,525</u> |
| Operating assets (increase) decrease | | | | |
| Accounts receivable | (1,277,125) | (3,341,690) | (8,941,206) | (6,918,557) |
| Other current assets | 27,032 | 17,872 | (130,342) | 34,769 |
| Other non-current assets | (721) | (6,233) | (721) | (6,233) |
| Operating liabilities increase (decrease) | | | | |
| Accounts payable | (175,943) | 54,756 | (175,943) | 54,756 |
| Other current liabilities | 70,395 | (42,893) | 67,383 | (41,886) |
| Cash received (paid) for operations | 1,834,612 | (169,839) | (6,330,279) | (4,003,626) |
| Finance cost paid | (919,903) | (847,340) | (839,880) | (774,796) |
| Income tax paid | (216,688) | (234,992) | (192,880) | (207,179) |
| Net cash provided by (used in) operating activities | <u>698,021</u> | <u>(1,252,171)</u> | <u>(7,363,039)</u> | <u>(4,985,601)</u> |

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE SIX-MONTH PERIODS ENDED AUGUST 20, 2010 AND 2009

"UNAUDITED"

BAHT : '000

| | CONSOLIDATED | | SEPARATE | |
|---|-----------------------------|-------------------------|-----------------------------|-------------------------|
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | 2010 | 2009 | 2010 | 2009 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Cash payments for investment in bill of exchange | (125,000) | - | - | - |
| Cash payments for fixed assets acquisition | (65,924) | (48,382) | (65,924) | (48,382) |
| Cash payments for purchase of software | (103,930) | (188,973) | (103,930) | (188,973) |
| Proceeds from sale of fixed assets | 732 | 553 | 732 | 553 |
| Payments for investment in a subsidiary | - | - | (10) | - |
| Dividend received | 1,988 | 2,889 | 1,988 | 2,889 |
| Net cash used in investing activities | <u>(292,134)</u> | <u>(233,913)</u> | <u>(167,144)</u> | <u>(233,913)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Proceeds from sale of additional revolving receivables under securitization projects | - | 1,485,040 | 7,468,311 | 5,231,240 |
| Decrease in short-term loans from financial institutions | (3,996,300) | (2,100,000) | (3,996,300) | (2,100,000) |
| Proceeds from subordinated lending | 74,003 | 143,974 | 74,003 | 143,974 |
| Proceeds from long-term debenture | 646,000 | - | 646,000 | - |
| Proceeds from long-term loans | 7,951,901 | 3,705,275 | 7,951,901 | 3,705,275 |
| Cash payment for subordinated lending | (1,438,000) | - | (1,438,000) | - |
| Cash payments for long-term debenture | (300,000) | - | (300,000) | - |
| Cash payments for long-term loans | (2,571,250) | (1,554,050) | (2,571,250) | (1,554,050) |
| Dividend paid | (262,527) | (262,513) | (262,483) | (262,483) |
| Net cash provided by financing activities | <u>103,827</u> | <u>1,417,726</u> | <u>7,572,182</u> | <u>5,163,956</u> |
| Net increase (decrease) in cash and cash equivalents | 509,714 | (68,358) | 41,999 | (55,558) |
| Cash and cash equivalents as at February 21, | <u>1,520,499</u> | <u>2,160,400</u> | <u>1,476,996</u> | <u>2,074,979</u> |
| Cash and cash equivalents as at August 20, | <u><u>2,030,213</u></u> | <u><u>2,092,042</u></u> | <u><u>1,518,995</u></u> | <u><u>2,019,421</u></u> |

See notes to the interim financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTERS AND THE SIX-MONTH PERIODS ENDED AUGUST 20, 2010 AND 2009
“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 office is located at 388, 27th Floor, Exchange Tower, Sukhumvit Road, Klongtoey, Bangkok. The Company’s main objective is to do the business in credit card, hire purchase and personal loans.

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

Eternal 3 Special Purpose Vehicle Company Limited (ESPT) and Eternal 4 Special Purpose Vehicle Company Limited (Eternal 4) are subsidiaries of the Company which were incorporated under the Civil and Commercial Code of Thailand, and under the Securitization Law. Main objectives of subsidiaries are to operate as a special purpose juristic person in securitization projects and to engage in any activities for the purpose of implementing or facilitating the securitization in accordance with the securitization projects approved by the Office of the Securities and Exchange Commission of Thailand (“the SEC”) on February 3, 2006 and June 21, 2007, respectively.

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

2. BASIS FOR PREPARATION OF INTERIM FINANCIAL STATEMENTS

- 2.1 The Company maintains its accounting records in Thai Baht and prepares its interim financial statements in the Thai language in conformity with accounting standards and practices generally accepted in Thailand.
- 2.2 These interim financial statements are prepared in accordance with the Accounting Standard No. 34 (Revised 2007) “Interim Financial Statements” and the Notification of the Department of Commercial Registration dated January 30, 2009 regarding “The Brief Particulars in the Financial statements B.E. 2552”. In addition, these financial statements have been prepared in accordance with the Regulation of The Stock Exchange of Thailand (SET) date January 22, 2001 regarding the preparation and submission of financial statements and reports for the financial position and results of operations of listed companies B.E. 2544.
- 2.3 The consolidated and separate financial statements for the quarters and six-month periods ended August 20, 2010 and 2009 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 balance sheets as at February 20, 2010, presented herein for comparison, have been derived from the consolidated financial statements of the Company and its subsidiaries and separate financial statements of the Company for the year then ended which have been audited.

- 2.4 The consolidated financial statements for the quarter and six-month periods ended August 20, 2010 included the accounts of the Company and 3 subsidiaries being ESPT, Eternal 4 and Eternal 5. Significant transactions and balances between the Company and the subsidiaries have been eliminated.

The consolidated financial statements for the quarter and six-month period ended August 20, 2009 included the accounts of the Company and 2 subsidiaries being ESPT and Eternal 4. Significant transactions and balances between the Company and the subsidiaries had been eliminated.

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

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

- 2.5 Certain financial information which is normally included in the financial statements prepared in accordance with generally accepted accounting principles, 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, 2010.
- 2.6 Preparation of financial statements in conformity with generally accepted accounting principles 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 quarter and six-month period ended August 20, 2010 are not necessarily indicative of the operating results anticipated for the full year.
- 2.8 The Federation of Accounting Professions issued the Notifications of Federation of Accounting Professions No. 17/2553 and No. 34/2553 dated April 9, 2010 and July 28, 2010, respectively, regarding the following new and revised Thai Accounting Standards (TASs) and Thai Financial Reporting Standards (TFRSs) that have been announced in the Royal Gazette dated May 26, 2010 and August 30, 2010, respectively.

| | TAS/TFRS | Effective date |
|-------------------------------------|---|-----------------------|
| Accounting Framework (Revised 2009) | | Immediately |
| TAS | | |
| TAS 1 (Revised 2009) | Presentation of Financial Statements | January 1, 2011 |
| TAS 2 (Revised 2009) | Inventories | January 1, 2011 |
| TAS 7 (Revised 2009) | Statement of Cash Flows | January 1, 2011 |
| TAS 8 (Revised 2009) | Accounting Policies, Changes in Accounting Estimates and Errors | January 1, 2011 |
| TAS 10 (Revised 2009) | Events after the Reporting Period | January 1, 2011 |
| TAS 11 (Revised 2009) | Construction Contracts | January 1, 2011 |
| TAS 12 | Income Taxes | January 1, 2013 |
| TAS 17 (Revised 2009) | Leases | January 1, 2011 |
| TAS 20 (Revised 2009) | Accounting for Government Grants and Disclosure of Government Assistance | January 1, 2013 |
| TAS 23 (Revised 2009) | Borrowing Costs | January 1, 2011 |
| TAS 24 (Revised 2009) | Related Party Disclosures | January 1, 2011 |
| TAS 27 (Revised 2009) | Consolidated and Separate Financial Statements | January 1, 2011 |
| TAS 28 (Revised 2009) | Investments in Associates | January 1, 2011 |
| TAS 29 | Financial Reporting in Hyperinflationary Economies | January 1, 2011 |
| TAS 31 (Revised 2009) | Interests in Joint Ventures | January 1, 2011 |
| TAS 33 (Revised 2009) | Earnings Per Share | January 1, 2011 |
| TAS 34 (Revised 2009) | Interim Financial Reporting | January 1, 2011 |
| TAS 36 (Revised 2009) | Impairment of Assets | January 1, 2011 |
| TAS 37 (Revised 2009) | Provisions, Contingent Liabilities and Contingent Assets | January 1, 2011 |
| TAS 38 (Revised 2009) | Intangible Assets | January 1, 2011 |
| TAS 40 (Revised 2009) | Investment Property | January 1, 2011 |
| TFRS | | |
| TFRS 3 (Revised 2009) | Business Combinations | January 1, 2011 |
| TFRS 5 (Revised 2009) | Non-current Assets Held for Sale and Discontinued Operations | January 1, 2011 |
| TFRS 6 | Exploration for and Evaluation of Mineral Resources | January 1, 2011 |

The Company's management anticipates that all of the above accounting standards and financial reporting standards will be adopted in the Company's financial statements when they become effective and the adoption of those accounting standards will have no material impact on the financial statements of the Company in the period of initial application except for TAS 12 "Income Taxes" which the Company considers that it will have material impact on the financial statements, therefore, the Company will apply retrospectively to the financial statements when initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies in the financial statements for the year ended February 20, 2010.

