

**REVIEW REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

**TO THE SHAREHOLDERS AND 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 May 20, 2008, and the related consolidated and separate statements of income, changes in equity and cash flows for the quarter ended May 20, 2008. 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. The consolidated financial statements of AEON Thana Sinsap (Thailand) Public Company Limited and its subsidiaries and the separate financial statements for the quarter ended May 20, 2007, presented herein for comparison, had been reviewed by another auditor of the same firm whose review report thereon dated June 19, 2007, stated that nothing had come to his attention that caused him to believe that the consolidated and separate financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

We conducted our review 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 review, nothing has come to our attention that causes us to believe that such consolidated and separate financial statements identified in the first paragraph are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

The consolidated financial statements of AEON Thana Sinsap (Thailand) Public Company Limited and its subsidiaries and the separate financial statements for the year ended February 20, 2008 have been audited, in accordance with generally accepted auditing standards, by another auditor of the same firm whose report thereon dated April 4, 2008 expressed an unqualified opinion. The consolidated and separate balance sheets as at February 20, 2008, presented herein for comparison, have been derived from the consolidated and separate financial statements which have been audited and reported on by such other auditor. We have not performed any other audit procedures subsequent to such other auditor's report date.

**BANGKOK**  
June 19, 2008

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

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

**BALANCE SHEETS**

**AS AT MAY 20, 2008 AND FEBRUARY 20, 2008**

**BAHT : '000**

	<b>CONSOLIDATED</b>		<b>SEPARATE</b>	
	<b>FINANCIAL STATEMENTS</b>		<b>FINANCIAL STATEMENTS</b>	
	<b>"Unaudited"</b>		<b>"Unaudited"</b>	
	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>May 20,</b>	<b>February 20,</b>	<b>May 20,</b>	<b>February 20,</b>
	<b>2008</b>	<b>2008</b>	<b>2008</b>	<b>2008</b>
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	1,130,276	966,977	936,853	806,410
Accounts receivable - net (Note 5.1)	26,082,492	24,330,376	26,042,416	24,263,442
Other current assets				
Other receivables (Note 15.2.1)	242,640	228,675	290,597	281,543
Others (Note 6)	138,022	86,604	138,014	86,600
	<u>380,662</u>	<u>315,279</u>	<u>428,611</u>	<u>368,143</u>
Total Current Assets	<u>27,593,430</u>	<u>25,612,632</u>	<u>27,407,880</u>	<u>25,437,995</u>
<b>NON-CURRENT ASSETS</b>				
Accounts receivable - net (Note 5.1)	1,141,116	1,153,169	1,141,116	1,153,169
Investments in subsidiaries (Note 15.1)	-	-	21	21
Other long-term investments				
Related companies (Note 7.1)	108,904	49,514	108,904	49,514
Other companies (Note 7.2)	21	21	21	21
	<u>108,925</u>	<u>49,535</u>	<u>108,925</u>	<u>49,535</u>
Participation in Special Purpose Vehicle				
for Securitization (Notes 8 and 15.2.1)	674,382	724,011	1,021,108	1,106,530
Subordinated lending (Notes 9 and 15.2.1)	1,859,554	2,447,500	1,859,554	2,447,500
Equipment - net	472,214	493,814	472,214	493,814
Intangible assets - net	664,187	580,627	664,187	580,627
Other non-current assets (Notes 10 and 15.2.1)	361,532	393,385	361,532	393,385
Total Non-Current Assets	<u>5,281,910</u>	<u>5,842,041</u>	<u>5,628,657</u>	<u>6,224,581</u>
<b>TOTAL ASSETS</b>	<u><u>32,875,340</u></u>	<u><u>31,454,673</u></u>	<u><u>33,036,537</u></u>	<u><u>31,662,576</u></u>

See notes to the interim financial statements

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

**BALANCE SHEETS (CONTINUED)**

**AS AT MAY 20, 2008 AND FEBRUARY 20, 2008**

**BAHT : '000**

	<b>CONSOLIDATED</b>		<b>SEPARATE</b>	
	<b>FINANCIAL STATEMENTS</b>		<b>FINANCIAL STATEMENTS</b>	
	<b>"Unaudited"</b>		<b>"Unaudited"</b>	
	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>May 20,</b>	<b>February 20,</b>	<b>May 20,</b>	<b>February 20,</b>
	<b>2008</b>	<b>2008</b>	<b>2008</b>	<b>2008</b>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term loans from financial institutions (Note 11)	5,249,398	3,830,000	5,249,398	3,830,000
Accounts payable (Note 15.2.1)	394,964	353,994	394,964	353,994
Current portion of :-				
- Long-term loans (Note 12)	4,817,580	4,983,550	4,817,580	4,983,550
- Long-term debentures (Note 13)	1,020,000	1,020,000	1,020,000	1,020,000
Factoring payables	317	2,301	317	2,301
Other current liabilities				
Accrued income tax	340,253	225,426	297,900	194,762
Accrued interest expense	256,569	237,763	249,570	230,764
Accrued expenses - others	155,203	128,864	150,142	124,196
Other payables (Note 15.2.1)	158,400	195,205	374,077	445,506
Payables per currency swap contracts	517,070	601,100	517,070	601,100
Others	31,532	23,397	31,532	23,397
	<u>1,459,027</u>	<u>1,411,755</u>	<u>1,620,291</u>	<u>1,619,725</u>
Total Current Liabilities	<u>12,941,286</u>	<u>11,601,600</u>	<u>13,102,550</u>	<u>11,809,570</u>
<b>NON-CURRENT LIABILITIES</b>				
Long-term loans (Note 12)	14,492,249	14,662,003	14,492,249	14,662,003
Long-term debentures (Note 13)	300,000	300,000	300,000	300,000
Payables per currency swap contracts	136,791	231,312	136,791	231,312
Total Non-Current Liabilities	<u>14,929,040</u>	<u>15,193,315</u>	<u>14,929,040</u>	<u>15,193,315</u>
<b>TOTAL LIABILITIES</b>	<u>27,870,326</u>	<u>26,794,915</u>	<u>28,031,590</u>	<u>27,002,885</u>

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

**BALANCE SHEETS (CONTINUED)**

**AS AT MAY 20, 2008 AND FEBRUARY 20, 2008**

**BAHT : '000**

	<b>CONSOLIDATED</b>		<b>SEPARATE</b>	
	<b>FINANCIAL STATEMENTS</b>		<b>FINANCIAL STATEMENTS</b>	
	<b>"Unaudited"</b>		<b>"Unaudited"</b>	
	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>May 20,</b>	<b>February 20,</b>	<b>May 20,</b>	<b>February 20,</b>
	<b>2008</b>	<b>2008</b>	<b>2008</b>	<b>2008</b>
<b>LIABILITIES AND EQUITY (CONTINUED)</b>				
<b>EQUITY</b>				
<b>SHARE CAPITAL</b>				
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
<b>PREMIUM ON ORDINARY SHARE CAPITAL</b>	478,000	478,000	478,000	478,000
<b>RETAINED EARNINGS</b>				
Appropriated				
Legal reserve	25,000	25,000	25,000	25,000
Reserve for business expansion	2,450,000	2,450,000	2,450,000	2,450,000
Unappropriated	1,750,210	1,456,699	1,750,202	1,456,691
<b>UNREALIZED GAIN ON THE CHANGE</b>				
<b>IN VALUE OF AVAILABLE-FOR-SALE</b>				
<b>SECURITY (Note 7.1)</b>	51,745	-	51,745	-
<b>TOTAL EQUITY OF THE COMPANY</b>	5,004,955	4,659,699	5,004,947	4,659,691
<b>MINORITY INTEREST</b>	59	59	-	-
<b>TOTAL EQUITY</b>	5,005,014	4,659,758	5,004,947	4,659,691
<b>TOTAL LIABILITIES AND EQUITY</b>	32,875,340	31,454,673	33,036,537	31,662,576

See notes to the interim financial statements

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

**STATEMENTS OF INCOME**

**FOR THE QUARTERS ENDED MAY 20, 2008 AND 2007**

**"UNAUDITED"**

**BAHT : '000**

	<b>CONSOLIDATED</b>		<b>SEPARATE</b>	
	<b>FINANCIAL STATEMENTS</b>		<b>FINANCIAL STATEMENTS</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
<b>REVENUES</b>				
Credit card income (Notes 14 and 15.2.2)	836,395	814,955	669,692	713,551
Loans income	974,184	830,361	974,184	830,361
Hire purchase income (Note 14)	348,017	360,995	348,017	360,995
Factoring income	121	374	121	374
Other income				
Bad debt recovery	100,134	107,834	92,493	104,087
Gain on sale of investment (Note 7.2)	14,754	-	14,754	-
Others	36,680	22,489	36,380	22,489
	<u>151,568</u>	<u>130,323</u>	<u>143,627</u>	<u>126,576</u>
Total Revenues	<u>2,310,285</u>	<u>2,137,008</u>	<u>2,135,641</u>	<u>2,031,857</u>
<b>EXPENSES</b>				
Operating and administrative expenses	872,150	787,547	856,554	779,651
Bad debts and allowance for doubtful accounts	636,634	614,679	546,570	553,564
Interest expenses and other funding costs	393,133	346,919	335,868	314,530
Total Expenses	<u>1,901,917</u>	<u>1,749,145</u>	<u>1,738,992</u>	<u>1,647,745</u>
INCOME BEFORE INCOME TAX	408,368	387,863	396,649	384,112
INCOME TAX	(114,827)	(104,791)	(103,138)	(101,044)
<b>NET INCOME</b>	<u>293,541</u>	<u>283,072</u>	<u>293,511</u>	<u>283,068</u>
<b>PROFIT ATTRIBUTABLE TO</b>				
Equity holders of the parent company	293,511	283,072	-	-
Minority interests	30	-	-	-
	<u>293,541</u>	<u>283,072</u>	<u>-</u>	<u>-</u>
<b>BASIC EARNINGS PER SHARE</b>	<b>BAHT</b>			
	1.17	1.13	1.17	1.13
<b>WEIGHTED AVERAGE NUMBER</b>				
<b>OF ORDINARY SHARES</b>	<b>SHARES</b>			
	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 EQUITY**

