

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, 2008, and the related consolidated and separate statements of income for the quarter and six-month period ended August 20, 2008, and the related consolidated and separate statements of changes in equity and cash flows for the six-month period ended August 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 review. The consolidated financial statements of AEON Thana Sinsap (Thailand) Public Company Limited and its subsidiaries and the separate financial statements for the quarter and six-month period ended August 20, 2007, presented herein for comparison, had been reviewed by another auditor of the same firm whose review report thereon dated September 17, 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
September 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 AUGUST 20, 2008 AND FEBRUARY 20, 2008

BAHT : '000

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	"Unaudited"		"Unaudited"	
	As at	As at	As at	As at
	August 20,	February 20,	August 20,	February 20,
	2008	2008	2008	2008
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	1,350,459	966,977	858,021	806,410
Accounts receivable - net (Note 5.1)	27,382,160	24,330,376	27,416,484	24,263,442
Other current assets				
Other receivables (Note 16.2.1)	208,346	228,675	238,119	281,543
Receivables per forward contracts	50,367	-	50,367	-
Others (Note 6)	116,428	86,604	115,476	86,600
	<u>375,141</u>	<u>315,279</u>	<u>403,962</u>	<u>368,143</u>
Total Current Assets	<u>29,107,760</u>	<u>25,612,632</u>	<u>28,678,467</u>	<u>25,437,995</u>
NON-CURRENT ASSETS				
Accounts receivable - net (Note 5.1)	1,153,640	1,153,169	1,153,640	1,153,169
Investments in subsidiaries (Note 16.1)	-	-	21	21
Other long-term investments				
Related companies (Note 7.1)	109,408	49,514	109,408	49,514
Other companies (Note 7.2)	21	21	21	21
	<u>109,429</u>	<u>49,535</u>	<u>109,429</u>	<u>49,535</u>
Participation in Special Purpose Vehicle				
for Securitization (Note 8)	622,186	724,011	1,353,474	1,106,530
Subordinated lending (Note 9)	1,823,486	2,447,500	1,823,486	2,447,500
Equipment - net	464,482	493,814	464,482	493,814
Intangible assets - net	666,913	580,627	666,913	580,627
Receivables per currency swap contracts (Note 20)	92,556	19,865	92,556	19,865
Other non-current assets (Note 10)	311,611	373,520	311,611	373,520
Total Non-Current Assets	<u>5,244,303</u>	<u>5,842,041</u>	<u>5,975,612</u>	<u>6,224,581</u>
TOTAL ASSETS	<u><u>34,352,063</u></u>	<u><u>31,454,673</u></u>	<u><u>34,654,079</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 AUGUST 20, 2008 AND FEBRUARY 20, 2008

BAHT : '000

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	"Unaudited"		"Unaudited"	
	As at	As at	As at	As at
	August 20,	February 20,	August 20,	February 20,
	2008	2008	2008	2008
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term loans from financial institutions (Note 11)	6,242,896	3,830,000	6,242,896	3,830,000
Accounts payable (Note 16.2.1)	393,933	353,994	393,933	353,994
Current portion of :-				
- Long-term loans (Note 12)	3,315,228	4,983,550	3,315,228	4,983,550
- Long-term debentures (Note 13)	-	1,020,000	-	1,020,000
Factoring payables	288	2,301	288	2,301
Other current liabilities				
Accrued income tax	235,701	225,426	209,072	194,762
Accrued interest expense	261,685	237,763	254,686	230,764
Accrued expenses - others	147,580	128,864	143,252	124,196
Other payables (Note 16.2.1)	156,990	195,205	497,029	445,506
Payables per currency swap contracts	156,822	601,100	156,822	601,100
Others	15,220	23,397	15,220	23,397
	<u>973,998</u>	<u>1,411,755</u>	<u>1,276,081</u>	<u>1,619,725</u>
Total Current Liabilities	<u>10,926,343</u>	<u>11,601,600</u>	<u>11,228,426</u>	<u>11,809,570</u>
NON-CURRENT LIABILITIES				
Long-term loans (Note 12)	17,928,769	14,662,003	17,928,769	14,662,003
Long-term debentures (Note 13)	300,000	300,000	300,000	300,000
Payables per currency swap contracts	124,437	231,312	124,437	231,312
Total Non-Current Liabilities	<u>18,353,206</u>	<u>15,193,315</u>	<u>18,353,206</u>	<u>15,193,315</u>
TOTAL LIABILITIES	<u>29,279,549</u>	<u>26,794,915</u>	<u>29,581,632</u>	<u>27,002,885</u>

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (CONTINUED)