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, 2010.

4. SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

Non-cash items for the six-month periods ended August 20, 2010 and 2009 are as follows:

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

| | CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS | |
|---|---|------------------|
| | 2010 | 2009 |
| | Baht' 000 | Baht' 000 |
| Equipment | | |
| Liabilities recorded - brought forward | 22,961 | 14,325 |
| Purchase of equipment | 44,675 | 35,951 |
| Decrease in deposits for equipment | 1,569 | - |
| | <u>69,205</u> | <u>50,276</u> |
| <u>Less</u> Cash payments for purchase of equipment and deposits for equipment | <u>(65,924)</u> | <u>(48,382)</u> |
| Liabilities recorded - carried forward | <u>3,281</u> | <u>1,894</u> |
| Cost of software | | |
| Liabilities recorded - brought forward | 14,744 | 43,902 |
| Purchase of software | 113,615 | 165,082 |
| | <u>128,359</u> | <u>208,984</u> |
| <u>Less</u> Cash payments for investment in cost of software | <u>(103,930)</u> | <u>(188,973)</u> |
| Liabilities recorded - carried forward | <u>24,429</u> | <u>20,011</u> |

- 4.2 During the six-month periods ended August 20, 2010 and 2009, 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 during the revolving period which was net-settled by the Seller Participation Account of Baht 2,298 million and Baht 192 million, respectively, instead of cash receipt.

- 4.3 For the six-month periods ended August 20, 2010 and 2009, the Company recorded unrealized gain from revaluation on available-for-sale securities of Baht 0.07 million and Baht 17.38 million, respectively.

5. ACCOUNTS RECEIVABLE - NET

5.1 Accounts receivable - net consist of:

| CONSOLIDATED FINANCIAL STATEMENTS | | | | | | |
|--|-----------------------------------|----------------------------------|--------------------|-----------------------------------|----------------------------------|--------------------|
| | As at August 20, 2010 | | | As at February 20, 2010 | | |
| | 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 |
| Hire-purchase receivable | | | | | | |
| Hire-purchase and accrued | | | | | | |
| interest receivable | 6,096,724 | 924,089 | 7,020,813 | 5,534,963 | 814,977 | 6,349,940 |
| <u>Less</u> Unearned financing income | (662,494) | (99,820) | (762,314) | (580,459) | (88,569) | (669,028) |
| | 5,434,230 | 824,269 | 6,258,499 | 4,954,504 | 726,408 | 5,680,912 |
| <u>Less</u> Allowance for doubtful | | | | | | |
| accounts | (144,465) | - | (144,465) | (115,814) | - | (115,814) |
| Hire-purchase and accrued | | | | | | |
| interest receivable - net | 5,289,765 | 824,269 | 6,114,034 | 4,838,690 | 726,408 | 5,565,098 |
| Loans receivable | | | | | | |
| Loans and accrued interest | | | | | | |
| receivable | 18,518,033 | 430,675 | 18,948,708 | 18,406,937 | 405,995 | 18,812,932 |
| <u>Less</u> Allowance for doubtful | | | | | | |
| accounts | (626,053) | - | (626,053) | (567,381) | - | (567,381) |
| Loans and accrued interest | | | | | | |
| receivable - net | 17,891,980 | 430,675 | 18,322,655 | 17,839,556 | 405,995 | 18,245,551 |
| Credit card receivable | | | | | | |
| Credit card and accrued | | | | | | |
| interest receivable | 9,075,160 | - | 9,075,160 | 9,979,798 | - | 9,979,798 |
| <u>Less</u> Allowance for doubtful | | | | | | |
| accounts | (225,761) | - | (225,761) | (197,902) | - | (197,902) |
| Credit card and accrued | | | | | | |
| interest receivable - net | 8,849,399 | - | 8,849,399 | 9,781,896 | - | 9,781,896 |
| Total accounts receivable - net | 32,031,144 | 1,254,944 | 33,286,088 | 32,460,142 | 1,132,403 | 33,592,545 |

SEPARATE FINANCIAL STATEMENTS

| | As at August 20, 2010 | | | February 20, 2010 | | |
|---|-----------------------|------------------|-------------------|-------------------|------------------|-------------------|
| | Due within | Due after | Total | Due within | Due after | Total |
| | 1 year | 1 year | | 1 year | 1 year | |
| | Baht' 000 | Baht' 000 | Baht' 000 | Baht' 000 | Baht' 000 | Baht' 000 |
| Hire-purchase receivable | | | | | | |
| Hire-purchase and accrued interest receivable | 6,096,724 | 924,089 | 7,020,813 | 5,534,963 | 814,977 | 6,349,940 |
| <u>Less</u> Unearned financing income | (662,494) | (99,820) | (762,314) | (580,459) | (88,569) | (669,028) |
| | 5,434,230 | 824,269 | 6,258,499 | 4,954,504 | 726,408 | 5,680,912 |
| <u>Less</u> Allowance for doubtful accounts | (144,465) | - | (144,465) | (115,814) | - | (115,814) |
| Hire-purchase and accrued interest receivable - net | 5,289,765 | 824,269 | 6,114,034 | 4,838,690 | 726,408 | 5,565,098 |
| Loans receivable | | | | | | |
| Loans and accrued interest receivable | 18,518,033 | 430,675 | 18,948,708 | 18,406,937 | 405,995 | 18,812,932 |
| <u>Less</u> Allowance for doubtful accounts | (626,053) | - | (626,053) | (567,381) | - | (567,381) |
| Loans and accrued interest receivable - net | 17,891,980 | 430,675 | 18,322,655 | 17,839,556 | 405,995 | 18,245,551 |
| Credit card receivable | | | | | | |
| Credit card and accrued interest receivable | 5,971,771 | - | 5,971,771 | 8,923,600 | - | 8,923,600 |
| <u>Less</u> Allowance for doubtful accounts | (141,546) | - | (141,546) | (140,897) | - | (140,897) |
| Credit card and accrued interest receivable - net | 5,830,225 | - | 5,830,225 | 8,782,703 | - | 8,782,703 |
| Total accounts receivable - net | 29,011,970 | 1,254,944 | 30,266,914 | 31,460,949 | 1,132,403 | 32,593,352 |

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

| | CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS | | | | | |
|---|--|---------------|-------------------|-------------------------|----------------|-------------------|
| | As at August 20, 2010 | | | As at February 20, 2010 | | |
| | Effective rate | Sum-of-digit | Total | Effective rate | Sum-of-digit | Total |
| | Method | Method | | Method | Method | |
| | Baht' 000 | Baht' 000 | Baht' 000 | Baht' 000 | Baht' 000 | Baht' 000 |
| Hire-purchase receivable | | | | | | |
| Hire-purchase and accrued interest receivable | 6,980,530 | 40,283 | 7,020,813 | 6,205,977 | 143,963 | 6,349,940 |
| <u>Less</u> Unearned financing income | (760,390) | (1,924) | (762,314) | (660,953) | (8,075) | (669,028) |
| | 6,220,140 | 38,359 | 6,258,499 | 5,545,024 | 135,888 | 5,680,912 |
| <u>Less</u> Allowance for doubtful accounts | (135,488) | (8,977) | (144,465) | (97,392) | (18,422) | (115,814) |
| Hire-purchase and accrued interest receivable - net | <u>6,084,652</u> | <u>29,382</u> | <u>6,114,034</u> | <u>5,447,632</u> | <u>117,466</u> | <u>5,565,098</u> |
| Loans receivable | | | | | | |
| Loans and accrued interest receivable | 18,942,662 | 6,046 | 18,948,708 | 18,796,205 | 16,727 | 18,812,932 |
| <u>Less</u> Allowance for doubtful accounts | (623,670) | (2,383) | (626,053) | (564,234) | (3,147) | (567,381) |
| Loan and accrued interest receivable - net | <u>18,318,992</u> | <u>3,663</u> | <u>18,322,655</u> | <u>18,231,971</u> | <u>13,580</u> | <u>18,245,551</u> |