**FOR THE QUARTERS ENDED MAY 20, 2008 AND 2007**

**"UNAUDITED"**

**BAHT : '000**

	SEPARATE FINANCIAL STATEMENTS						Total Equity
	Issued and Paid-up Share Capital	Premium on Ordinary Shares	Appropriated Legal Reserve	Retained Earnings Reserve for Business Expansion	Unappropriated Retained Earnings	Unrealized gain on the change in value of available-for-sale security	
<b>Beginning balance, February 21, 2007</b>	250,000	478,000	25,000	1,850,000	1,328,167	-	3,931,167
Net income	-	-	-	-	283,068	-	283,068
<b>Ending balance, May 20, 2007</b>	<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>1,850,000</u>	<u>1,611,235</u>	<u>-</u>	<u>4,214,235</u>
<b>Beginning balance, February 21, 2008</b>	250,000	478,000	25,000	2,450,000	1,456,691	-	4,659,691
Net income	-	-	-	-	293,511	-	293,511
Increase during the period (Note 7.1)	-	-	-	-	-	51,745	51,745
<b>Ending balance, May 20, 2008</b>	<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>2,450,000</u>	<u>1,750,202</u>	<u>51,745</u>	<u>5,004,947</u>

See notes to the interim financial statements

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

**STATEMENTS OF CASH FLOWS**

**FOR THE QUARTERS ENDED MAY 20, 2008 AND 2007**

**"UNAUDITED"**

**BAHT : '000**

	<b>CONSOLIDATED</b>		<b>SEPARATE</b>	
	<b>FINANCIAL STATEMENTS</b>		<b>FINANCIAL STATEMENTS</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Income before income tax expense	408,368	387,863	396,649	384,112
Adjustments for:				
Depreciation	42,164	30,132	42,164	30,132
Bad debts and allowance for doubtful accounts	636,634	614,679	546,570	553,564
Amortization of cost of software	55,177	43,867	55,177	43,867
Amortization of other assets	5,974	7,109	5,974	7,109
Amortization of deferred interest on long-term				
bill of exchange	2,474	20,163	2,474	20,163
Amortization of premium on forward exchange contracts	326	3,735	326	3,735
Gain on sale of assets	(24)	(77)	(24)	(77)
Gain on sale of investment	(14,754)	-	(14,754)	-
Interest expenses and other funding costs	393,133	346,919	335,868	314,530
Minority interest in net income of subsidiaries	(30)	-	-	-
	<u>1,529,442</u>	<u>1,454,390</u>	<u>1,370,424</u>	<u>1,357,135</u>
Operating assets (increase) decrease				
Accounts receivable	(5,252,556)	(5,111,506)	(5,188,180)	(5,045,554)
Other current assets	(46,519)	(64,237)	(41,607)	(61,232)
Other non-current assets	(56,182)	(9,165)	(56,182)	(9,165)
Operating liabilities increase (decrease)				
Accounts payable	40,970	275,758	40,970	275,758
Factoring payables	(1,984)	(418)	(1,984)	(418)
Other current liabilities	21,203	3,502	20,809	3,946
Cash generated from (paid for) operations				
Interest expenses and other funding costs paid	(369,851)	(392,101)	(312,586)	(359,711)
Income tax paid	(9,249)	(8,281)	(9,246)	(8,281)
Net cash used in operating activities	<u>(4,144,726)</u>	<u>(3,852,058)</u>	<u>(4,177,582)</u>	<u>(3,847,522)</u>

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

**STATEMENTS OF CASH FLOWS (CONTINUED)**

**FOR THE QUARTERS ENDED MAY 20, 2008 AND 2007**

**"UNAUDITED"**

**BAHT : '000**

	<b>CONSOLIDATED</b>		<b>SEPARATE</b>	
	<b>FINANCIAL STATEMENTS</b>		<b>FINANCIAL STATEMENTS</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Cash payments for fixed assets acquisition	(37,714)	(42,534)	(37,714)	(42,534)
Cash payments for investment in cost of software	(71,911)	(50,825)	(71,911)	(50,825)
Cash payment for investment in a related company	(7,645)	-	(7,645)	-
Cash proceeds from sales of investment	6,193	-	6,193	-
Cash proceeds from sales of fixed assets	24	88	24	88
Net cash used in investing activities	<u>(111,053)</u>	<u>(93,271)</u>	<u>(111,053)</u>	<u>(93,271)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Cash proceeds from sale of hire-purchase receivables				
under securitization	-	1,143,966	-	1,143,966
Cash proceeds from sale of credit card receivables				
under securitization	3,168,352	2,392,484	3,168,352	2,392,484
Cash proceeds from subordinated lending	345,939	-	345,939	-
Increase in short-term loans from financial institutions	1,419,062	1,298,669	1,419,062	1,298,669
Increase in long-term loans	435,725	500,000	435,725	500,000
Cash payments for long-term loans	(950,000)	(1,064,945)	(950,000)	(1,064,945)
Net cash provided by financing activities	<u>4,419,078</u>	<u>4,270,174</u>	<u>4,419,078</u>	<u>4,270,174</u>
Net increase in cash and cash equivalents	163,299	324,845	130,443	329,381
Cash and cash equivalents as at February 21,	<u>966,977</u>	<u>731,883</u>	<u>806,410</u>	<u>661,795</u>
<b>Cash and cash equivalents as at May 20,</b>	<u><u>1,130,276</u></u>	<u><u>1,056,728</u></u>	<u><u>936,853</u></u>	<u><u>991,176</u></u>

See notes to the interim financial statements



**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTERS ENDED MAY 20, 2008 AND 2007**  
**“Unaudited”**

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

Eternal 3 Special Purpose Vehicle Company Limited and Eternal 4 Special Purpose Vehicle Company Limited are subsidiaries of the Company which were incorporated under the Civil and Commercial Code of Thailand, and under the Securitization law. The companies' main objective are to operate as a special purpose juristic person in a 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 February 3, 2006 and June 21, 2007, respectively.

**2. BASIS FOR PREPARATION OF THE INTERIM FINANCIAL STATEMENTS**

2.1 The interim consolidated and the separate financial statements for the quarters ended May 20, 2008 and 2007, 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.

2.2 The interim consolidated and the separate financial statements have been prepared in accordance with the regulations of the Stock Exchange of Thailand dated January 22, 2001, regarding the basis, conditions and procedures for the preparation and submission of financial statements and reports for the financial position and results of operations of listed companies B.E. 2544 (2001).

The financial statements are shown in accordance with the Notification of the Department of Commercial Registration (currently the Department of Business Development) dated September 14, 2001 regarding “The Brief Particulars in the Financial Statements B.E. 2544 (2001)”.

The format of presentation of the financial statements for the quarter ended May 20, 2008 are complied with the Thai Accounting Standards No. 25 (Revised 2007) “Cash flow Statements” and No. 35 (Revised 2007) “Presentation of Financial Statements”, which are effective for financial periods beginning on or after January 1, 2008 onward. The financial statements for the quarter ended May 20, 2007 thus have been reclassified accordingly.

The consolidated and separate balance sheets as at February 20, 2008, presented herein, have been derived from the consolidated and separate financial statements of the Company for the year then ended which have been audited.

The consolidated financial statements for the quarters ended May 20, 2008 and 2007 included the accounts of AEON Thana Sinsap (Thailand) Public Company Limited, Eternal 3 Special Purpose Vehicle Company Limited and Eternal 4 Special Purpose Vehicle Company Limited (“the subsidiaries”) which the Company has holding of 26% in their equity since December 21, 2005 and February 22, 2007 in accordance with the approved conditions required by the Office of the Securities and Exchange Commission of Thailand. Significant transactions and balance between the Company and the subsidiaries have been eliminated.

- 2.3 The results of operations for the quarters ended May 20, 2008 and 2007 are not necessarily indicative of the operating results anticipated for the full year.
- 2.4 These interim financial statements are prepared in accordance with Accounting Standard No. 41 (Revised 2007) “Interim Financial Statements”, with the Company choosing to present condensed interim financial statements. Therefore, certain financial information which is normally included in 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, 2008.
- 2.5 The preparation of financial statements in conformity with generally accepted accounting principles also required management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reported period. Actual results may differ from those estimates.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

The interim financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the annual financial statements for the year ended February 20, 2008, except for the changes in the accounting policies relating to revenue recognition of income on hire-purchase and interest income on purposed loan.