AS AT AUGUST 20, 2008 AND FEBRUARY 20, 2008

BAHT : '000

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	"Unaudited"		"Unaudited"	
	As at	As at	As at	As at
	August 20,	February 20,	August 20,	February 20,
	2008	2008	2008	2008
LIABILITIES AND EQUITY (CONTINUED)				
EQUITY (Note 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
RETAINED EARNINGS				
Appropriated				
Legal reserve	25,000	25,000	25,000	25,000
Reserve for business expansion	3,100,000	2,450,000	3,100,000	2,450,000
Unappropriated	1,171,364	1,456,699	1,171,356	1,456,691
UNREALIZED GAIN ON THE CHANGE				
IN VALUE OF AVAILABLE-FOR-SALE				
SECURITY (Note 7.1)	48,091	-	48,091	-
TOTAL EQUITY OF THE COMPANY	5,072,455	4,659,699	5,072,447	4,659,691
MINORITY INTEREST	59	59	-	-
TOTAL EQUITY	5,072,514	4,659,758	5,072,447	4,659,691
TOTAL LIABILITIES AND EQUITY	34,352,063	31,454,673	34,654,079	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 AUGUST 20, 2008 AND 2007

"UNAUDITED"

BAHT : '000

		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2008	2007	2008	2007
REVENUES					
Credit card income (Notes 15 and 16.2.2)		862,258	840,216	679,730	714,397
Hire purchase income (Note 15)		343,540	347,694	343,540	347,694
Loan income		1,054,346	856,323	1,054,346	856,323
Factoring income		-	296	-	296
Other income					
Bad debt recovery		123,484	122,440	113,346	117,162
Outsource collection service income		16,109	5,724	16,109	5,724
Gain on sale of investment		-	53,861	-	53,861
Others		42,561	31,492	39,966	31,235
		<u>182,154</u>	<u>213,517</u>	<u>169,421</u>	<u>207,982</u>
Total Revenues		<u>2,442,298</u>	<u>2,258,046</u>	<u>2,247,037</u>	<u>2,126,692</u>
EXPENSES					
Operating and administrative expenses		937,610	825,351	921,350	812,439
Bad debts and allowance for doubtful accounts		639,716	644,288	534,192	594,196
Interest expenses and other funding costs		421,560	362,578	363,023	313,572
Total Expenses		<u>1,998,886</u>	<u>1,832,217</u>	<u>1,818,565</u>	<u>1,720,207</u>
INCOME BEFORE INCOME TAX		443,412	425,829	428,472	406,485
INCOME TAX		<u>(122,274)</u>	<u>(128,079)</u>	<u>(107,334)</u>	<u>(108,769)</u>
NET INCOME		<u>321,138</u>	<u>297,750</u>	<u>321,138</u>	<u>297,716</u>
PROFIT ATTRIBUTABLE TO					
Equity holders of the parent company		321,138	297,720	-	-
Minority interests		-	30	-	-
		<u>321,138</u>	<u>297,750</u>	<u>-</u>	<u>-</u>
BASIC EARNINGS PER SHARE	BAHT	1.28	1.19	1.28	1.19
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, 2008 AND 2007

"UNAUDITED"

BAHT : '000

		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2008	2007	2008	2007
REVENUES					
Credit card income (Notes 15 and 16.2.2)		1,698,652	1,655,171	1,349,421	1,427,948
Hire purchase income (Note 15)		691,557	708,689	691,557	708,689
Loan income		2,028,531	1,686,684	2,028,531	1,686,684
Factoring income		121	670	121	670
Other income					
Bad debt recovery		223,619	230,274	205,838	221,249
Outsource collection service income		30,561	10,796	30,561	10,796
Gain on sale of investment (Note 7.2)		14,754	53,861	14,754	53,861
Others		64,787	48,909	61,894	48,652
		<u>333,721</u>	<u>343,840</u>	<u>313,047</u>	<u>334,558</u>
Total Revenues		<u>4,752,582</u>	<u>4,395,054</u>	<u>4,382,677</u>	<u>4,158,549</u>
EXPENSES					
Operating and administrative expenses		1,809,760	1,612,897	1,777,904	1,592,090
Bad debts and allowance for doubtful accounts		1,276,350	1,258,967	1,080,762	1,147,760
Interest expenses and other funding costs		814,693	709,498	698,890	628,102
Total Expenses		<u>3,900,803</u>	<u>3,581,362</u>	<u>3,557,556</u>	<u>3,367,952</u>
INCOME BEFORE INCOME TAX		851,779	813,692	825,121	790,597
INCOME TAX		<u>(237,100)</u>	<u>(232,870)</u>	<u>(210,472)</u>	<u>(209,813)</u>
NET INCOME		<u><u>614,679</u></u>	<u><u>580,822</u></u>	<u><u>614,649</u></u>	<u><u>580,784</u></u>
PROFIT ATTRIBUTABLE TO					
Equity holders of the parent company		614,649	580,792	-	-
Minority interests		30	30	-	-
		<u>614,679</u>	<u>580,822</u>	<u>-</u>	<u>-</u>
BASIC EARNINGS PER SHARE	BAHT	2.46	2.32	2.46	2.32
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 EQUITY
FOR THE SIX-MONTH PERIODS ENDED AUGUST 20, 2008 AND 2007
"UNAUDITED"