5.3 Quality of assets

Accounts receivable classified by aging are as follows:

| | CONSOLIDATED | | SEPARATE | |
|---|----------------------|-------------------|----------------------|-------------------|
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | As at | As at | As at | As at |
| | August 20, 2010 | February 20, 2010 | August 20, 2010 | February 20, 2010 |
| | Baht' 000 | Baht' 000 | Baht' 000 | Baht' 000 |
| Less than 3 months | 33,566,176 | 33,697,444 | 30,547,002 | 32,698,250 |
| 3 months up | 716,191 | 776,198 | 631,976 | 719,194 |
| Total | 34,282,367 | 34,473,642 | 31,178,978 | 33,417,444 |
| <u>Less</u> Allowance for doubtful accounts | (996,279) | (881,097) | (912,064) | (824,092) |
| Total accounts receivable - net | <u>33,286,088</u> | <u>33,592,545</u> | <u>30,266,914</u> | <u>32,593,352</u> |

5.4 Troubled debt restructuring

For the quarter and six-month period ended August 20, 2010, the Company had recognized interest income on restructured debts totaling Baht 8.05 million and Baht 14.46 million, respectively.

For the quarter and six-month period ended August 20, 2009, the Company did not have such transactions.

The Company had outstanding accounts receivable as follows:

| | CONSOLIDATED FINANCIAL STATEMENTS | | | |
|--------------------------------------|-----------------------------------|------------------|-------------------------|------------------|
| | As at August 20, 2010 | | As at February 20, 2010 | |
| | Number of debtors | Amount Baht' 000 | Number of debtors | Amount Baht' 000 |
| Restructured accounts receivable | 48,519 | 898,792 | 2,154 | 89,045 |
| Non-restructured accounts receivable | 2,273,223 | 33,383,575 | 2,928,449 | 34,384,597 |
| Total accounts receivable | 2,321,742 | 34,282,367 | 2,930,603 | 34,473,642 |

| | SEPARATE FINANCIAL STATEMENTS | | | |
|--------------------------------------|-------------------------------|-------------|-------------------------|------------------|
| | As at August 20, 2010 | | As at February 20, 2010 | |
| | Number of debtors | Amount Baht | Number of debtors | Amount Baht' 000 |
| Restructured accounts receivable | 48,519 | 898,792 | 2,154 | 89,045 |
| Non-restructured accounts receivable | 1,886,028 | 30,280,186 | 2,723,672 | 33,328,399 |
| Total accounts receivable | 1,934,547 | 31,178,978 | 2,725,826 | 33,417,444 |

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

5.5 Allowances for doubtful accounts

| | CONSOLIDATED FINANCIAL STATEMENTS | | SEPARATE FINANCIAL STATEMENTS | |
|---------------------------------|-----------------------------------|-------------------------|-------------------------------|-------------------------|
| | As at August 20, 2010 | As at February 20, 2010 | As at August 20, 2010 | As at February 20, 2010 |
| | Baht' 000 | Baht' 000 | Baht' 000 | Baht' 000 |
| Beginning balances | 881,097 | 859,544 | 824,092 | 769,828 |
| Bad debts and doubtful accounts | 1,583,583 | 2,802,801 | 1,444,802 | 2,483,812 |
| Bad debts written off | (1,468,401) | (2,781,248) | (1,356,830) | (2,429,548) |
| Ending balances | 996,279 | 881,097 | 912,064 | 824,092 |

5.6 Transfers of financial assets

The Company entered into the Receivables Sale and Purchase Agreements with four (4) Special Purposes Vehicle Companies, which were incorporated under the Civil and Commercial Code of Thailand to be special purpose vehicles (SPV) under the Royal Enactment on Special Purpose Juristic Persons for Securitization B.E. 2540 (1997). Under securitization plan which was approved by the Office of the Securities and Exchange Commission, the Company sold an amount of revolving receivables and the SPV also appointed the Company to act as the servicer responsible for collecting payments from its obligor under the Receivables Sale and Purchase Agreements and Servicing Agreements.

Details of aforementioned sales of receivables are summarized as follows:

| | | ECC* | ESPT** | ETERNAL 4*** | ETERNAL 5**** |
|---|------|--|--|--|---|
| Selling date | | February 16, 2005 | February 6, 2006 | June 25, 2007 | May 20, 2010 |
| Type of transferred receivables | | Credit Card Receivable | Credit Card Receivable | Credit Card Receivable | Credit Card Receivable |
| Revolving period | | February 2005 - January 2010 (approximately) | February 2006 - January 2011 (approximately) | June 2007 - May 2012 (approximately) | May 2010 - April 2015 (approximately) |
| Initial sales of receivables | | | | | |
| Net book value of initial receivables | Baht | 2,956,800,085 | 2,782,514,549 | 3,038,017,234 | 4,355,040,449 |
| Proceeds from transfer of the right of receivables | Baht | 2,000,000,000 | 2,280,000,000 | 2,205,000,000 | 2,790,000,000 |
| Subordinated lendings (see Note 9) | Baht | 816,000,000 | 370,000,000 | 744,000,000 | 1,438,000,000 |
| Minimum seller participation - pari passu with debentures (see Note 8) | Baht | 140,800,000 | 132,500,000 | 88,470,000 | 127,040,000 |
| Number of contracts | | 213,872 | 181,389 | 178,751 | 205,485 |
| Average principal amount outstanding | Baht | 13,825 | 15,340 | 16,996 | 21,194 |
| Interest rate | | 18% p.a. | 18% p.a. | 18% p.a. | 20% p.a. |

* Eternal Credit Card Special Purpose Vehicle Company Limited

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

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

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

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

On February 10, 2010, ECC redeemed the remaining debentures and subordinated lending and the Company repurchased all outstanding receivables from ECC which led to the end of the ECC's securitization project. As at May 20, 2010 and February 20, 2010, ECC is in the process of dissolution.

On May 20, 2010, the Company entered into the Receivables Sale and Purchase Agreement for transferred rights on credit card receivables under the securitization project with Eternal 5 which was registered as a special purpose company under the Civil and Commercial Code of Thailand for the purpose of implementing or facilitating the securitization in accordance with the securitization projects approved by the Office of the Securities and Exchange Commission of Thailand ("the SEC") on May 19, 2010. Under the agreement, the total Initial Credit Card Receivables of Baht 4,355 million using the net book value of credit card receivables as at April 20, 2010 were to be transferred to Eternal 5 on May 20, 2010. As at May 24, 2010, the Company received cash proceeds of Baht 2,790 million and the remaining balance of Baht 1,565 million would be paid by entering into a subordinated bridging loan agreement of Baht 1,438 million (see Note 9) with the balance of Baht 127 million to be the minimum amount of seller participation account under securitization project in Eternal 5 which is not subordinated and rank in order of priority pari passu with payments of principal in respect of the debentures of Eternal 5 (see Note 8). The revolving sales and purchase period of Future Receivables and Additional Receivables commenced from April 21, 2010 and will be terminated in April 2015, approximately.