According to the Notification of Federation of Accounting Professions No. 62/2550 dated December 7, 2007 the Accounting Standard No. 29 (Revised 2007) “Leases” will supersede the Accounting Standards No. 7 “The Accounting for Hire-Purchase of Lessors” and No. 29 “Leases”, which is effective for financial periods beginning on or after January 1, 2008. Consequently, the Company has changed its revenue recognition method for interest income on hire-purchase and interest income on purposed loan from the sum of the installment digits method to the effective interest method for income from hire-purchase and purposed loan contracts which are originated on or after February 21, 2008 onwards. The Company has considered that the change in revenue recognition of interest income for the contracts being originated on or after January 1, 2008 until February 20, 2008, has no material effect.

#### 4. SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

- 4.1 Non-cash items for purchase of equipment and cost of software for the quarters ended May 20, are as follows:

	Baht : '000			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2008	2007	2008	2007
Purchase of equipment				
Liabilities recorded - brought forward	19,420	634	19,420	634
Purchase of equipment and deposits for equipment	22,575	46,123	22,575	46,123
	41,995	46,757	41,995	46,757
<u>Less</u> Cash payments for purchase of equipment and deposit for equipment	(37,714)	(42,534)	(37,714)	(42,534)
Liabilities recorded - carried forward	4,281	4,223	4,281	4,223
Investment in cost of software				
Liabilities recorded - brought forward	20,918	11,592	20,918	11,592
Investment in cost of software and deposits for software	60,239	69,752	60,239	69,752
	81,157	81,344	81,157	81,344
<u>Less</u> Cash payments for investment in cost of software and deposit for cost of software	(71,911)	(50,825)	(71,911)	(50,825)
Liabilities recorded - carried forward	9,246	30,519	9,246	30,519

- 4.2 Non-cash items

- 4.2.1 During the quarter ended May 20, 2007, the Company sold credit card receivables which partial repayment was settled by the Seller Participation Account of Baht 173,542,287 instead of cash receipt. (For the year ended May 20, 2008 : None)
- 4.2.2 During the quarter ended May 20, 2008, the Company has recorded unrealized gain on the changes in value of available-for-sale security of Baht 51,745,548.
- 4.2.3 For the quarters ended May 20, 2008 and 2007, the Company recorded dividend receivable from Special Purpose Vehicles amounting to Baht 84,241,082 and Baht 13,593,786, respectively.

## 5. ACCOUNTS RECEIVABLE - NET

### 5.1 Accounts receivable - net consist of

Baht : '000

	CONSOLIDATED FINANCIAL STATEMENTS					
	As at May 20, 2008			As at February 20, 2008		
	Due within 1 year	Due after 1 year	Total	Due within 1 year	Due after 1 year	Total
Hire-purchase receivable						
Hire-purchase and accrued interest receivable	5,939,059	964,766	6,903,825	5,323,949	988,498	6,312,447
<u>Less</u> Unearned financing income	<u>(593,366)</u>	<u>(82,993)</u>	<u>(676,359)</u>	<u>(578,651)</u>	<u>(84,878)</u>	<u>(663,529)</u>
	5,345,693	881,773	6,227,466	4,745,298	903,620	5,648,918
<u>Less</u> Allowance for doubtful accounts	<u>(178,161)</u>	<u>-</u>	<u>(178,161)</u>	<u>(154,242)</u>	<u>-</u>	<u>(154,242)</u>
Hire-purchase and accrued interest receivable - net	<u>5,167,532</u>	<u>881,773</u>	<u>6,049,305</u>	<u>4,591,056</u>	<u>903,620</u>	<u>5,494,676</u>
Loans receivable						
Loans and accrued interest receivable	15,865,686	259,343	16,125,029	14,876,137	249,549	15,125,686
<u>Less</u> Allowance for doubtful accounts	<u>(403,403)</u>	<u>-</u>	<u>(403,403)</u>	<u>(358,729)</u>	<u>-</u>	<u>(358,729)</u>
Loans and accrued interest receivable - net	<u>15,462,283</u>	<u>259,343</u>	<u>15,721,626</u>	<u>14,517,408</u>	<u>249,549</u>	<u>14,766,957</u>
Credit card receivable						
Credit card and accrued interest receivable	5,640,657	-	5,640,657	5,424,496	-	5,424,496
<u>Less</u> Allowance for doubtful accounts	<u>(188,781)</u>	<u>-</u>	<u>(188,781)</u>	<u>(214,040)</u>	<u>-</u>	<u>(214,040)</u>
Credit card and accrued interest receivable - net	<u>5,451,876</u>	<u>-</u>	<u>5,451,876</u>	<u>5,210,456</u>	<u>-</u>	<u>5,210,456</u>
Factoring receivable						
Factoring and accrued interest receivable	801	-	801	11,466	-	11,466
<u>Less</u> Deferred income	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10)</u>	<u>-</u>	<u>(10)</u>
Factoring and accrued interest receivable - net	<u>801</u>	<u>-</u>	<u>801</u>	<u>11,456</u>	<u>-</u>	<u>11,456</u>
Total accounts receivable - net	<u>26,082,492</u>	<u>1,141,116</u>	<u>27,223,608</u>	<u>24,330,376</u>	<u>1,153,169</u>	<u>25,483,545</u>

Baht : '000

SEPARATE FINANCIAL STATEMENTS

	As at May 20, 2008			As at February 20, 2008		
	Due within 1 year	Due after 1 year	Total	Due within 1 year	Due after 1 year	Total
Hire-purchase receivable						
Hire-purchase and accrued interest receivable	5,939,059	964,766	6,903,825	5,323,949	988,498	6,312,447
<u>Less</u> Unearned financing income	<u>(593,366)</u>	<u>(82,993)</u>	<u>(676,359)</u>	<u>(578,651)</u>	<u>(84,878)</u>	<u>(663,529)</u>
	5,345,693	881,773	6,227,466	4,745,298	903,620	5,648,918
<u>Less</u> Allowance for doubtful accounts	<u>(178,161)</u>	<u>-</u>	<u>(178,161)</u>	<u>(154,242)</u>	<u>-</u>	<u>(154,242)</u>
Hire-purchase and accrued interest receivable - net	<u>5,167,532</u>	<u>881,773</u>	<u>6,049,305</u>	<u>4,591,056</u>	<u>903,620</u>	<u>5,494,676</u>
Loans receivable						
Loans and accrued interest receivable	15,865,686	259,343	16,125,029	14,876,137	249,549	15,125,686
<u>Less</u> Allowance for doubtful accounts	<u>(403,403)</u>	<u>-</u>	<u>(403,403)</u>	<u>(358,729)</u>	<u>-</u>	<u>(358,729)</u>
Loans and accrued interest receivable - net	<u>15,462,283</u>	<u>259,343</u>	<u>15,721,626</u>	<u>14,517,408</u>	<u>249,549</u>	<u>14,766,957</u>
Credit card receivable						
Credit card and accrued interest receivable	5,525,066	-	5,525,066	5,271,798	-	5,271,798
<u>Less</u> Allowance for doubtful accounts	<u>(113,266)</u>	<u>-</u>	<u>(113,266)</u>	<u>(128,276)</u>	<u>-</u>	<u>(128,276)</u>
Credit card and accrued interest receivable - net	<u>5,411,800</u>	<u>-</u>	<u>5,411,800</u>	<u>5,143,522</u>	<u>-</u>	<u>5,143,522</u>
Factoring receivable						
Factoring and accrued interest receivable	801	-	801	11,466	-	11,466
<u>Less</u> Deferred income	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10)</u>	<u>-</u>	<u>(10)</u>
Factoring and accrued interest receivable - net	<u>801</u>	<u>-</u>	<u>801</u>	<u>11,456</u>	<u>-</u>	<u>11,456</u>
Total accounts receivable - net	<u>26,042,416</u>	<u>1,141,116</u>	<u>27,183,532</u>	<u>24,263,442</u>	<u>1,153,169</u>	<u>25,416,611</u>

- 5.2 Hire-purchase and purpose loan receivables are classified by revenue recognition policies as follows (see Note 3):

				Baht : '000
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
	As at May 20, 2008		As at February 20, 2008	
	Effective rate	Sum of digit	Effective rate	Sum of digit
	method	method	method	method
Hire-purchase receivable				
Hire-purchase and accrued interest receivable	2,461,893	4,441,932	-	6,312,447
<u>Less</u> Unearned financing income	<u>(243,282)</u>	<u>(433,077)</u>	<u>-</u>	<u>(663,529)</u>
	2,218,611	4,008,855	-	5,648,918
<u>Less</u> Allowance for doubtful accounts	<u>(63,532)</u>	<u>(114,629)</u>	<u>-</u>	<u>(154,242)</u>
Hire-purchase and accrued interest receivable - net	<u>2,155,079</u>	<u>3,894,226</u>	<u>-</u>	<u>5,494,676</u>
Purpose loans receivable				
Purpose loans and accrued interest receivable	2,009,531	2,716,155	-	4,719,817
<u>Less</u> Allowance for doubtful accounts	<u>(56,538)</u>	<u>(76,419)</u>	<u>-</u>	<u>(156,138)</u>
Purpose loans and accrued interest receivable - net	1,952,993	2,639,736	-	4,563,679