BAHT : '000

	CONSOLIDATED 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	Minority Interest	
Beginning balance, February 21, 2007	250,000	478,000	25,000	1,850,000	1,328,167	-	30	3,931,197
Net income	-	-	-	-	580,792	-	30	580,822
Reserve for business expansion (Note 14)	-	-	-	600,000	(600,000)	-	-	-
Dividend (Note 14)	-	-	-	-	(194,987)	-	(30)	(195,017)
Increase during the period	-	-	-	-	-	-	29	29
Ending balance, August 20, 2007	<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>2,450,000</u>	<u>1,113,972</u>	<u>-</u>	<u>59</u>	<u>4,317,031</u>
Beginning balance, February 21, 2008	250,000	478,000	25,000	2,450,000	1,456,699	-	59	4,659,758
Net income	-	-	-	-	614,649	-	30	614,679
Reserve for business expansion (Note 14)	-	-	-	650,000	(650,000)	-	-	-
Dividend (Note 14)	-	-	-	-	(249,984)	-	(30)	(250,014)
Increase during the period (Note 7.1)	-	-	-	-	-	48,091	-	48,091
Ending balance, August 20, 2008	<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>3,100,000</u>	<u>1,171,364</u>	<u>48,091</u>	<u>59</u>	<u>5,072,514</u>

See notes to the interim financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIODS ENDED AUGUST 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	
Beginning balance, February 21, 2007	250,000	478,000	25,000	1,850,000	1,328,167	-	3,931,167
Net income	-	-	-	-	580,784	-	580,784
Reserve for business expansion (Note 14)	-	-	-	600,000	(600,000)	-	-
Dividend (Note 14)	-	-	-	-	(194,987)	-	(194,987)
Ending balance, August 20, 2007	<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>2,450,000</u>	<u>1,113,964</u>	<u>-</u>	<u>4,316,964</u>
Beginning balance, February 21, 2008	250,000	478,000	25,000	2,450,000	1,456,691	-	4,659,691
Net income	-	-	-	-	614,649	-	614,649
Reserve for business expansion (Note 14)	-	-	-	650,000	(650,000)	-	-
Dividend (Note 14)	-	-	-	-	(249,984)	-	(249,984)
Increase during the period (Note 7.1)	-	-	-	-	-	48,091	48,091
Ending balance, August 20, 2008	<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>3,100,000</u>	<u>1,171,356</u>	<u>48,091</u>	<u>5,072,447</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, 2008 AND 2007

"UNAUDITED"

BAHT : '000

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2008	2007	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax expense	851,779	813,692	825,121	790,597
Adjustments for:				
Depreciation	85,054	62,542	85,054	62,542
Bad debts and allowance for doubtful accounts	1,276,350	1,258,968	1,080,762	1,147,761
Amortization of cost of software	115,889	91,733	115,889	91,733
Amortization of deferred interest on long-term				
bill of exchange	10,061	36,964	10,061	36,964
Gain on sale of assets	(91)	(216)	(91)	(216)
Gain on sale of investment	(14,754)	(53,861)	(14,754)	(53,861)
Interest expenses and other funding costs	814,693	709,498	698,890	628,102
	<u>3,138,981</u>	<u>2,919,320</u>	<u>2,800,932</u>	<u>2,703,622</u>
Operating assets (increase) decrease				
Accounts receivable	(10,385,300)	(11,371,619)	(10,550,003)	(11,200,395)
Other current assets	(9,806)	(66,349)	14,223	(115,966)
Other non-current assets	(13,747)	2,661	(13,747)	2,665
Operating liabilities increase (decrease)				
Accounts payable	39,939	29,218	39,939	29,218
Factoring payables	(2,013)	(137)	(2,013)	(137)
Other current liabilities	(25,218)	(77,193)	(24,878)	(78,516)
Cash generated from (paid for) operations				
Interest expenses and other funding costs paid	(805,167)	(969,300)	(689,364)	(890,901)
Income tax paid	(224,943)	(193,806)	(194,264)	(165,522)
Net cash used in operating activities	<u>(8,287,274)</u>	<u>(9,727,205)</u>	<u>(8,619,175)</u>	<u>(9,715,932)</u>