Other related information is summarized as follows:

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

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

For the quarters and six-month periods ended August 20, 2010 and 2009, transactions relating to the transfers of financial assets under the securitization projects are summarized as follows:

| | For the quarter ended August 20, | | For the six-month period August 20, | |
|--|-------------------------------------|----------------------|--|----------------------|
| | 2010 Million Baht | 2009 Million Baht | 2010 Million Baht | 2009 Million Baht |
| Transfers of future credit card receivables (at book value) | | | | |
| - Credit card receivable (ECC) | - | 742 | - | 1,485 |
| - Credit card receivable (ESPT) | 974 | 872 | 2,041 | 1,755 |
| - Credit card receivable (Eternal 4) | 1,084 | 983 | 2,263 | 1,991 |
| - Credit card receivable (Eternal 5) | 2,300 | - | 3,165 | - |
| | <u>4,358</u> | <u>2,597</u> | <u>7,469</u> | <u>5,231</u> |
| Cash collection on behalf of Special Purpose Vehicles (SPV) | | | | |
| - Credit card receivable (ECC) | - | 896 | - | 1,811 |
| - Credit card receivable (ESPT) | 1,033 | 1,043 | 1,968 | 2,110 |
| - Credit card receivable (Eternal 4) | 1,149 | 1,189 | 2,194 | 2,421 |
| - Credit card receivable (Eternal 5) | 2,262 | - | 2,947 | - |
| | <u>4,444</u> | <u>3,128</u> | <u>7,109</u> | <u>6,342</u> |
| Servicing income on cash collection from the SPV | | | | |
| - Credit card receivable (ECC) | - | 30 | - | 60 |
| - Credit card receivable (ESPT) | 34 | 34 | 63 | 68 |
| - Credit card receivable (Eternal 4) | 37 | 38 | 70 | 77 |
| - Credit card receivable (Eternal 5) | 91 | - | 91 | - |
| | <u>162</u> | <u>102</u> | <u>224</u> | <u>205</u> |

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

| | As at August 20, 2010 Million Baht | As at February 20, 2010 Million Baht |
|--|---|---|
| Credit card receivables (included accrued interest income) - ESPT | | |
| Less than 3 months | 2,274 | 2,005 |
| 3 months up | 25 | 26 |
| | <u>2,299</u> | <u>2,031</u> |
| <u>Less</u> Allowance for doubtful accounts | <u>(25)</u> | <u>(26)</u> |
| | <u>2,274</u> | <u>2,005</u> |
| | | |
| Credit card receivables (included accrued interest income) - Eternal 4 | | |
| Less than 3 months | 2,448 | 2,179 |
| 3 months up | 28 | 31 |
| | <u>2,476</u> | <u>2,210</u> |
| <u>Less</u> Allowance for doubtful accounts | <u>(28)</u> | <u>(31)</u> |
| | <u>2,448</u> | <u>2,179</u> |
| | | |
| Credit card receivables (included accrued interest income) - Eternal 5 | | |
| Less than 3 months | 4,897 | - |
| 3 months up | 31 | - |
| | <u>4,928</u> | <u>-</u> |
| <u>Less</u> Allowance for doubtful accounts | <u>(31)</u> | <u>-</u> |
| | <u>4,897</u> | <u>-</u> |
| | | |
| Total | <u><u>9,619</u></u> | <u><u>4,184</u></u> |

6. OTHER CURRENT ASSETS - OTHERS

Other current assets - others consist of the following:

| | CONSOLIDATED | | SEPARATE | |
|-----------------------------|-----------------------------|-------------------|-----------------------------|-------------------|
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | As at | As at | As at | As at |
| | August 20, 2010 | February 20, 2010 | August 20, 2010 | February 20, 2010 |
| | Baht' 000 | Baht' 000 | Baht' 000 | Baht' 000 |
| Prepaid expenses | 57,456 | 36,265 | 57,456 | 36,265 |
| Refundable value-added-tax | 6,101 | 14,893 | 6,101 | 14,893 |
| Value-added-tax not yet due | 36,147 | 34,092 | 36,147 | 34,092 |
| Advance payment | 5,497 | 5,418 | 5,497 | 5,418 |
| Accrued bank interest | 83 | - | - | - |
| Total | <u>105,284</u> | <u>90,668</u> | <u>105,201</u> | <u>90,668</u> |

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

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

7.1 Investments in subsidiaries consist of:

| | SEPARATE FINANCIAL STATEMENTS | | | |
|---|-------------------------------|---------------|-------------------------|---------------|
| | As at August 20, 2010 | | As at February 20, 2010 | |
| | % of Ownership | Cost Baht'000 | % of Ownership | Cost Baht'000 |
| Investments in subsidiaries (see Note 18.1) | | | | |
| Eternal 3 Special Purpose Vehicle Company Limited | 26.00 | 10.4 | 26.00 | 10.4 |
| Eternal 4 Special Purpose Vehicle Company Limited | 26.00 | 10.4 | 26.00 | 10.4 |
| Eternal 5 Special Purpose Vehicle Company Limited | 26.00 | 10.4 | - | - |
| Total investments in subsidiaries | | 31.2 | | 20.8 |

7.2 Long-term investments in related companies consist of:

| | CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS | | | | | | | |
|---|--|----------------|---|----------------------|-------------------------|----------------|---|----------------------|
| | As at August 20, 2010 | | | | As at February 20, 2010 | | | |
| | % of Ownership | Cost Baht' 000 | Unrealized gain from revaluation on investments Baht' 000 | Fair value Baht' 000 | % of Ownership | Cost Baht' 000 | Unrealized gain from revaluation on investments Baht' 000 | Fair value Baht' 000 |
| Available-for-sale security | | | | | | | | |
| AEON Credit Service (M) Sdn.Bhd. (1,800,000 shares of MYR 0.5 each, par value of MYR 0.5, fully paid) | 1.50 | 9,829 | 57,488 | 67,317 | 1.50 | 9,829 | 57,415 | 67,244 |
| Total investments in available-for-sale security | | 9,829 | 57,488 | 67,317 | | 9,829 | 57,415 | 67,244 |
| | | | | | | | | |
| | % of Ownership | | | Cost Baht' 000 | % of Ownership | | | Cost Baht' 000 |
| General investments | | | | | | | | |
| Aeon (Thailand) Co., Ltd. (340,000 shares of Baht 100 each, Baht 25 called up) | 8.50 | | | 8,500 | 8.50 | | | 8,500 |
| ACS Credit Management Co., Ltd. (550 shares of JPY 100,000 each, par value of JPY 50,000, fully paid) | 4.60 | | | 20,614 | 4.60 | | | 20,614 |
| PT. Aeon Credit Service Indonesia (173 shares of IDR 30 million each, par value IDR 30 million, fully paid) | 5.18 | | | 19,071 | 5.18 | | | 19,071 |
| AEON Credit Technology Systems (Philippines) Inc. (100,000 shares of PHP100 each, par value of PHP 100,fully paid) | 10.00 | | | 7,645 | 10.00 | | | 7,645 |

| CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS | | | | |
|--|-------------------|-------------------|-------------------------|-------------------|
| As at August 20, 2010 | | | As at February 20, 2010 | |
| | % of Ownership | Cost Baht' 000 | % of Ownership | Cost Baht' 000 |
| General investments (Continued) | | | | |
| ACS Trading Vietnam Co., Ltd. | | | | |
| (20% of joint venture's ownership of VND 2,000 million, fully paid) | 20.00 | 4,159 | 20.00 | 4,159 |
| | | 59,989 | | 59,989 |
| <u>Less</u> Allowance for impairment of investment | | (8,500) | | (8,500) |
| Total general investments | | <u>51,489</u> | | <u>51,489</u> |
| Total long-term investments in related parties | | <u>118,806</u> | | <u>118,733</u> |

7.3 Long-term investments in other companies consist of:

| CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS | | | | |
|---|-------------------|----------------------------|-------------------|-------------|
| As at August 20, 2010 | | As at February 20, 2010 | | |
| % of Ownership | Cost Baht' 000 | % of Ownership | Cost Baht' 000 | |
| Eternal SPV Company Limited (ESPV) | 26.00 | 10.4 | 26.00 | 10.4 |
| Eternal Credit Card SPV Company Limited (ECC) | 26.00 | 10.4 | 26.00 | 10.4 |
| Total long-term investments in other companies | | <u>20.8</u> | | <u>20.8</u> |

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

8. PARTICIPATION IN SPECIAL PURPOSE VEHICLES FOR SECURITIZATION

Participation in Special Purpose Vehicles for securitization consists of:

| SEPARATE FINANCIAL STATEMENTS | | |
|--|---------------------------------------|---|
| | As at August 20, 2010 Baht' 000 | As at February 20, 2010 Baht' 000 |
| Participation in Special Purpose Vehicles for securitization (see Note 18.2.1) | | |
| Eternal 3 Special Purpose Vehicle Company Limited | 1,566,390 | 1,063,311 |
| Eternal 4 Special Purpose Vehicle Company Limited | 1,048,959 | 195,815 |
| Eternal 5 Special Purpose Vehicle Company Limited | 942,203 | - |
| Total | 3,557,552 | 1,259,126 |
| <u>Less</u> Current portion of Participation amounts in Special Purpose Vehicles for securitization | <u>(1,566,390)</u> | <u>(1,063,311)</u> |
| Participation in Special Purpose Vehicle for Securitization - net | <u>1,991,162</u> | <u>195,815</u> |