- 5.3 Quality of assets

Accounts receivable are classified by aging as follows:

	Baht : '000			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	May 20,	February 20,	May 20,	February 20,
	2008	2008	2008	2008
Less than 3 months	27,384,006	25,620,943	27,343,930	25,554,008
3 months up	<u>609,947</u>	<u>589,613</u>	<u>534,432</u>	<u>503,850</u>
Total	27,993,953	26,210,556	27,878,362	26,057,858
<u>Less</u> Allowance for doubtful accounts	<u>(770,345)</u>	<u>(727,011)</u>	<u>(694,830)</u>	<u>(641,247)</u>
Accounts receivable - net				
(included non-current assets)	27,223,608	25,483,545	27,183,532	25,416,611

- 5.4 Transfers of financial assets

The Company entered into the Receivables Sale and Purchase Agreements with four Special Purposes Vehicle Companies, which were incorporated under the Civil and Commercial Code of Thailand to be special purpose vehicles (SPV) under the Royal Enactment on Special Purpose Juristic Persons for Securitization B.E. 2540 (1997), under 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 which is 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:

		ESPV*	ECC**	ESPT***	ETERNAL 4****
Selling date		February 17, 2004	February 16, 2005	February 6, 2006	June 25, 2007
Type of transferred receivables		Hire Purchase Receivable	Credit Card Receivable	Credit Card Receivable	Credit Card Receivable
Revolving period		February 2004 - November 2007 (approximately)	February 2005 - January 2010 (approximately)	February 2006 - January 2011 (approximately)	June 2007 - May 2012 (approximately)
<b>Initial sales of receivables</b>					
Sales price - net book value of initial receivables	Baht	1,999,999,755	2,956,800,085	2,782,514,549	3,038,017,234
Proceeds from transfer of the right of receivables	Baht	1,482,499,755	2,000,000,000	2,280,000,000	2,205,000,000
Subordinated lendings (see Note 9)	Baht	517,500,000	816,000,000	370,000,000	744,000,000
Minimum seller participation - pari passu with debentures (see Note 8)	Baht	-	140,800,000	132,500,000	88,470,000
Number of contracts		306,192	213,872	181,389	178,751
Average principal amount outstanding	Baht	6,532	13,825	15,340	16,996
Average principal amount as at the time of origination	Baht	8,542	-	-	-
Interest rate		-	18% p.a.	18% p.a.	20% p.a.
Weighted average nominal interest rate		12.04% p.a.	-	-	-
Weighted average originate term to maturity		11.87 months	-	-	-
Weighted average remaining term to maturity		9.45 months	-	-	-

\* Eternal Special Purpose Vehicle Company Limited

\*\* Eternal Credit Card Special Purpose Vehicle Company Limited

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

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

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

Other related information is summarized as follows:

(1) Eternal Special Purpose Vehicle Company Limited (ESPV)

During the revolving period under securitization, the ESPV will apply collections received from purchased hire-purchase receivables to purchase additional offered eligible receivables from the Company under the condition specified in the agreement. The purchase price of the offered receivables to be sold will be equal to the total net book value of such offered receivables.

The Company has an option and has to buy back Excess Defaulted Receivables from the ESPV. Excess Defaulted Receivables are receivables having any amount unpaid for an aggregate of three or more Delinquency Cut-off Date, the 20<sup>th</sup> of each calendar month, and not been charged-off and the principal amount of which are not covered by the positive difference between (a) cash income received by the ESPV from the purchased receivables and (b) the interest payable on the debenture and certain expenses of the ESPV incurred in connection with the securitization transaction. Such option will expire if it is not exercised on each monthly purchase date. If the Company does not exercise the option or having exercised the option fails to repurchase all such excess defaulted receivables from the ESPV, such non-exercise or failure shall constitute a trigger event.

Under the Receivables Sales Agreement, conditions to repurchase the receivables from the ESPV during or at the end of the securitization transaction are as follows:

1. when the receivables sold are ineligible receivables
  2. an option to repurchase the excess defaulted receivables
  3. an option to repurchase the defaulted receivables
  4. an option to repurchase, subject to the applicable law, all remaining purchased receivables from the ESPV if the cost of servicing the purchased receivables exceeds the benefits for doing so (Clean-up call)
  5. an option to repurchase, subject to the applicable law, all remaining purchased receivables from the ESPV as a result of a change in Thai tax law after the closing date which would make the seller having to indemnify the ESPV against certain tax liabilities
- (2) Eternal Credit Card Special Purpose Vehicle Company Limited (ECC), Eternal 3 Special Purpose Vehicle Company Limited (ESPT) and Eternal 4 Special Purpose Vehicle Company Limited (Eternal 4)

During the securitizations, the Company may repurchase the purchased receivables in the following circumstance:

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 may exercise the Clean-up Call option for repurchase of remaining purchased receivables as a Servicer.
4. The Company may exercise the tax redemption option for repurchase of remaining purchased receivables.

For the quarters ended May 20, 2008 and 2007, the transfers of financial assets relating to securitization transaction is summarized as follows:

	<b>Million Baht</b>	
	<b>For the quarters</b>	
	<b>ended May 20,</b>	
	<b>2008</b>	<b>2007</b>
Sales of eligible receivables (at book value)		
- Hire-purchase receivable (ESPV)	-	1,144
- Credit card receivable (ECC)	898	1,153
- Credit card receivable (ESPT)	1,078	1,240
- Credit card receivable (Eternal 4)	1,192	-
	<u>3,168</u>	<u>3,537</u>
		.../9



	<b>Million Baht</b>	
	<b>For the quarters ended May 20,</b>	
	<b>2008</b>	<b>2007</b>
Cash collection on behalf of Special Purpose Vehicles		
- Hire-purchase receivable (ESPV)	241	1,231
- Credit card receivable (ECC)	1,098	1,356
- Credit card receivable (ESPT)	1,266	1,401
- Credit card receivable (Eternal 4)	1,382	-
	<u>3,987</u>	<u>3,988</u>
Servicing fee income from Special Purpose Vehicles		
- Hire-purchase receivable (ESPV)	4	29
- Credit card receivable (ECC)	36	44
- Credit card receivable (ESPT)	40	44
- Credit card receivable (Eternal 4)	42	-
	<u>122</u>	<u>117</u>

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

	<b>Million Baht</b>	
	<b>As at May 20, 2008</b>	<b>As at February 20, 2008</b>
Hire-purchase receivable (included accrued interest income) - ESPV		
Less than 3 months	-	470
3 months up	-	18
	<u>-</u>	<u>488</u>
<u>Less</u> Allowance for doubtful accounts	<u>-</u>	<u>(18)</u>
	<u>-</u>	<u>470</u>
Credit card receivables (included accrued interest income) - ECC		
Less than 3 months	2,415	2,527
3 months up	38	48
	<u>2,453</u>	<u>2,575</u>
<u>Less</u> Allowance for doubtful accounts	<u>(38)</u>	<u>(48)</u>
	<u>2,415</u>	<u>2,527</u>
Credit card receivables (included accrued interest income) - ESPT		
Less than 3 months	2,700	2,786
3 months up	38	44
	<u>2,738</u>	<u>2,830</u>
<u>Less</u> Allowance for doubtful accounts	<u>(38)</u>	<u>(44)</u>
	<u>2,700</u>	<u>2,786</u>
Credit card receivables (included accrued interest income) - Eternal 4		
Less than 3 months	2,779	2,880
3 months up	37	42
	<u>2,816</u>	<u>2,922</u>
<u>Less</u> Allowance for doubtful accounts	<u>(37)</u>	<u>(42)</u>
	<u>2,779</u>	<u>2,880</u>
Total	<u>7,894</u>	<u>8,663</u>
		.../10

**6. OTHER CURRENT ASSETS**

Other current assets consist of the following:

	<b>Baht : '000</b>	
	<b>CONSOLIDATED</b>	
	<b>FINANCIAL STATEMENTS</b>	
	<b>As at</b>	<b>As at</b>
	<b>May 20,</b>	<b>February 20,</b>
	<b>2008</b>	<b>2008</b>
Withholding tax	29,486	20,240
Prepaid expenses	39,748	26,000
Advance output tax	28,490	26,944
Receivable per forward contract	20,476	-
Others	19,822	13,420
Total	<u>138,022</u>	<u>86,604</u>

	<b>Baht : '000</b>	
	<b>SEPARATE</b>	
	<b>FINANCIAL STATEMENTS</b>	
	<b>As at</b>	<b>As at</b>
	<b>May 20,</b>	<b>February 20,</b>
	<b>2008</b>	<b>2008</b>
Withholding tax	29,486	20,240
Prepaid expenses	39,748	26,000
Advance output tax	28,490	26,944
Receivable per forward contract	20,476	-
Others	19,814	13,416
Total	<u>138,014</u>	<u>86,600</u>

## 7. OTHER LONG-TERM INVESTMENTS

As at May 20, 2008 and February 20, 2008, long-term investments consist of:

### 7.1 Long-term investments in related parties consist of:

Baht : '000				
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
	As at May 20, 2008		As at February 20, 2008	
	% of Ownership	Cost	% of Ownership	Cost
<b>Available-for-sale securities</b>				
AEON Credit Service (M) Berhad (1,800,000 shares of MYR 0.5 each, par value of MYR 0.5, fully paid)	1.84	9,829	1.84	9,829
<u>Add</u> Unrealized gain on the change in value of available-for-sale security		51,745		-
<b>Total available-for-sale securities</b>		<u>61,574</u>		<u>9,829</u>
<b>General investments</b>				
Aeon (Thailand) Co., Ltd.* (340,000 shares of Baht 100 each, Baht 25 called up)	8.50	8,500	8.50	8,500
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	-	-
		55,830		48,185
<u>Less</u> Allowance for impairment of assets		(8,500)		(8,500)
<b>Total general investments</b>		<u>47,330</u>		<u>39,685</u>
<b>Total long-term investments in related parties</b>		<u>108,904</u>		<u>49,514</u>

In December 2007, AEON Credit Service (M) Berhad has been listed on Kuala Lumpur Stock Exchange. Thus, the Company has transferred such investment from general investment to available-for-sale securities, resulting an unrealized gain on available-for-sale of Baht 34.18 million as at the transferred date and an unrealized gain on the change in value of available-for-sale security as at February 20, 2008 of Baht 11.55 million. However, the Company did not record the amount of unrealized gain on the changes in value of available-for-sale securities in the financial statements for the year ended February 20, 2008 due to immaterial effect to the overall financial statements. The Company has recorded such unrealized gain on the change in value of available- for - sale security in the quarter ended May 20, 2008.

7.2 Long-term investments in other companies consist of:

Baht : '000				
CONSOLIDATED AND SEPARATE				
FINANCIAL STATEMENTS				
	As at May 20, 2008		As at February 20, 2008	
	% of Ownership	Cost	% of Ownership	Cost
Eternal SPV Co., Ltd.	26.00	10.4	26.00	10.4
Eternal Credit Card SPV Co., Ltd.	26.00	10.4	26.00	10.4
Others	-	-	0.00	0.0
<b>Total long-term investments in other companies</b>		<u>20.8</u>		<u>20.8</u>

As at February 20, 2008, the Company had investment in another company at cost of Baht 26, which during the quarter ended May 20, 2008, the Company has sold it and recognized gain on sale of such investment of Baht 14.75 million.

\* Siam-Jusco Co., Ltd. has changed its name to Aeon (Thailand) Co., Ltd. since August 1, 2007

8. PARTICIPATION IN SPECIAL PURPOSE VEHICLE FOR SECURITIZATION

Participation in Special Purpose Vehicles for securitization as at May 20, 2008 and February 20, 2008 are as follows:

Baht : '000				
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	May 20, 2008	February 20, 2008	May 20, 2008	February 20, 2008
Eternal Credit Card Special Purpose Vehicle Co., Ltd.	674,382	724,011	674,382	724,011
Eternal 3 Special Purpose Vehicle Co., Ltd.	-	-	198,454	209,956
Eternal 4 Special Purpose Vehicle Co., Ltd.	-	-	148,272	172,563
<b>Total</b>	<u>674,382</u>	<u>724,011</u>	<u>1,021,108</u>	<u>1,106,530</u>

The Company entered into Credit Card Sales and Purchase Agreements with Eternal Credit Card Special Purpose Vehicle Company Limited (ECC), Eternal 3 Special Purpose Vehicle Company Limited (ESPT) and Eternal 4 Special Purpose Vehicle Company Limited (Eternal 4) under securitization projects. The Company received partial payments from ECC, ESPT and Eternal 4 with seller participation account under securitization project on the contract date of Baht 140,800,085, Baht 132,514,549 and Baht 89,017,233, respectively, which is non-subordinated and rank in order of priority pari passu with payments of principal in respect of the debentures. The aggregate seller participation account will increase from partial payments of such companies for purchase of Future Receivables and Additional Receivable when such companies' net cash flow generated by the Purchased Receivables is insufficient. Participation account would be reduced in order to repurchase ineligible receivables and receive the excess cash from such companies. However, the Company has to retain such Participation Minimum Amount not less than 5%, 5% and 3% of the aggregate of the outstanding principal amount of the debentures and the subordinated loan, respectively, of which such amount will be repaid by cash approximately within 2010, 2011 and 2012, respectively, or when this project ends (see Note 5.4).

## 9. SUBORDINATED LENDING

Subordinated lending entered with Special Purpose Vehicles are as follows (see Note 15.2.1):

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	May 20,	February 20,	May 20,	February 20,
	2008	2008	2008	2008
Subordinated lending				
Eternal Special Purpose Vehicle Co., Ltd. (ESPV)	-	517,500	-	517,500
Eternal Credit Card Special Purpose Vehicle Co., Ltd. (ECC)	745,554	816,000	745,554	816,000
Eternal 3 Special Purpose Vehicle Co., Ltd. (ESPT)	370,000	370,000	370,000	370,000
Eternal 4 Special Purpose Vehicle Co., Ltd. (Eternal 4)	744,000	744,000	744,000	744,000
Total	<u>1,859,554</u>	<u>2,447,500</u>	<u>1,859,554</u>	<u>2,447,500</u>

- On February 17, 2004, the Company entered into subordinated bridging loan agreement with Eternal Special Purpose Vehicle Company Limited (ESPV) amounting to Baht 517,500,000 for the purpose of partial payment of the Initial Receivables from ESPV under the provision of the Receivable Sale Agreement. The interest is paid on the monthly basis at the rate of 5% per annum. Such bridging loan was refinanced to be subordinated term loan in May 2004 in accordance with such Bridging Loan Agreement. The term loan is due in the year 2010 and the interest is paid on the monthly basis at the rate of 12% per annum, however during the quarter ended May 20, 2008 the Company fully received the repayment of such subordinated lending on May 12, 2008 (see Note 5.4).
- On February 16, 2005, the Company entered into subordinated loan agreement with Eternal Credit Card Special Purpose Vehicle Company Limited (ECC) amounting to Baht 816,000,000 for the purpose of partial payment of the Initial Credit Card Receivables from ECC under the provision of the Receivable Sale Agreement. The interest is paid on the monthly basis at the rate of 5% per annum. Such bridging loan was refinanced to be subordinated term loan in August 2005 in accordance with such Bridging Loan Agreement. The term loan is due in the year 2010 and the interest is paid on the monthly basis at the rate of 15% per annum, however during the quarter ended May 20, 2008 the Company has received partial repayment of such subordinated lending since April 10, 2008 (see Note 5.4).
- On February 6, 2006, the Company entered into subordinated loan agreement with Eternal 3 Special Purpose Vehicle Company Limited (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. The interest is paid on the monthly basis at the rate of 15% per annum. 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 (see Note 5.4).
- On June 25, 2007, the Company entered into subordinated bridging loan agreement with Eternal 4 Special Purpose Vehicle Company Limited (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. The interest is paid on the monthly basis at the rate of 15% per annum. Such bridging loan shall be 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 (see Note 5.4).

# **10. OTHER NON-CURRENT ASSETS**

Other non-current assets consist of the following:

	<b>Baht : '000</b>	
	<b>CONSOLIDATED AND SEPARATE</b>	
	<b>FINANCIAL STATEMENTS</b>	
	<b>As at</b>	<b>As at</b>
	<b>May 20,</b>	<b>February 20,</b>
	<b>2008</b>	<b>2008</b>
Deposits	236,607	296,185
Receivables per currency swap contracts	55,590	19,865
Others	69,335	77,335
Total	<u>361,532</u>	<u>393,385</u>

# **11. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS**

The Company borrowed short-term loans from financial institutions in Baht and foreign currencies and has entered into forward exchange contracts for all short-term loans and related interest denominated in foreign currencies in order to hedge its exposure to foreign exchange rate risk. The details are as follows:

**As at May 20, 2008**

	<b>(Unit in Thousand)</b>	
	<b>CONSOLIDATED AND SEPARATE</b>	
	<b>FINANCIAL STATEMENTS</b>	
	<b>Foreign</b>	<b>Baht</b>
	<b>Currency</b>	<b>Equivalent</b>
Loan in USD currency (BOT rate)	24,000	779,398
Loan in THB currency		<u>4,470,000</u>
Total short-term loans from financial institutions		<u>5,249,398</u>

**As at February 20, 2008**

	<b>(Unit in Thousand)</b>	
	<b>CONSOLIDATED AND SEPARATE</b>	
	<b>FINANCIAL STATEMENTS</b>	
Loan in THB currency		<u>3,830,000</u>

As at May 20, 2008 and February 20, 2008, the Company managed risk that might be occurred from insufficient working capital by entering into the Facility Agreement with financial institutions for committed revolving credit facilities amounting to Baht 920 million and Baht 1,070 million respectively (see Note 18.1).