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE SIX-MONTH PERIODS ENDED AUGUST 20, 2008 AND 2007

"UNAUDITED"

BAHT : '000

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2008	2007	2008	2007
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash payments for fixed assets acquisition	(57,410)	(139,257)	(57,410)	(139,257)
Cash payments for investment in cost of software	(125,163)	(153,364)	(125,163)	(153,364)
Cash payment for investment in a related company	(11,803)	-	(11,803)	-
Cash proceeds from sale of investment	14,754	-	14,754	-
Cash proceeds from sale of fixed assets	894	430	894	430
Cash payment for investment in subsidiary	-	-	-	(10)
Net cash used in investing activities	<u>(178,728)</u>	<u>(292,191)</u>	<u>(178,728)</u>	<u>(292,201)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash proceeds from sale of hire-purchase receivables under securitization	-	2,221,023	-	2,221,023
Cash proceeds from sale of credit card receivables under securitization	6,400,362	7,892,368	6,400,362	7,892,368
Cash proceeds from subordinated lending	382,007	-	382,007	-
Increase in short-term loans from financial institutions	2,362,529	573,365	2,362,529	573,365
Increase in long-term loans	4,641,250	3,200,000	4,641,250	3,200,000
Cash payments for long-term debenture	(1,020,000)	-	(1,020,000)	-
Cash payments for long-term loans	(3,666,650)	(3,452,855)	(3,666,650)	(3,452,855)
Dividend payment	<u>(250,014)</u>	<u>(179,553)</u>	<u>(249,984)</u>	<u>(179,553)</u>
Net cash provided by financing activities	<u>8,849,484</u>	<u>10,254,348</u>	<u>8,849,514</u>	<u>10,254,348</u>
Net increase in cash and cash equivalents	383,482	234,952	51,611	246,215
Cash and cash equivalents as at February 21,	<u>966,977</u>	<u>731,883</u>	<u>806,410</u>	<u>661,795</u>
Cash and cash equivalents as at August 20,	<u><u>1,350,459</u></u>	<u><u>966,835</u></u>	<u><u>858,021</u></u>	<u><u>908,010</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 AND SIX-MONTH PERIODS ENDED AUGUST 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, 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.

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 and six-month periods ended August 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 and six-month period ended August 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 and six-month period ended August 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 and six-month periods ended August 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 and six-month periods ended August 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 six-month periods ended August 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	42,128	162,006	42,128	162,006
	61,548	162,640	61,548	162,640
<u>Less</u> Cash payments for purchase of equipment and deposit for equipment	(57,410)	(139,257)	(57,410)	(139,257)
Liabilities recorded - carried forward	4,138	23,383	4,138	23,383
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	128,092	158,834	128,092	158,834
	149,010	170,426	149,010	170,426
<u>Less</u> Cash payments for investment in cost of software and deposit for cost of software	(125,163)	(153,364)	(125,163)	(153,364)
Liabilities recorded - carried forward	23,847	17,062	23,847	17,062

4.2 Non-cash items

- 4.2.1 During the six-month periods ended August 20, 2008 and 2007, the Company sold credit card receivables which partial repayment was settled by the Seller Participation Account of Baht 246,943,757 and Baht 81,428,324, respectively, instead of cash receipt.
- 4.2.2 During the six-month period ended August 20, 2008, the Company has recorded unrealized gain on the changes in value of available-for-sale security of Baht 48,090,799.
- 4.2.3 For the six-month periods ended August 20, 2008 and 2007, the Company recorded dividend receivable from Special Purpose Vehicles amounting to Baht 51,103,726 and Baht 111,584,235, respectively.