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

9. SUBORDINATED LENDINGS

Subordinated lendings with Special Purpose Vehicles consist of:

| | CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS | |
|---|---|--|
| | As at August 20, 2010 Baht' 000 | As at February 20, 2010 Baht' 000 |
| Subordinated lendings (see Note 18.2.1) | | |
| Eternal 3 Special Purpose Vehicle Company Limited (ESPT) | 169,188 | 217,035 |
| Eternal 4 Special Purpose Vehicle Company Limited (Eternal 4) | 717,843 | 744,000 |
| Eternal 5 Special Purpose Vehicle Company Limited (Eternal 5) | 1,438,000 | - |
| | <u>2,325,031</u> | <u>961,035</u> |
| Less Current portion of subordinated lendings | <u>(169,188)</u> | <u>(217,035)</u> |
| Subordinated lendings – net | <u>2,155,843</u> | <u>744,000</u> |

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

On June 25, 2007, the Company entered into the subordinated bridging loan agreement with Eternal 4 amounting to Baht 744,000,000 for the purpose of partial payment of the Initial Credit Card Receivables from Eternal 4 under the provision of the Receivable Sale Agreement (see Note 5.6). The interest was paid on the monthly basis at the rate of 15% per annum. Subsequently, such bridging loan was refinanced to be subordinated term loan in September 2007 in accordance with such Bridging Loan Agreement. The term loan is due in the year 2012 and the interest is paid on the monthly basis at the rate of 15% per annum. As at August 20, 2010 the Company received partial repayment of such subordinated lending.

On May 20, 2010, the Company entered into the subordinated bridging loan agreement with Eternal 5 amounting to Baht 1,438,000,000 for the purpose of partial payment of the Initial Credit Card Receivables from Eternal 5 under the provision of the Receivable Sale Agreement (see Note 5.6). The interest is paid on the monthly basis at the rate of 12 % per annum. Subsequently, such bridging loan was refinanced to be subordinated term loan in August 2010 in accordance with such Bridging Loan Agreement. The term loan is due in the year 2015 and the interest is paid on the monthly basis at the rate of 12% per annum.

10. OTHER NON-CURRENT ASSETS

Other non-current assets consist of the following:

| | CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS | |
|-----------------------------|---|--------------------------------|
| | As at | As at |
| | August 20, 2010 Baht' 000 | February 20, 2010 Baht' 000 |
| Deposits | 85,928 | 84,333 |
| Prepaid commission expenses | 26,413 | 25,717 |
| Deferred expenses | 34,733 | 5,298 |
| Total | <u>147,074</u> | <u>115,348</u> |

11. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

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

| | CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS | | | | | |
|----------------------|---|---------------------|---------------------------------|-------------------------|---------------------|---------------------------------|
| | As at August 20, 2010 | | | As at February 20, 2010 | | |
| | Interest rate % | Foreign Currency | Baht Equivalent Baht' 000 | Interest rate % | Foreign Currency | Baht Equivalent Baht' 000 |
| Loan in USD currency | - | - | - | 1.55 - 2.00 | 18,942,000 | 631,225 |
| Loan in THB currency | 1.80 - 2.00 | | 850,000 | 1.65 - 1.77 | | 4,215,000 |
| Total | | | <u>850,000</u> | | | <u>4,846,225</u> |

12. LONG-TERM LOANS

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

| CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS | | | | | | |
|---|----------------------|-----------------|--------------------------|--------------------------------|-----------------|--------------------------|
| As at August 20, 2010 | | | | As at February 20, 2010 | | |
| | Interest rate | Foreign | Baht | Interest rate | Foreign | Baht |
| | % | Currency | Equivalent | % | Currency | Equivalent |
| | | ' 000 | Baht' 000 | | ' 000 | Baht' 000 |
| Loan in YEN currency | 2.63 - 6.97 | 40,500,000 | 15,083,253 | 4.54 - 6.97 | 31,500,000 | 11,592,409 |
| Loan in USD currency | 3.53 - 3.70 | 73,200 | 2,322,321 | 3.53 - 3.70 | 73,200 | 2,439,324 |
| Loan in THB currency | 3.80 - 6.91 | | 12,110,000 | 4.14 - 6.91 | | 10,210,000 |
| <u>Less</u> Loan issuance cost | | | (64,902) | | | (65,307) |
| | | | <u>29,450,672</u> | | | <u>24,176,426</u> |
| <u>Less</u> Current portion of long-term loans | | | (9,082,363) | | | (7,982,764) |
| Total long-term loans - net | | | <u><u>20,368,309</u></u> | | | <u><u>16,193,662</u></u> |

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

| CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS | | | | |
|---|---------------------------------------|-------------------------|------------------------|-------------------------|
| As at August 20, 2010 | | | | |
| | Principal to be received/ paid | Less than 1 year | Carrying amount | Total |
| | Baht' 000 | Baht' 000 | 1 - 5 years | Baht' 000 |
| | | | Baht' 000 | Baht' 000 |
| Receivable per currency swap | | | | |
| Cross Currency Swap Agreements | | | | |
| YEN currency | 3,257,521 | 227,078 | 53,448 | 280,526 |
| Cross Currency Interest Rate Swap Agreements | | | | |
| YEN currency | <u>9,460,575</u> | <u>688,682</u> | <u>353,157</u> | <u>1,041,839</u> |
| | <u><u>12,718,096</u></u> | <u><u>915,760</u></u> | <u><u>406,605</u></u> | <u><u>1,322,365</u></u> |
| Payable per currency swap | | | | |
| Cross Currency Interest Rate Swap Agreements | | | | |
| YEN currency | 1,043,280 | - | 487 | 487 |
| USD currency | 2,389,915 | - | 153,159 | 153,159 |
| Interest Rate Swap Agreements | | | | |
| THB currency | <u>7,610,000</u> | <u>64,837</u> | - | <u>64,837</u> |
| | <u><u>11,043,195</u></u> | <u><u>64,837</u></u> | <u><u>153,646</u></u> | <u><u>218,483</u></u> |

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

As at February 20, 2010

| | Principal to be received/ paid Baht' 000 | Carrying amount | | Total Baht' 000 |
|--|--|-------------------------------|--------------------------|--------------------|
| | | Less than 1 year Baht' 000 | 1 - 5 years Baht' 000 | |
| Receivable per currency swap | | | | |
| Cross Currency Swap Agreements | | | | |
| YEN currency | 2,359,450 | 362,622 | 38,026 | 400,648 |
| Interest Rate Swap Agreements | | | | |
| YEN currency | 7,921,275 | 174,065 | 736,972 | 911,037 |
| USD currency | 835,940 | 1,942 | 1,886 | 3,828 |
| | <u>11,116,665</u> | <u>538,629</u> | <u>776,884</u> | <u>1,315,513</u> |
| Payable per currency swap | | | | |
| Cross Currency Interest Rate Swap Agreements | | | | |
| USD currency | 2,270,840 | 2,019 | 38,042 | 40,061 |
| Interest Rate Swap Agreements | | | | |
| THB currency | 6,610,000 | 59,210 | - | 59,210 |
| | <u>8,880,840</u> | <u>61,229</u> | <u>38,042</u> | <u>99,271</u> |

13. LONG-TERM DEBENTURES

Long-term debentures represent unsubordinated and unsecured debentures which the details are as follows:

| | | | | | | | | | CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS | |
|---|------------------|-----------------|----------|-----------------------|---------------|---------------------|--------------------------------|--|---|--|
| Issue date | Maturity date | No. of units | Currency | Par value per unit | Amount | Interest rate % | Term of interest Payment | As at August 20, 2010 Baht' 000 | As at February 20, 2010 Baht' 000 | |
| 15/07/05 | 15/07/10 | 300,000 | THB | 1,000 | 300,000,000 | 4.94 | Semi-annual | - | 300,000 | |
| 25/08/08 | 25/08/10 | 1,000,000 | THB | 1,000 | 1,000,000,000 | 4.59 | Semi-annual | 1,000,000 | 1,000,000 | |
| 25/08/08 | 25/08/12 | 1,000,000 | THB | 1,000 | 1,000,000,000 | 5.20 | Semi-annual | 1,000,000 | 1,000,000 | |
| 19/12/08 | 19/12/11 | 15 | JPY | 100,000,000 | 1,500,000,000 | JPY-TIBOR 6M + 0.45 | Semi-annual | 558,639 | 552,019 | |
| 30/07/10 | 30/07/16 | 20 | USD | 1,000,000 | 20,000,000 | USD-Libor 6M + 0.50 | Semi-annual | 634,514 | - | |
| | | | | | | | | 3,193,153 | 2,852,019 | |
| <u>Less</u> Debenture issuance cost | | | | | | | | (29,096) | (20,250) | |
| <u>Less</u> Current portion of long-term debentures | | | | | | | | (999,924) | (1,296,474) | |
| Long-term debentures - net | | | | | | | | <u>2,164,133</u> | <u>1,535,295</u> | |