## 12. LONG-TERM LOANS

As at May 20, 2008 and February 20, 2008, the Company entered into long-term loan agreements and issued bills of exchange in Baht and foreign currencies as follows:

(Unit in Thousand)				
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
	As at May 20, 2008		As at February 20, 2008	
	Foreign Currencies	Baht Equivalent	Foreign Currencies	Baht Equivalent
Repayable within fiscal year ending				
February 20, 2009				
- Loan in JPY currency (BOT rate)				
Interest rate at (p.a.)				
• ZTIBOR 6M + 0.90%	1,500,000	467,637	1,500,000	455,032
• JPY-LIBOR 6M + 0.40%	5,000,000	1,558,790	5,000,000	1,516,775
• 1.25%	1,000,000	311,758	1,000,000	303,355
• JPY-BBA LIBOR + 0.40%	1,000,000	311,758	1,000,000	303,355
• 1.75%	1,500,000	467,637	1,500,000	455,033
		<u>3,117,580</u>		<u>3,033,550</u>
- Loan in THB currency				
Interest rate at (p.a.)				
• THBFIX 6M + 0.80%		-		500,000
• THBFIX 6M + 0.75%		600,000		600,000
• THBFIX 6M + 0.50%		400,000		400,000
• 5.80%		-		450,000
		<u>1,000,000</u>		<u>1,950,000</u>
		<u>4,117,580</u>		<u>4,983,550</u>
Repayable within fiscal year ending				
February 20, 2010				
- Loan in JPY currency (BOT rate)				
Interest rate at (p.a.)				
• 2.00%	1,500,000	467,637	1,500,000	455,033
• JPY-LIBOR 6M + 0.40%	6,000,000	1,870,548	6,000,000	1,820,130
		<u>2,338,185</u>		<u>2,275,163</u>

(Unit in Thousand)				
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
As at May 20, 2008		As at February 20, 2008		
Foreign Currencies	Baht Equivalent	Foreign Currencies	Baht Equivalent	
- Loan in THB currency				
Interest rate at (p.a.)				
● THBFIX 6M + 0.40%	500,000		500,000	
● THBFIX 6M + 0.75%	1,000,000		1,000,000	
● THBFIX 6M + 0.80%	370,000		370,000	
● THBFIX 6M + 0.60%	1,000,000		1,000,000	
	<u>2,870,000</u>		<u>2,870,000</u>	
- Bill of exchange in THB currency				
Interest rate at (p.a.)				
● 4.30%	700,000		700,000	
	<u>700,000</u>		<u>700,000</u>	
	<u>5,908,185</u>		<u>5,845,163</u>	
Repayable within fiscal year ending February 20, 2011				
- Loan in JPY Currency (BOT Rate)				
Interest rate at (p.a.)				
● JPY-BBA LIBOR + 0.54%	3,000,000	3,000,000	910,065	
● 1.851%	2,000,000	2,000,000	606,710	
● 1.970%	1,000,000	1,000,000	303,355	
● JPY LIBOR 6M+ 0.65%	2,000,000	2,000,000	606,710	
	<u>2,494,064</u>		<u>2,426,840</u>	
- Loan in THB currency				
Interest rate at (p.a.)				
● THBFIX 6M + 0.64%	300,000		300,000	
● 4.595%	1,500,000		1,500,000	
● 4.75%	300,000		300,000	
● 5.20%	200,000		200,000	
● 5.25%	500,000		500,000	
● THBFIX 6M + 0.45%	750,000		750,000	
● THBFIX 6M + 0.10%	570,000		570,000	
	<u>4,120,000</u>		<u>4,120,000</u>	
	<u>6,614,064</u>		<u>6,546,840</u>	
Repayable within fiscal year ending February 20, 2012				
- Loan in THB currency				
Interest rate at (p.a.)				
● 6M THBFIX + 0.414%	500,000		500,000	
	<u>500,000</u>		<u>500,000</u>	
Repayable within fiscal year ending February 20, 2013				
- Loan in THB currency				
Interest rate at (p.a.)				
● 6M THBFIX + 0.10%	870,000		570,000	
● 6M THBFIX + 0.45%	700,000		700,000	
● 6M THBFIX + 0.60%	500,000		500,000	
● 4.95%	100,000		-	
	<u>2,170,000</u>		<u>1,770,000</u>	
Total	19,309,829		19,645,553	
<u>Less</u> Current portion of long-term loans	(4,817,580)		(4,983,550)	
Total long-term loans	<u>14,492,249</u>		<u>14,662,003</u>	



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

**As at May 20, 2008**

Principal to be received	Interest rate to be received	Principal to be paid (Baht)	Interest rate to be paid	Period
JPY 5,000,000,000	JPY-LIBOR 6M + 0.40%	1,856,500,000	4.86%	Jul 29, 2005 - Jul 29, 2008
JPY 1,000,000,000	1.25%	376,100,000	5.565%	Aug 18, 2005 - Aug 18, 2008
JPY 1,500,000,000	1.75%	484,050,000	6.63%	Aug 18, 2006 - Aug 18, 2008
THB 600,000,000	THBFIX 6M + 0.75%	600,000,000	5.74%	Sep 2, 2005 - Sep 2, 2008
JPY 1,000,000,000	JPY-BBA LIBOR + 0.40%	351,000,000	6.50%	Nov 10, 2005 - Sep 30, 2008
THB 400,000,000	THBFIX 6M + 0.50%	400,000,000	6.51%	Nov 10, 2005 - Sep 30, 2008
JPY 1,500,000,000	ZTIBOR 6M + 0.90%	567,000,000	4.91%	Oct 19, 2004 - Oct 17, 2008
THB 370,000,000	THBFIX 6M + 0.80%	370,000,000	6.60%	Aug 11, 2006 - Aug 11, 2009
JPY 1,500,000,000	2.00%	484,050,000	6.725%	Aug 18, 2006 - Aug 18, 2009
THB 1,000,000,000	THBFIX 6M + 0.60%	1,000,000,000	5.75%	Nov 20, 2006 - Nov 20, 2009
JPY 6,000,000,000	JPY-LIBOR 6M + 0.40%	1,873,200,000	5.67%	Nov 20, 2006 - Nov 20, 2009
THB 500,000,000	THBFIX 6M + 0.40%	500,000,000	5.45%	Feb 6, 2007 - Feb 8, 2010
THB 1,000,000,000	THBFIX 6M + 0.75%	1,000,000,000	5.35%	Feb 19, 2007 - Feb 19, 2010
JPY 2,000,000,000	1.851%	592,200,000	4.91%	Sep 7, 2007 - Sep 7, 2010
JPY 1,000,000,000	1.970%	298,000,000	5.02%	Sep 11, 2007 - Sep 13, 2010
JPY 3,000,000,000	JPY-BBA LIBOR + 0.54%	1,053,000,000	6.97%	Nov 10, 2005 - Sep 30, 2010
THB 300,000,000	THBFIX 6M + 0.64%	300,000,000	6.91%	Nov 10, 2005 - Sep 30, 2010
THB 570,000,000	6M THBFIX + 0.10%	570,000,000	4.84%	Nov 22, 2007 - Nov 22, 2010
JPY 2,000,000,000	JPY-LIBOR 6M + 0.65%	613,000,000	5.43%	Jan 8, 2008 - Jan 11, 2011
THB 750,000,000	6M THBFIX + 0.45%	750,000,000	4.70%	Jan 21, 2008 - Jan 21, 2011
THB 300,000,000	6M THBFIX + 0.10%	300,000,000	4.14%	Mar 31, 2008 - Mar 31, 2011
THB 500,000,000	THBFIX 6M + 0.414%	500,000,000	4.99%	Aug 6, 2007 - Aug 8, 2011
THB 500,000,000	THBFIX 6M + 0.60%	500,000,000	5.52%	Feb 21, 2007 - Feb 21, 2012
THB 400,000,000	THBFIX 6M + 0.45%	400,000,000	4.75%	Jun 25, 2007 - Jun 25, 2012
THB 300,000,000	THBFIX 6M + 0.45 %	300,000,000	5.10%	Sep 11, 2007 - Sep 11, 2012
THB 570,000,000	THBFIX 6M + 0.10%	570,000,000	5.10%	Sep 13, 2007 - Sep 13, 2012