5. ACCOUNTS RECEIVABLE - NET

5.1 Accounts receivable - net consist of:

Baht : '000						
CONSOLIDATED FINANCIAL STATEMENTS						
	As at August 20, 2008			As at February 20, 2008		
	Due within	Due after	Total	Due within	Due after	Total
	1 year	1 year		1 year	1 year	
Hire-purchase receivable						
Hire-purchase and accrued interest receivable	1,002,522	933,407	5,935,929	5,323,949	988,498	6,312,447
<u>Less</u> Unearned financing income	(587,035)	(88,185)	(675,220)	(578,651)	(84,878)	(663,529)
	1,415,487	845,222	5,260,709	4,745,298	903,620	5,648,918
<u>Less</u> Allowance for doubtful accounts	(168,462)	-	(168,462)	(154,242)	-	(154,242)
Hire-purchase and accrued interest receivable - net	1,247,025	845,222	5,092,247	4,591,056	903,620	5,494,676
Loans receivable						
Loans and accrued interest receivable	5,824,512	308,418	7,132,930	4,876,137	249,549	5,125,686
<u>Less</u> Allowance for doubtful accounts	(368,718)	-	(368,718)	(358,729)	-	(358,729)
Loans and accrued interest receivable - net	5,455,794	308,418	5,764,212	4,517,408	249,549	4,766,957
Credit card receivable						
Credit card and accrued interest receivable	1,896,874	-	5,896,874	5,424,496	-	5,424,496
<u>Less</u> Allowance for doubtful accounts	(218,186)	-	(218,186)	(214,040)	-	(214,040)
Credit card and accrued interest receivable - net	1,678,688	-	5,678,688	5,210,456	-	5,210,456
Factoring receivable						
Factoring and accrued interest receivable	653	-	653	11,466	-	11,466
<u>Less</u> Deferred income	-	-	-	(10)	-	(10)
Factoring and accrued interest receivable - net	653	-	653	11,456	-	11,456
Total accounts receivable - net	7,382,160	153,640	8,535,800	4,330,376	1,153,169	5,483,545

Baht : '000

SEPARATE FINANCIAL STATEMENTS

	As at August 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	6,002,522	933,407	6,935,929	5,323,949	988,498	6,312,447
<u>Less</u> Unearned financing income	<u>(587,035)</u>	<u>(88,185)</u>	<u>(675,220)</u>	<u>(578,651)</u>	<u>(84,878)</u>	<u>(663,529)</u>
	5,415,487	845,222	6,260,709	4,745,298	903,620	5,648,918
<u>Less</u> Allowance for doubtful accounts	<u>(168,462)</u>	<u>-</u>	<u>(168,462)</u>	<u>(154,242)</u>	<u>-</u>	<u>(154,242)</u>
Hire-purchase and accrued interest receivable - net	<u>5,247,025</u>	<u>845,222</u>	<u>6,092,247</u>	<u>4,591,056</u>	<u>903,620</u>	<u>5,494,676</u>
Loans receivable						
Loans and accrued interest receivable	16,824,512	308,418	17,132,930	14,876,137	249,549	15,125,686
<u>Less</u> Allowance for doubtful accounts	<u>(368,718)</u>	<u>-</u>	<u>(368,718)</u>	<u>(358,729)</u>	<u>-</u>	<u>(358,729)</u>
Loans and accrued interest receivable - net	<u>16,455,794</u>	<u>308,418</u>	<u>16,764,212</u>	<u>14,517,408</u>	<u>249,549</u>	<u>14,766,957</u>
Credit card receivable						
Credit card and accrued interest receivable	5,841,489	-	5,841,489	5,271,798	-	5,271,798
<u>Less</u> Allowance for doubtful accounts	<u>(128,477)</u>	<u>-</u>	<u>(128,477)</u>	<u>(128,276)</u>	<u>-</u>	<u>(128,276)</u>
Credit card and accrued interest receivable - net	<u>5,713,012</u>	<u>-</u>	<u>5,713,012</u>	<u>5,143,522</u>	<u>-</u>	<u>5,143,522</u>
Factoring receivable						
Factoring and accrued interest receivable	653	-	653	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>653</u>	<u>-</u>	<u>653</u>	<u>11,456</u>	<u>-</u>	<u>11,456</u>
Total accounts receivable - net	<u>27,416,484</u>	<u>,153,640</u>	<u>28,570,124</u>	<u>24,263,442</u>	<u>,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 August 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	4,165,149	2,770,780	-	6,312,447
<u>Less</u> Unearned financing income	<u>(417,111)</u>	<u>(258,109)</u>	<u>-</u>	<u>(663,529)</u>
	3,748,038	2,512,671	-	5,648,918
<u>Less</u> Allowance for doubtful accounts	<u>(33,414)</u>	<u>(135,048)</u>	<u>-</u>	<u>(154,242)</u>
Hire-purchase and accrued interest receivable - net	<u>3,714,624</u>	<u>2,377,623</u>	<u>-</u>	<u>5,494,676</u>
Purpose loans receivable				
Purpose loans and accrued interest receivable	3,611,235	1,382,025	-	4,719,817
<u>Less</u> Allowance for doubtful accounts	<u>(38,529)</u>	<u>(96,373)</u>	<u>-</u>	<u>(156,138)</u>
Purpose loans and accrued interest receivable - net	<u>3,572,706</u>	<u>1,285,652</u>	<u>-</u>	<u>4,563,679</u>