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

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

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

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

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

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

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

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

| CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS | | | | |
|--|---|-------------------------------|--------------------------|--------------------|
| As at August 20, 2010 | | | | |
| | Principal to be received/ paid Baht' 000 | Carrying amount | | Total Baht' 000 |
| | | Less than 1 year Baht' 000 | 1 - 5 years Baht' 000 | |
| Payable per currency swap | | | | |
| Cross Currency Swap Agreements | | | | |
| YEN currency | 582,750 | - | 24,111 | 24,111 |
| YEN currency | 646,000 | - | 11,486 | 11,486 |
| | <u>1,228,750</u> | <u>-</u> | <u>35,597</u> | <u>35,597</u> |

| CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS | | | | |
|--|---|-------------------------------|--------------------------|--------------------|
| As at February 20, 2010 | | | | |
| | Principal to be received/ paid Baht' 000 | Carrying amount | | Total Baht' 000 |
| | | Less than 1 year Baht' 000 | 1 - 5 years Baht' 000 | |
| Payable per currency swap | | | | |
| Cross Currency Swap Agreements | | | | |
| YEN currency | 582,750 | - | 30,731 | 30,731 |
| | <u>582,750</u> | <u>-</u> | <u>30,731</u> | <u>30,731</u> |

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

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

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

| Debenture Classes | Maturity date | Amount Baht | Interest rate % | As at | As at |
|---|--|----------------|--------------------|---------------------------------|-----------------------------------|
| | | | | August 20, 2010 Baht' 000 | February 20, 2010 Baht' 000 |
| Eternal 3 Special Purpose Vehicle Co, Ltd. | | | | | |
| Class A-2 | February 10, 2011 | 500,000,000 | 5.88 | 500,000 | 500,000 |
| Class B | Amortizing basis following February 10, 2011 | 120,000,000 | 6.13 | 120,000 | 120,000 |
| Class C | Amortizing basis following February 10, 2011 | 160,000,000 | 6.33 | 160,000 | 160,000 |
| | | | | <u>780,000</u> | <u>780,000</u> |

| Debenture Classes | Maturity date | Amount | Interest rate | As at | As at |
|--|--|---------------|---------------|--------------------|----------------------|
| | | | | August 20, 2010 | February 20, 2010 |
| | | Baht | % | Baht' 000 | Baht' 000 |
| Eternal 4 Special Purpose Vehicle Co., Ltd. | | | | | |
| Class A-1 | July 10, 2010 | 1,500,000,000 | 4.39 | - | 1,500,000 |
| Class A-2 | July 10, 2012 | 500,000,000 | 4.76 | 500,000 | 500,000 |
| Class B | Amortizing basis following July 10, 2012 | 205,000,000 | 4.76 | 205,000 | 205,000 |
| | | | | 705,000 | 2,205,000 |
| Eternal 5 Special Purpose Vehicle Co., Ltd. | | | | | |
| Class A-1 | May 10, 2015 | 2,790,000,000 | 3.10 | 2,790,000 | - |
| | | | | 2,790,000 | - |
| | | | | 4,275,000 | 2,985,000 |

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

14. SHAREHOLDERS' EQUITY

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

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

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

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

14.3 Under the Securitization project, the subsidiaries have to pay dividend to the subsidiaries' shareholders from all remaining amount 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.

15. REVENUE RELATING TO SECURITIZATION TRANSACTION

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

For the quarters and six-month periods ended August 20, 2010 and 2009, the details of revenues from securitization transaction consist of:

| | CONSOLIDATED FINANCIAL STATEMENTS | | | |
|--|--------------------------------------|---------------|---|----------------|
| | For the quarters ended August 20, | | For the six-month periods ended August 20, | |
| | 2010 | 2009 | 2010 | 2009 |
| | Baht' 000 | Baht' 000 | Baht' 000 | Baht' 000 |
| Credit Card Income | | | | |
| Interest income from subordinated lending | - | 22,808 | - | 45,991 |
| Revenue from seller participation in Special Purpose Vehicle | - | 1,946 | - | 3,862 |
| Dividend from investment in Special Purpose Vehicle | 13 | 15,841 | 13 | 30,613 |
| Collection servicing income | - | 29,885 | - | 59,936 |
| Total | <u>13</u> | <u>70,480</u> | <u>13</u> | <u>140,402</u> |

| | SEPARATE FINANCIAL STATEMENTS | | | |
|--|--------------------------------------|----------------|---|----------------|
| | For the quarters ended August 20, | | For the six-month periods ended August 20, | |
| | 2010 | 2009 | 2010 | 2009 |
| | Baht' 000 | Baht' 000 | Baht' 000 | Baht' 000 |
| Credit Card Income | | | | |
| Interest income from subordinated lending | 45,505 | 62,774 | 80,333 | 126,185 |
| Revenue from seller participation in Special Purpose Vehicle | 13,729 | 10,058 | 25,150 | 20,782 |
| Dividend from investment in Special Purpose Vehicle | 141,326 | 48,289 | 257,394 | 93,352 |
| Collection servicing income | <u>162,063</u> | <u>102,064</u> | <u>223,985</u> | <u>204,959</u> |
| Total | <u>362,623</u> | <u>223,185</u> | <u>586,862</u> | <u>445,278</u> |

16. 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 managements.

For the quarters and six-month periods ended August 20, 2010 and 2009, directors and managements' remuneration are as follows:

| | CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS | | | |
|--------------------------|--|---------------|---|---------------|
| | For the quarters ended August 20, | | For the six-month periods ended August 20, | |
| | 2010 | 2009 | 2010 | 2009 |
| | Baht' 000 | Baht' 000 | Baht' 000 | Baht' 000 |
| Managements remuneration | 22,385 | 10,151 | 32,139 | 20,171 |
| Directors remuneration | <u>6,146</u> | <u>2,830</u> | <u>6,596</u> | <u>3,280</u> |
| | <u>28,531</u> | <u>12,981</u> | <u>38,735</u> | <u>23,451</u> |

Directors' remuneration for the quarters and six-month periods ended August 20, 2010 and 2009 were approved by the ordinary shareholders' meeting of the Company held on June 17, 2010 and 2009, respectively.

17. CORPORATE INCOME TAX

According to the Royal Decree No. 475 B.E. 2551 issued under the Revenue Code regarding the corporate income tax rate deduction effective on August 7, 2008, the corporate income tax for listed companies in the Stock Exchange of Thailand has been reduced from 30% to 25% of net profit which does not exceed Baht 300 million. This will remain in effect for three consecutive accounting periods beginning on or after January 1, 2008. Therefore, the Company has used such tax rates for the corporate income tax calculations for the quarters and six-month periods ended August 20, 2010 and 2009 to conform to such tax rate change.

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

Income tax expense for the quarter ended August 20, 2010 is presented as a reversal due from income tax expense for the six-month ended August 20, 2010 being less than income tax expense for the quarter ended May 20, 2010 as a result of higher exempted income.