### As at February 20, 2008

Principal to be received	Interest rate to be received	Principal to be paid (Baht)	Interest rate to be paid	Period
THB 500,000,000	THBFIX 6M + 0.80%	500,000,000	5.09%	Apr 20, 2005 - Apr 21, 2008
JPY 5,000,000,000	JPY-LIBOR 6M + 0.40%	1,856,500,000	4.86%	Jul 29, 2005 - Jul 29, 2008
JPY 1,000,000,000	1.25%	376,100,000	5.565%	Aug 18, 2005 - Aug 18, 2008
JPY 1,500,000,000	1.75%	484,050,000	6.63%	Aug 18, 2006 - Aug 18, 2008
THB 600,000,000	THBFIX 6M + 0.75%	600,000,000	5.74%	Sep 2, 2005 - Sep 2, 2008
JPY 1,000,000,000	JPY-BBA LIBOR + 0.40%	351,000,000	6.50%	Nov 10, 2005 - Sep 30, 2008
THB 400,000,000	THBFIX 6M + 0.50%	400,000,000	6.51%	Nov 10, 2005 - Sep 30, 2008
JPY 1,500,000,000	ZTIBOR 6M + 0.90%	567,000,000	4.91%	Oct 19, 2004 - Oct 17, 2008
THB 370,000,000	THBFIX 6M + 0.80%	370,000,000	6.60%	Aug 11, 2006 - Aug 11, 2009
JPY 1,500,000,000	2.00%	484,050,000	6.725%	Aug 18, 2006 - Aug 18, 2009
THB 1,000,000,000	THBFIX 6M + 0.60%	1,000,000,000	5.75%	Nov 20, 2006 - Nov 20, 2009
JPY 6,000,000,000	JPY-LIBOR 6M + 0.40%	1,873,200,000	5.67%	Nov 20, 2006 - Nov 20, 2009
THB 500,000,000	THBFIX 6M + 0.40%	500,000,000	5.45%	Feb 6, 2007 - Feb 8, 2010
THB 1,000,000,000	THBFIX 6M + 0.75%	1,000,000,000	5.35%	Feb 19, 2007 - Feb 19, 2010
JPY 2,000,000,000	1.851%	592,200,000	4.91%	Sep 7, 2007 - Sep 7, 2010
JPY 1,000,000,000	1.970%	298,000,000	5.02%	Sep 11, 2007 - Sep 13, 2010
JPY 3,000,000,000	JPY-BBA LIBOR + 0.54%	1,053,000,000	6.97%	Nov 10, 2005 - Sep 30, 2010
THB 300,000,000	THBFIX 6M + 0.64%	300,000,000	6.91%	Nov 10, 2005 - Sep 30, 2010
THB 570,000,000	THBFIX 6M + 0.10%	570,000,000	4.84%	Nov 22, 2007 - Nov 22, 2010
JPY 2,000,000,000	JPY-LIBOR 6M + 0.65%	613,000,000	5.43%	Jan 8, 2008 - Jan 11, 2011
THB 750,000,000	THBFIX 6M + 0.45%	750,000,000	4.70%	Jan 21, 2008 - Jan 21, 2011
THB 500,000,000	THBFIX 6M + 0.414%	500,000,000	4.99%	Aug 6, 2007 - Aug 8, 2011
THB 500,000,000	THBFIX 6M + 0.60%	500,000,000	5.52%	Feb 21, 2007 - Feb 21, 2012
THB 400,000,000	THBFIX 6M + 0.45%	400,000,000	4.75%	Jun 25, 2007 - Jun 25, 2012
THB 300,000,000	THBFIX 6M + 0.45 %	300,000,000	5.10%	Sep 11, 2007 - Sep 11, 2012
THB 570,000,000	THBFIX 6M + 0.10%	570,000,000	5.10%	Sep 13, 2007 - Sep 13, 2012

### 13. LONG-TERM DEBENTURES

As at May 20, 2008 and February 20, 2008, long-term debentures represent unsubordinated and unsecured debentures with a par value of Baht 1,000 each which the details are as follows:

						Baht : '000	
						CONSOLIDATED AND SEPARATE	
						FINANCIAL STATEMENTS	
						As at	As at
Issue date	Maturity date	No. of units	Amount (Baht)	Interest rate (%)	Term of interest payment	May 20, 2008	February 20, 2008
30/06/05	30/06/08	500,000	500,000,000	4.45	Semi-annual	500,000	500,000
15/07/05	15/07/08	520,000	520,000,000	4.77	Semi-annual	520,000	520,000
15/07/05	15/07/10	300,000	300,000,000	4.94	Semi-annual	300,000	300,000
Total						1,320,000	1,320,000
<u>Less</u> Current portion of long-term debentures						(1,020,000)	(1,020,000)
Total						<u>300,000</u>	<u>300,000</u>

On February 6, 2006 and June 25, 2007, Eternal 3 Special Purpose Vehicle Co., Ltd. and Eternal 4 Special Purpose Vehicle Co., Ltd., the Company's subsidiaries, issued the debentures of Baht 2,280,000,000 and Baht 2,205,000,000, 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 and August 10, 2007, respectively.

As at May 20, 2008 and February 20, 2008, the subsidiary's debentures are classified to four classes as follows:

				Baht : '000
Debenture Classes	Maturity date	Amount (Baht)	Interest rate (%)	2008
Eternal 3 Special Purpose Vehicle Co, Ltd.				
Class A-1	February 10, 2009	1,500,000,000	5.73	1,500,000
Class A-2	February 10, 2011	500,000,000	5.88	500,000
Class B	Amortizing basis following February 10, 2011	120,000,000	6.13	120,000
Class C	Amortizing basis following February 10, 2011	160,000,000	6.33	160,000
				<u>2,280,000</u>
Eternal 4 Special Purpose Vehicle Co, Ltd.				
Class A-1	June 10, 2010	1,500,000,000	4.39	1,500,000
Class A-2	June 10, 2012	500,000,000	4.76	500,000
Class B	Amortizing basis following June 10, 2012	205,000,000	4.76	205,000
				<u>2,205,000</u>
				4,485,000

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

#### 14. REVENUES RELATING TO SECURITIZATION TRANSACTION

Revenues relating to securitization transaction incurred from sales of hire purchase and credit card receivables are included in Hire Purchase and Credit Card Incomes, respectively, for presentation.

For the quarters ended May 20, 2008 and 2007, the details of revenues from securitization transaction consist of the following:

	Baht : '000	
	CONSOLIDATED FINANCIAL STATEMENTS	
	2008	2007
Hire Purchase Income		
Interest income from subordinated lending (see Note 9)	9,121	15,142
Dividend from investment in Special Purpose Vehicle	4,468	11,272
Servicing income	4,239	29,260
Total	<u>17,828</u>	<u>55,674</u>

		<b>Baht : '000</b>	
		<b>CONSOLIDATED</b>	
		<b>FINANCIAL STATEMENTS</b>	
		<b>2008</b>	<b>2007</b>
Credit Card Income			
Interest income from subordinated lending (see Note 9)		28,828	29,846
Revenue from seller participation in Special Purpose Vehicle (adjusted)		(5,877)	3,960
Dividend from investment in Special Purpose Vehicle		20,802	14,744
Servicing income		36,226	43,826
Total		<u>79,979</u>	<u>92,376</u>
		<u>97,807</u>	<u>148,050</u>
		<b>Baht:'000</b>	
		<b>SEPARATE</b>	
		<b>FINANCIAL STATEMENTS</b>	
		<b>2008</b>	<b>2007</b>
Hire Purchase Income			
Interest income from subordinated lending (see Note 9)		9,121	15,142
Dividend from investment in Special Purpose Vehicle		4,468	11,272
Servicing income		4,239	29,260
Total		<u>17,828</u>	<u>55,674</u>
Credit Card Income			
Interest income from subordinated lending (see Note 9)		70,031	43,378
Revenue from seller participation in Special Purpose Vehicle (adjusted)		(1,446)	5,399
Dividend from investment in Special Purpose Vehicle		58,407	24,716
Servicing income		118,521	87,631
Total		<u>245,513</u>	<u>161,124</u>
		<u>263,341</u>	<u>216,798</u>

## 15. TRANSACTIONS WITH RELATED PARTIES

These financial statements include certain transactions with the related parties. The relationship may be by shareholding or the companies may have the same group of shareholders or directors. The financial statements reflect the effects of these transactions on the basis determined by the Company and the related parties. The significant transactions with related parties consist of:

### 15.1 Investments in subsidiaries

		<b>Baht : '000</b>	
		<b>SEPARATE</b>	
		<b>FINANCIAL STATEMENTS</b>	
		<b>As at</b>	<b>As at</b>
		<b>May 20,</b>	<b>February 20,</b>
		<b>2008</b>	<b>2008</b>
<b>Related parties</b>	<b>Relationship</b>	<b>Cost</b>	<b>Cost</b>
		<b>Paid-up</b>	<b>%</b>
		<b>Capital</b>	<b>Ownership</b>
		<b>Baht</b>	
<b>Other current assets</b>			
Eternal 3 Special Purpose Vehicle Co., Ltd.	Subsidiary	40,000	26.0
Eternal 4 Special Purpose Vehicle Co., Ltd.	Subsidiary	40,000	26.0
		<u>20.8</u>	<u>20.8</u>