- 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	
August 20,	February 20,	August 20,	February 20,	
2008	2008	2008	2008	
Less than 3 months	28,666,199	25,620,943	28,700,523	25,554,008
3 months up	<u>624,967</u>	<u>589,613</u>	<u>535,258</u>	<u>503,850</u>
Total	29,291,166	26,210,556	29,235,781	26,057,858
<u>Less</u> Allowance for doubtful accounts	<u>(755,366)</u>	<u>(727,011)</u>	<u>(665,657)</u>	<u>(641,247)</u>
Accounts receivable - net				
(included non-current assets)	<u>28,535,800</u>	<u>25,483,545</u>	<u>28,570,124</u>	<u>25,416,611</u>

- 5.4 Transfer 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)
Initial sales of receivables					
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 20th 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 and six-month period ended August 20, 2008 and 2007, the transfers of financial assets relating to securitization transaction is summarized as follows:

	Million Baht			
	August 20, 2008		August 20, 2007	
	For the quarter	For the six-month	For the quarter	For the six-month
Sales of eligible receivables (at book value)				
- Hire-purchase receivable (ESPV)	-	-	1,077	2,221
- Credit card receivable (ECC)	866	1,764	1,109	2,262
- Credit card receivable (ESPT)	1,019	2,098	1,178	2,418
- Credit card receivable (Eternal 4)	1,347	2,539	1,007	1,007
	<u>3,232</u>	<u>6,401</u>	<u>4,371</u>	<u>7,908</u>

	Million Baht			
	August 20, 2008		August 20, 2007	
	For the quarter	For the six-month	For the quarter	For the six-month
Cash collection on behalf of Special Purpose Vehicles (SPV)				
- Hire-purchase receivable (ESPV)	-	241	1,220	2,451
- Credit card receivable (ECC)	1,049	2,147	1,335	2,691
- Credit card receivable (ESPT)	1,229	2,495	1,396	2,796
- Credit card receivable (Eternal 4)	1,359	2,741	1,053	1,053
	<u>3,637</u>	<u>7,624</u>	<u>5,004</u>	<u>8,991</u>
Servicing fee income from SPV				
- Hire-purchase receivable (ESPV)	-	4	31	60
- Credit card receivable (ECC)	36	72	44	88
- Credit card receivable (ESPT)	40	80	44	88
- Credit card receivable (Eternal 4)	43	85	30	30
	<u>119</u>	<u>241</u>	<u>149</u>	<u>266</u>
Repurchase of default receivable	-	-	-	-

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

	Million Baht	
	As at August 20, 2008	As at February 20, 2008
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	2,319	2,527
3 months up	40	48
	<u>2,359</u>	<u>2,575</u>
<u>Less</u> Allowance for doubtful accounts	<u>(40)</u>	<u>(48)</u>
	<u>2,319</u>	<u>2,527</u>
Credit card receivables (included accrued interest income) - ESPT		
Less than 3 months	2,587	2,786
3 months up	44	44
	<u>2,631</u>	<u>2,830</u>
<u>Less</u> Allowance for doubtful accounts	<u>(44)</u>	<u>(44)</u>
	<u>2,587</u>	<u>2,786</u>
Credit card receivables (included accrued interest income) - Eternal 4		
Less than 3 months	2,866	2,880
3 months up	46	42
	<u>2,912</u>	<u>2,922</u>
<u>Less</u> Allowance for doubtful accounts	<u>(46)</u>	<u>(42)</u>
	<u>2,866</u>	<u>2,880</u>
Total	<u>7,772</u>	<u>8,663</u>

6. OTHER CURRENT ASSETS

Other current assets consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at August 20, 2008	As at February 20, 2008	As at August 20, 2008	As at February 20, 2008
Withholding tax	18,342	20,240	18,342	20,240
Prepaid expenses	43,084	26,000	43,084	26,000
Advance output tax	29,172	26,944	29,172	26,944
Others	25,830	13,420	24,878	13,416
Total	<u>116,428</u>	<u>86,604</u>	<u>115,476</u>	<u>86,600</u>

Baht : '000

7. OTHER LONG-TERM INVESTMENTS

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

7.1 Long-term investments in related parties consist of:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	As at August 20, 2008		As at February 20, 2008	
	% of Ownership	Cost	% of Ownership	Cost
Available-for-sale securities				
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		<u>48,091</u>		<u>-</u>
Total available-for-sale securities		<u>57,920</u>		<u>9,829</u>
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	-	-
ACS Trading Vietnam Co., Ltd. (20% of ownership of VND 2,000 million, fully paid)	20.00	<u>4,158</u>	-	<u>-</u>
		59,988		48,185
<u>Less</u> Allowance for impairment of assets		<u>(8,500)</u>		<u>(8,500)</u>
Total general investments		<u>51,488</u>		<u>39,685</u>
Total long-term investments in related parties		<u>109,408</u>		<u>49,514</u>

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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 to 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 financial statement for the six-month period ended August 20, 2008.