18. TRANSACTIONS WITH RELATED PARTIES

The consolidated and the 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 the 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:

18.1 Investments in subsidiaries (see Note 7.1)

| Related parties | Relationship | Paid-up Capital Baht | % Ownership | SEPARATE FINANCIAL STATEMENTS | |
|---|--------------|----------------------------|----------------|--|--|
| | | | | As at August 20, 2010 Cost Baht'000 | As at February 20, 2010 Cost Baht'000 |
| Eternal 3 Special Purpose Vehicle Company Limited | Subsidiary | 40,000 | 26.0 | 10.4 | 10.4 |
| Eternal 4 Special Purpose Vehicle Company Limited | Subsidiary | 40,000 | 26.0 | 10.4 | 10.4 |
| Eternal 5 Special Purpose Vehicle Company Limited | Subsidiary | 40,000 | 26.0 | 10.4 | - |
| | | | | 31.2 | 20.8 |

18.2 Business transactions with related parties

18.2.1 Balances with related parties

| Related parties | Relationship | CONSOLIDATED | | SEPARATE | |
|---|--|----------------------|----------------------|----------------------|----------------------|
| | | FINANCIAL STATEMENTS | FINANCIAL STATEMENTS | FINANCIAL STATEMENTS | FINANCIAL STATEMENTS |
| | | As at | As at | As at | As at |
| | | August 20, | February 20, | August 20, | February 20, |
| | | 2010 | 2010 | 2010 | 2010 |
| | | Baht' 000 | Baht' 000 | Baht' 000 | Baht' 000 |
| Other Current Assets | | | | | |
| Other accounts receivable | | | | | |
| Eternal Special Purpose Vehicle Company Limited | Related company | 8,559 | 8,622 | 8,559 | 8,622 |
| Eternal Credit Card Special Purpose Vehicle Company Limited | Related company | 6,604 | 14,169 | 6,604 | 14,169 |
| Eternal 3 Special Purpose Vehicle Company Limited | Subsidiary | - | - | 47,403 | 43,834 |
| Eternal 4 Special Purpose Vehicle Company Limited | Subsidiary | - | - | 48,882 | 40,386 |
| Eternal 5 Special Purpose Vehicle Company Limited | Subsidiary | - | - | 151,412 | - |
| ACS Capital Corporation Limited | Shareholder and four common directors | 62 | 62 | 62 | 62 |
| ACS Insurance Broker (Thailand) Co., Ltd. | Three common directors | 257 | 367 | 257 | 367 |
| ACS Servicing (Thailand) Co., Ltd. | One common director | 164 | 41 | 164 | 41 |
| ACS Life Insurance Broker (Thailand) Co., Ltd. | Three common directors | 175 | 230 | 175 | 230 |
| | | <u>15,821</u> | <u>23,491</u> | <u>263,518</u> | <u>107,711</u> |
| Other Non-Current Assets | | | | | |
| Aeon (Thailand) Co., Ltd. | Holding shares and two common directors | 191 | 191 | 191 | 191 |
| Participation in Special Purpose Vehicle for Securitization (see Note 8) | | | | | |
| Eternal 3 Special Purpose Vehicle Company Limited | Subsidiary | - | - | 1,566,390 | 1,063,311 |
| Eternal 4 Special Purpose Vehicle Company Limited | Subsidiary | - | - | 1,048,959 | 195,815 |
| Eternal 5 Special Purpose Vehicle Company Limited | Subsidiary | - | - | 942,203 | - |
| | | <u>-</u> | <u>-</u> | <u>3,557,552</u> | <u>1,259,126</u> |
| Subordinated lending (see Note 9) | | | | | |
| Eternal 3 Special Purpose Vehicle Company Limited | Subsidiary | 169,188 | 217,035 | 169,188 | 217,035 |
| Eternal 4 Special Purpose Vehicle Company Limited | Subsidiary | 717,843 | 744,000 | 717,843 | 744,000 |
| Eternal 5 Special Purpose Vehicle Company Limited | Subsidiary | 1,438,000 | - | 1,438,000 | - |
| | | <u>2,325,031</u> | <u>961,035</u> | <u>2,325,031</u> | <u>961,035</u> |
| Accounts payable | | | | | |
| Aeon (Thailand) Co., Ltd. | Holding shares and two common directors | 3,388 | 5,916 | 3,388 | 5,916 |
| ACS Insurance Broker (Thailand) Co., Ltd. | Three common directors | 47,405 | 44,700 | 47,405 | 44,700 |
| ACS Life Insurance Broker (Thailand) Co., Ltd. | Three common directors | 27,830 | 24,201 | 27,830 | 24,201 |
| Jay Mart Public Company Limited | One common director | 1,940 | 2,758 | 1,940 | 2,758 |
| | | <u>80,563</u> | <u>77,575</u> | <u>80,563</u> | <u>77,575</u> |

| Related parties | Relationship | CONSOLIDATED FINANCIAL STATEMENTS | | SEPARATE FINANCIAL STATEMENTS | |
|---|---|--|--|--|--|
| | | As at August 20, 2010 Baht' 000 | As at February 20, 2010 Baht' 000 | As at August 20, 2010 Baht' 000 | As at February 20, 2010 Baht' 000 |
| Accounts payable - other | | | | | |
| Eternal 3 Special Purpose Vehicle Company Limited | Subsidiary | - | - | 108,825 | 35,102 |
| Eternal 4 Special Purpose Vehicle Company Limited | Subsidiary | - | - | 39,468 | 220,714 |
| Eternal 5 Special Purpose Vehicle Company Limited | Subsidiary | - | - | 61,653 | - |
| Aeon Credit Service Company Limited | Major shareholder and two common directors | 1,564 | 1,479 | 1,564 | 1,479 |
| ACS Insurance Broker (Thailand) Co., Ltd. | Three common directors | 3,597 | 3,196 | 3,597 | 3,196 |
| ACS Servicing (Thailand) Co., Ltd. | One common director | 22,171 | 25,664 | 22,171 | 25,664 |
| | | <u>27,332</u> | <u>30,339</u> | <u>237,278</u> | <u>286,155</u> |
| Accrued expenses - other | | | | | |
| Jay Mart Public Company Limited | One common director | 1,018 | 428 | 1,018 | 428 |

18.2.2 Transactions with related parties

| Related parties | Relationship | CONSOLIDATED FINANCIAL STATEMENTS | | | |
|--|--|--------------------------------------|-------------------|---|-------------------|
| | | For the quarters ended August 20, | | For the six-month periods ended August 20, | |
| | | 2010 Baht' 000 | 2009 Baht' 000 | 2010 Baht' 000 | 2009 Baht' 000 |
| Credit card income | | | | | |
| Aeon (Thailand) Co., Ltd. | Holding shares and two common directors | 217 | 180 | 411 | 321 |
| Revenue relating to securitization transaction (included in credit card income) | | | | | |
| Eternal Credit Card Special Purpose Vehicle Company Limited | Related company | 13 | - | 2,139 | - |
| | | <u>13</u> | <u>-</u> | <u>2,139</u> | <u>-</u> |
| Other income | | | | | |
| ACS Capital Corporation Limited | Share holder and four common directors | 6,600 | 6,600 | 13,200 | 13,200 |
| ACS Life Insurance Broker (Thailand) Co., Ltd. | Three common directors | 1,376 | 1,200 | 2,650 | 2,400 |
| ACS Servicing (Thailand) Co., Ltd. | One common director | 1,800 | 1,800 | 3,600 | 3,600 |
| ACS Insurance Broker (Thailand) Co., Ltd. | Three common directors | 4,596 | 2,238 | 8,803 | 4,171 |
| Jay Mart Public Company Limited | One common director | 37 | - | 37 | - |
| ACS Credit Management Company Limited | Holding shares and one common director | 426 | - | 426 | 1,542 |
| AEON Credit Service (M) Sdn.Bhd | Holding shares and one common director | 1,562 | 1,347 | 1,562 | 1,347 |
| | | <u>16,397</u> | <u>13,185</u> | <u>30,278</u> | <u>26,260</u> |

| | | CONSOLIDATED FINANCIAL STATEMENTS | | | |
|--|---|--|------------------|--|------------------|
| | | For the quarters ended | | For the six-month periods ended | |
| | | August 20, | | August 20, | |
| Related parties | Relationship | 2010 | 2009 | 2010 | 2009 |
| | | Baht' 000 | Baht' 000 | Baht' 000 | Baht' 000 |
| Operating and administrative expenses | | | | | |
| Collection service fee | | | | | |
| ACS Servicing (Thailand) Co., Ltd. | One common director | 62,756 | 70,321 | 121,096 | 134,405 |
| Others | | | | | |
| Aeon Credit Service Company Limited | Major shareholder and two common directors | 9,205 | 15,905 | 18,429 | 16,108 |
| Aeon (Thailand) Co., Ltd. | Holding shares and four common directors | 937 | 1,747 | 1,806 | 2,241 |
| ACS Capital Corporation Limited | Shareholder and four common directors | 4,206 | 3,936 | 8,431 | 7,845 |
| Jay Mart Public Company Limited | One common director | 2,054 | 1,881 | 3,412 | 4,734 |
| ACS Servicing (Thailand) Co., Ltd. | One common director | - | 466 | - | 1,184 |
| Aeon Credit Technology System (Philippines) | Holding shares and one common director | 3,405 | - | 5,097 | - |
| | | <u>82,563</u> | <u>94,256</u> | <u>158,271</u> | <u>166,517</u> |