## 15.2 Business transaction with related parties

### 15.2.1 Balances with related parties

		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at		As at	
Related parties	Relationship	May 20, 2008	February 20, 2008	May 20, 2008	February 20, 2008
<b>Other current assets - Other receivables</b>					
Eternal 3 Special Purpose Vehicle Co., Ltd.	Subsidiary	-	-	14,973	18,912
Eternal 4 Special Purpose Vehicle Co., Ltd.	Subsidiary	-	-	32,984	33,957
Aeon Credit Service Co., Ltd.	Major shareholder and two common directors	2	2	2	2
ACS Capital Corporation Limited	Shareholder and four common directors	253	87	253	87
Aeon (Thailand) Co., Ltd.*	Holding shares and two common directors	3,970	4,099	3,970	4,099
ACS Insurance Broker (Thailand) Co., Ltd.	Three common directors	122	17	122	17
ACS Servicing (Thailand) Co., Ltd.	One common director	195	6	195	6
ACS Life Insurance Broker (Thailand) Co., Ltd.	Three common directors	59	17	59	17
		<u>4,601</u>	<u>4,228</u>	<u>52,558</u>	<u>57,097</u>
<b>Other non-current assets - Deposits</b>					
Aeon (Thailand) Co., Ltd.*	Holding shares and two common directors	191	191	191	191
		<u>191</u>	<u>191</u>	<u>191</u>	<u>191</u>
<b>Participation in Special Purpose Vehicle for Securitization</b>					
Eternal 3 Special Purpose Vehicle Co., Ltd.	Subsidiary	-	-	198,454	209,955
Eternal 4 Special Purpose Vehicle Co., Ltd.	Subsidiary	-	-	148,272	172,563
		<u>-</u>	<u>-</u>	<u>346,726</u>	<u>382,518</u>
<b>Subordinated lending (see Note 9)</b>					
Eternal 3 Special Purpose Vehicle Co., Ltd.	Subsidiary	-	-	370,000	370,000
Eternal 4 Special Purpose Vehicle Co., Ltd.	Subsidiary	-	-	744,000	744,000
		<u>-</u>	<u>-</u>	<u>1,114,000</u>	<u>1,114,000</u>
<b>Accounts payable</b>					
Aeon (Thailand) Co., Ltd.*	Holding shares and two common directors	1,448	1,483	1,448	1,483
ACS Insurance Broker (Thailand) Co., Ltd.	Three common directors	45,242	44,695	45,242	44,695
ACS Life Insurance Broker (Thailand) Co., Ltd.	Three common directors	29,245	28,399	29,245	28,399
		<u>75,935</u>	<u>74,577</u>	<u>75,935</u>	<u>74,577</u>
<b>Other current liabilities - Other payables</b>					
Eternal 3 Special Purpose Vehicle Co., Ltd.	Subsidiary	-	-	97,575	76,645
Eternal 4 Special Purpose Vehicle Co., Ltd.	Subsidiary	-	-	118,102	173,656
Aeon Credit Service Co., Ltd.	Major shareholder and two common directors	1,354	1,214	1,354	1,214
ACS Insurance Broker (Thailand) Co., Ltd.	Three common directors	2,756	4,346	2,756	4,346
ACS Life Insurance Broker (Thailand) Co., Ltd.	Three common directors	790	-	790	-
ACS Servicing (Thailand) Co., Ltd.	One common director	13,958	6,828	13,958	6,828
Jay Mart Public Company Limited	One common director	452	1,042	452	1,042
		<u>19,310</u>	<u>13,430</u>	<u>234,987</u>	<u>263,731</u>

## 15.2.2 Transactions with related parties

		Baht : '000			
Related parties	Relationship	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		For the quarters		For the quarters	
		ended May 20,		ended May 20,	
		2008	2007	2008	2007
<b>Credit card income</b>					
Aeon (Thailand) Co., Ltd.*	Holding shares and two common directors	104	109	104	109
		<u>104</u>	<u>109</u>	<u>104</u>	<u>109</u>
<b>Revenue relating to securitization</b>					
<b>Transaction - Credit and income</b>					
Eternal 3 Special Purpose Vehicle Co., Ltd.	Subsidiary	-	-	81,070	68,748
Eternal 4 Special Purpose Vehicle Co., Ltd.	Subsidiary	-	-	84,464	-
		<u>-</u>	<u>-</u>	<u>165,534</u>	<u>68,748</u>
<b>Other income</b>					
ACS Capital Corporation Limited	Share holder and four common directors	5,700	4,200	5,700	4,200
ACS Life Insurance Broker (Thailand) Co., Ltd.	Three common directors	1,200	450	1,200	450
ACS Servicing (Thailand) Co., Ltd.	One common director	300	-	300	-
ACS Insurance Broker (Thailand) Co., Ltd.	Three common directors	1,751	2,686	1,751	2,688
ACS Credit Management Co., Ltd.	Holding shares and one common director	1,305	852	1,305	852
		<u>10,256</u>	<u>8,188</u>	<u>10,256</u>	<u>8,190</u>
<b>Operating expenses</b>					
Aeon (Thailand) Co., Ltd.*	Holding shares and two common directors	586	385	586	385
ACS Capital Corporation Limited	Shareholder and four common directors	4,284	4,136	4,284	4,136
Jay Mart Public Company Limited	One common director	1,829	2,365	1,829	2,365
ACS Servicing (Thailand) Co., Ltd.	One common director	36,291	596	36,291	596
		<u>42,990</u>	<u>7,482</u>	<u>42,990</u>	<u>7,482</u>

\* Siam-Jusco Co., Ltd. has changed its name to Aeon (Thailand) Co., Ltd. since August 1, 2007.

- For the quarter ended May 20, 2008, 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 rate of Baht 650,000 per month, Baht 200,000 per month, Baht 200,000 per month and Baht 50,000 per month, and for the computer fee at the rate of Baht 1,000,000 per month, Baht 100,000 per month, Baht 100,000 per month, and Baht 50,000 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 related parties in accordance with securitization project (see Notes 5.4 and 14).

- For the quarter ended May 20, 2007, other income includes the management and operating fee charged to ACS Capital Corporation Limited, ACS Insurance Broker (Thailand) Co., Ltd. and ACS Life Insurance Broker (Thailand) Co., Ltd. at the rate of Baht 550,000 per month, Baht 300,000 per month and Baht 100,000 per month, and for the computer fee at the rate of Baht 700,000 per month, Baht 150,000 per month and Baht 50,000 per month, respectively, and promotion support fee and marketing research fee of Baht 100,000 per month and Baht 50,000 per month, respectively, charged to ACS Capital Corporation Limited. Revenues relating to securitization transactions are determined by the Company and the related parties in accordance with securitization project (see Notes 5.4 and 14).
- Pricing policy is determined by the Company and the related parties based on the cost plus basis.

## 16. FINANCIAL INFORMATION BY SEGMENT

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

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

## 17. FINANCIAL INSTRUMENTS DISCLOSURE

### 17.1 Forward exchange contracts and currency and interest rate swap contracts

As at May 20, 2008, the Company entered into various forward exchange contracts with banks to hedge short-term loans from financial institutions with their relative interest denominated in foreign currencies. The details of such contracts are as follows:

As at May 20, 2008					
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS					
	Currency	Amount	Average rate	Spot rate at balance sheet date	The remaining period (days)
Forward purchase contracts	USD	24,000,000	31.624	32.4749	2

As at February 20, 2008, the Company has no such contracts.

In addition, in order to manage risk from fluctuation in currency and interest rate, the Company has entered into various cross currency and interest rate swap contracts to hedge its long-term debts as disclosed in Note 12.

## 17.2 Fair value of financial assets and liabilities

As at May 20, 2008 and February 20, 2008, the carrying values of the financial assets and liabilities, which are different from the fair values, were as follows:

	Baht : '000			
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	As at May 20, 2008		As at February 20, 2008	
	Carrying value	Fair value	Carrying value	Fair value
Long-term loan bearing fixed interest rate	5,955,822	6,093,646	5,880,195	6,177,685
Long-term debenture bearing fixed interest rate	1,320,000	1,343,104	1,320,000	1,333,823

The Company has entered into several forward foreign currency exchange contracts and cross currency and interest rate swap contracts to reduce foreign exchange risk and interest rate risk associated with foreign currency loans.

Forward foreign currency exchange contracts and cross currency and interest rate swap contracts: the fair values are based on the amount to receive or to pay if there is a termination of the agreements.

As at May 20, 2008, if the Company terminated the forward foreign exchange contracts, it has to pay approximately Baht 11.33 million to the counterparties. (As at February 20, 2008 : None)

As at May 20, 2008 and February 20, 2008, if the Company terminated the cross currency and interest rate swap contracts agreement, it has to pay approximately Baht 583.8 million and Baht 1,292.1 million, respectively, to the counterparties.

## 18. OTHER MATTERS

18.1 As at May 20, 2008 and February 20, 2008, the Company has the Facility Agreement with financial institutions for committed revolving credit facilities for general corporate funding requirements. The details are as follows:

	Baht : '000
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
As at May 20, 2008	Revolving credit facilities
May 12, 2008 - May 11, 2009	550,000
August 12, 2007 - August 21, 2008	<u>370,000</u>
	<u>920,000</u>
	Baht : '000
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
As at February 20, 2008	Revolving credit facilities
May 14, 2007 - May 12, 2008	700,000
August 21, 2007 - August 21, 2008	<u>370,000</u>
	<u>1,070,000</u>

As at May 20, 2008 and February 20, 2008, such credit facilities are unused by the Company.



18.2 As at May 20, 2008 and February 20, 2008, the Company has bank's letter of guarantees issued to suppliers for guarantee payment of Baht 7,500,000.

18.3 As at May 20, 2008 and February 20, 2008, the Company has unused overdraft facilities with various banks totaling Baht 85,000,000.

## **19. EVENT OCCURRING AFTER THE BALANCE SHEET DATE**

At the Annual General Meeting of shareholders held on June 18, 2008, the shareholders had the resolution to approve the following significant matters:

- The declaration of final dividends for the fiscal year 2007 at the rate of Baht 1.00 per share which will be paid to all shareholders on June 30, 2008 in addition to the interim dividends which were paid to shall shareholders of the Company at Baht 1.00 per share on October 12, 2007.
- The appropriation of the net income of Baht 650,000,000 as a reserve for business expansion.
- 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. The authorized directors shall be empowered to consider and approve conditions and other details for the issue and offering of the debentures.

## **20. APPROVAL OF FINANCIAL STATEMENTS**

The interim financial statements have been approved for issue by the authorized directors of the Company on June 19, 2008.