7.2 Long-term investments in other companies consist of:

Baht : '000				
CONSOLIDATED AND SEPARATE				
FINANCIAL STATEMENTS				
	As at August 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
Total long-term investments in other companies		20.8		20.8

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 August 20, 2008 and February 20, 2008 are as follows:

Baht : '000				
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at August 20, 2008	As at February 20, 2008	As at August 20, 2008	As at February 20, 2008
Eternal Credit Card Special Purpose Vehicle Co., Ltd.	622,186	724,011	622,186	724,011
Eternal 3 Special Purpose Vehicle Co., Ltd. (see Note 16.2.1)	-	-	547,324	209,956
Eternal 4 Special Purpose Vehicle Co., Ltd. (see Note 16.2.1)	-	-	183,964	172,563
Total	622,186	724,011	1,353,474	1,106,530

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:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	August 20,	February 20,	August 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)	709,486	816,000	709,486	816,000
Eternal 3 Special Purpose Vehicle Co., Ltd. (ESPT)				
(Note 16.2.1)	370,000	370,000	370,000	370,000
Eternal 4 Special Purpose Vehicle Co., Ltd. (Eternal 4)				
(Note 16.2.1)	744,000	744,000	744,000	744,000
Total	<u>1,823,486</u>	<u>2,447,500</u>	<u>1,823,486</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 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:

	Baht : '000	
	CONSOLIDATED AND SEPARATE	
	FINANCIAL STATEMENTS	
	As at	As at
	August 20,	February 20,
	2008	2008
Deposits (see Note 16.2.1)	223,892	296,185
Others	87,719	77,335
Total	<u>311,611</u>	<u>373,520</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 August 20, 2008

	(Unit in Thousand)	
	CONSOLIDATED AND SEPARATE	
	FINANCIAL STATEMENTS	
	Foreign	Baht
	Currency	Equivalent
Loan in USD currency (BOT rate)	24,000	817,896
Loan in THB currency		5,425,000
Total short-term loans from financial institutions		<u>6,242,896</u>

As at February 20, 2008

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

As at August 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 19.1).

12. LONG-TERM LOANS

As at August 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 August 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	466,960	1,500,000	455,032
• JPY-LIBOR 6M + 0.40%	-	-	5,000,000	1,516,775
• JPY-BBA LIBOR + 0.40%	1,000,000	311,307	1,000,000	303,355
• 1.75%	-	-	1,500,000	455,033
• 1.25%	-	-	1,000,000	303,355
		<u>778,267</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>1,778,267</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.)				
• JPY-LIBOR 6M + 0.40%	6,000,000	1,867,842	6,000,000	1,820,130
• 2.00%	1,500,000	466,961	1,500,000	455,033
		<u>2,334,803</u>		<u>2,275,163</u>

(Unit in Thousand)				
CONSOLIDATED AND SEPARATE				
FINANCIAL STATEMENTS				
As at August 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 + 0.80%	370,000		370,000	
• THBFIX 6M + 0.75%	1,000,000		1,000,000	
• THBFIX 6M + 0.60%	1,000,000		1,000,000	
• THBFIX 6M + 0.40%	500,000		500,000	
	<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>5,904,803</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 LIBOR 6M + 0.65%	2,000,000	2,000,000	606,710	
• JPY-BBA LIBOR + 0.54%	3,000,000	3,000,000	910,065	
• 1.970%	1,000,000	1,000,000	303,355	
• 1.851%	2,000,000	2,000,000	606,710	
• 1.71%	2,500,000	-	-	
	<u>3,268,723</u>		<u>2,426,840</u>	
- Loan in THB currency				
Interest rate at (p.a.)				
• THBFIX 6M + 0.64%	300,000		300,000	
• THBFIX 6M + 0.45%	750,000		750,000	
• THBFIX 6M + 0.10%	570,000		570,000	
• 5.25%	500,000		500,000	
• 5.20%	200,000		200,000	
• 4.75%	300,000		300,000	
• 4.595%	1,500,000		1,500,000	
	<u>4,120,000</u>		<u>4,120,000</u>	
	<u>7,388,723</u>		<u>6,546,840</u>	
Repayable within fiscal year ending February 20, 2012				
- Loan in JPY Currency (BOT Rate)				
Interest rate at (p.a.)				
• JPY LIBOR 6M + 0.575%	3,500,000	-	-	
• JPY LIBOR 6M + 0.4%	4,250,000	-	-	
	<u>2,412,630</u>		<u>-</u>	
- Loan in THB currency				
Interest rate at (p.a.)				
• THBFIX 6M + 0.414%	500,000		500,000	
• THBFIX 6M + 0.1%	300,000		-	
• 4.95%	100,000		-	
	<u>900,000</u>		<u>500,000</u>	
	<u>3,312,630</u>		<u>500,000</u>	
Repayable within fiscal year ending February 20, 2013				
- Loan in THB currency				
Interest rate at (p.a.)				
• THBFIX 6M + 0.60%	500,000		500,000	
• THBFIX 6M + 0.45%	700,000		700,000	
• THBFIX 6M + 0.10%	570,000		570,000	
	<u>1,770,000</u>		<u>1,770,000</u>	