| | | SEPARATE FINANCIAL STATEMENTS | | | |
|---|--|--------------------------------------|------------------|--|------------------|
| | | For the quarters ended | | For the six-month periods ended | |
| | | August 20, | | August 20, | |
| Related parties | Relationship | 2010 | 2009 | 2010 | 2009 |
| | | Baht' 000 | Baht' 000 | Baht' 000 | Baht' 000 |
| Credit card income | | | | | |
| Aeon (Thailand) Co., Ltd. | Holding shares and two common directors | 217 | 180 | 411 | 321 |
| Revenue relating to securitization transaction (included in credit card income) | | | | | |
| Eternal Credit Card Special Purpose Vehicle Company Limited | | | | | |
| | Related company | 13 | - | 2,139 | - |
| Eternal 3 Special Purpose Vehicle Company Limited | Subsidiary | 86,992 | 78,157 | 168,466 | 155,210 |
| Eternal 4 Special Purpose Vehicle Company Limited | Subsidiary | 95,532 | 74,577 | 177,286 | 149,695 |
| Eternal 5 Special Purpose Vehicle Company Limited | Subsidiary | 180,085 | - | 238,971 | - |
| | | <u>362,622</u> | <u>152,734</u> | <u>586,862</u> | <u>304,905</u> |

| | | SEPARATE FINANCIAL STATEMENTS | | | |
|--|---|-------------------------------|---------------|---------------------------------|----------------|
| | | For the quarters ended | | For the six-month periods ended | |
| | | August 20, | | August 20, | |
| Related parties | Relationship | 2010 | 2009 | 2010 | 2009 |
| | | Baht' 000 | Baht' 000 | Baht' 000 | Baht' 000 |
| Other income | | | | | |
| ACS Capital Corporation Limited | Share holder and four common directors | 6,600 | 6,600 | 13,200 | 13,200 |
| ACS Life Insurance Broker (Thailand) Co., Ltd. | Three common directors | 1,376 | 1,200 | 2,650 | 2,400 |
| ACS Servicing (Thailand) Co., Ltd. | One common director | 1,800 | 1,800 | 3,600 | 3,600 |
| ACS Insurance Broker (Thailand) Co., Ltd. | Three common directors | 4,596 | 2,238 | 8,803 | 4,171 |
| Jay Mart Public Company Limited | One common director | 37 | - | 37 | - |
| ACS Credit Management Company Limited | Holding shares and one common director | 426 | - | 426 | 1,542 |
| AEON Credit Service (M) Sdn.Bhd. | Holding shares and one common director | 1,562 | 1,347 | 1,562 | 1,347 |
| | | <u>16,397</u> | <u>13,185</u> | <u>30,278</u> | <u>26,260</u> |
| Operating and administrative expenses | | | | | |
| Collection service fee | | | | | |
| ACS Servicing (Thailand) Co., Ltd. | One common director | 62,756 | 70,321 | 121,096 | 133,221 |
| Others | | | | | |
| Aeon Credit Service Company Limited | Major shareholder and two common directors | 9,205 | 15,905 | 18,429 | 16,108 |
| Aeon (Thailand) Co., Ltd. | Holding shares and four common directors | 937 | 1,747 | 1,806 | 2,241 |
| ACS Capital Corporation Limited | Shareholder and four common directors | 4,206 | 3,936 | 8,431 | 7,845 |
| Jay Mart Public Company Limited | One common director | 2,054 | 1,881 | 3,412 | 4,734 |
| ACS Servicing (Thailand) Co., Ltd. | One common director | - | 466 | - | 1,184 |
| Aeon Credit Technology System (Philippines) | Holding shares and one common director | 3,405 | - | 5,097 | - |
| | | <u>82,563</u> | <u>94,256</u> | <u>158,271</u> | <u>165,333</u> |

- For the quarters and six-month periods ended August 20, 2010 and 2009, other income includes the management and operating fee charged to ACS Capital Corporation Limited, ACS Insurance Broker (Thailand) Co., Ltd., ACS Life Insurance Broker (Thailand) Co., Ltd. and ACS Servicing (Thailand) Co., Ltd. at the rates of Baht 950,000 per month, Baht 300,000 per month, Baht 300,000 per month and Baht 400,000 per month, respectively, and for the computer fee at the rates of Baht 1,000,000 per month, Baht 100,000 per month, Baht 100,000 per month, and Baht 200,000 per month, respectively, and charged to ACS Capital Corporation Limited for marketing support fee at the rate of Baht 200,000 per month and the marketing research fee at the rate of Baht 50,000 per month. Revenues relating to securitization transactions are determined by the Company and the subsidiaries in accordance with securitization projects (see Note 5.6).

- Collection service fee paid to ACS Servicing (Thailand) Co., Ltd. is based on general market price and in the normal course of business.
- Technical assistant fee is paid to Aeon Credit Service Company Limited as stated in the agreement.
- Pricing policy for other operating and administrative expenses is determined by the Company and related parties based on the cost plus basis.

18.3 Lease and service agreements

The Company has lease and service agreements with a related party as follows:

| Related party | Relationship | CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS | | | |
|----------------------------------|---|---|----------------------|--------------------|----------------------|
| | | Remaining period | | Remaining expenses | |
| | | August 20, 2010 | February 20, 2010 | August 20, 2010 | February 20, 2009 |
| | | | | Baht' 000 | Baht' 000 |
| Office rental and service | | | | | |
| Aeon (Thailand) Co., Ltd. | Holding shares and two common directors | - | 21/2/10 - 28/2/10 | - | 15 |

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

19. FINANCIAL INFORMATION BY SEGMENT

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

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

20. CREDIT FACILITIES AND LETTER OF GUARANTEE

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

| As at August 20, 2010 | CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS | |
|-----------------------------------|---|---------------------|
| | Revolving credit facilities | |
| | Currency | Amount Baht' 000 |
| May 20, 2010 - May 20, 2011 | THB | 400,000 |
| August 21, 2009 - August 21, 2010 | THB | 370,000 |

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

As at August 20, 2010 and February 20, 2010, such credit facilities have not been used by the Company.

- 20.2 As at August 20, 2010 and February 20, 2010, the Company has bank's letter of guarantees issued to suppliers for guarantee payment of Baht 6,600,000.
- 20.3 As at August 20, 2010 and February 20, 2010, the Company has unused overdraft facilities with various banks totaling Baht 95,100,000 and Baht 95,000,000, respectively. Such overdraft facilities are unsecured.

21. SIGNIFICANT AGREEMENTS RELATING TO SECURITIZATION TRANSACTION

- 21.1 The Company entered into the Receivables Sale and Purchase Agreements with Eternal 3 Special Purpose Vehicle Company Limited (ESPT) and Eternal 4 Special Purpose Vehicle Company Limited (Eternal 4) and Eternal 5 Special Purpose Vehicle Company Limited (Eternal 5) on February 6, 2006, June 25, 2007 and May 20, 2010, respectively. Such agreements set out the procedures and terms in respect of the sale and purchase of the Initial Receivables on the Closing Date, for Future Receivables on each Purchase Date and for Additional Receivables on each Monthly Purchase Date including the rights, obligations and responsibilities of both parties. The Receivables Sale and Purchase Agreements also set out the terms and conditions in respect of the resale and repurchase of the Ineligible Receivables and Defaulted Receivables.
- 21.2 The Company entered into the Servicing Agreements with the ESPT, Eternal 4 and Eternal 5 (the subsidiaries) on February 6, 2006, June 25, 2007, and May 20, 2010 respectively. Based on such agreements, the subsidiaries appointed the Company (as a transferor and servicer) to provide certain administration services (including record-keeping and producing written reports relating to the Collections), to act as the collection agent and other services for credit card receivables in relation to the Purchased Receivables. In addition, the Servicing Agreement also set out other relevant terms, such as the scope of the services, the payment of service fees, the termination of the appointment of the Servicer and the Back-up Servicer appointment of the substitute servicer.

22. RECLASSIFICATIONS

Certain reclassifications are made to the consolidated and separate income statements for the quarter and six-month period ended August 20, 2009 to conform to the classifications used in the consolidated and separate income statements for the quarter and six-month periods ended August 20, 2010 as follows:

| Account | CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS | | Previous presentation | Current presentation |
|---------------------------------------|--|-------------------------|-------------------------|------------------------------|
| | For the quarter ended | For the six-month ended | | |
| | August 20, 2009 | August 20, 2009 | | |
| | Baht' 000 | Baht' 000 | | |
| Gain on sale of fixed assets | 31 | 471 | Other income – others | Gain on sale of fixed assets |
| Directors and management remuneration | 12,981 | 23,451 | Administrative expenses | Management remuneration |

23. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were approved for issuing by the Company's authorized director on September 22, 2010.