(Unit in Thousand)				
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
As at August 20, 2008		As at February 20, 2008		
Foreign Currencies	Baht Equivalent	Foreign Currencies	Baht Equivalent	
Repayable within fiscal year ending February 20, 2014				
- Loan in JPY Currency (BOT Rate)				
Interest rate at (p.a.)				
● JPY LIBOR 6M + 0.575%				
	3,500,000		1,089,574	-
			1,089,574	-
Total			21,243,997	19,645,553
Less	Current portion of long-term loans		(3,315,228)	(4,983,550)
	Total long-term loans		17,928,769	14,662,003

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 August 20, 2008

Principal to be received	Interest rate to be received	Principal to be paid (Baht)	Interest rate to be paid	Period
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 2,500,000,000	1.71%	771,250,000	5.40%	Aug 18, 2008 - Aug 18, 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 300,000,000	THBFIX 6M + 0.10%	300,000,000	4.14%	Mar 31, 2008 - Mar 31, 2011
JPY 3,500,000,000	JPY-LIBOR 6M + 0.575%	1,076,250,000	6.22%	Jun 20, 2008 - Jun 20, 2011
JPY 4,250,000,000	JPY-LIBOR 6M + 0.4%	1,317,500,000	5.95%	Jul 29, 2008 - Jul 29, 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
JPY 3,500,000,000	JPY-LIBOR 6M + 0.575%	1,076,250,000	6.59%	Jun 20, 2008 - Jun 20, 2013

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 August 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	August 20, 2008	February 20, 2008
30/06/05	30/06/08	500,000	500,000,000	4.45	Semi-annual	-	500,000
15/07/05	15/07/08	520,000	520,000,000	4.77	Semi-annual	-	520,000
15/07/05	15/07/10	300,000	300,000,000	4.94	Semi-annual	300,000	300,000
Total						300,000	1,320,000
<u>Less</u> Current portion of long-term debentures						-	(1,020,000)
Total						300,000	300,000

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 August 20, 2008 and February 20, 2008, such subsidiaries' 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. EQUITY

At the Annual General Meeting of shareholders held on June 19, 2007, the shareholders had the resolutions to approve the following matters:

- The appropriation of the net income of Baht 600,000,000 as a reserve for business expansion.
- The declaration of final dividends for the fiscal year 2006 at the rate of Baht 0.78 per share amounting to Baht 195,000,000. 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 194,987,520 on June 28, 2007.

At the Annual General Meeting of shareholders held on June 18, 2008, the shareholders had the resolution 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 2007 at the rate of Baht 1.00 per share amounting to Baht 250,000,000. The aforementioned shareholders included 16,200 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 249,983,800 on June 30, 2008.

15. 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 and six-month periods ended August 20, 2008 and 2007, the details of revenues from securitization transaction consist of the following:

Baht : '000				
CONSOLIDATED FINANCIAL STATEMENTS				
	2008		2007	
	For the quarter	For the Six-month period	For the quarter	For the Six-month period
Hire Purchase Income				
Interest income from subordinated lending (see Note 9)	1,121	10,242	15,653	30,795
Dividend from investment in Special Purpose Vehicle	-	4,468	13,707	24,978
Servicing income	-	4,239	30,246	59,507
Total	<u>1,121</u>	<u>18,949</u>	<u>59,606</u>	<u>115,280</u>
Credit Card Income				
Interest income from subordinated lending (see Note 9)	27,698	56,526	30,852	60,697
Revenue from seller participation in Special Purpose Vehicle	2,035	(3,842)	4,111	8,071
Dividend from investment in Special Purpose Vehicle	13,285	34,087	8,575	23,319
Servicing income	35,606	71,832	43,833	87,659
Total	<u>78,624</u>	<u>158,603</u>	<u>87,371</u>	<u>179,746</u>
	<u>79,745</u>	<u>177,552</u>	<u>146,977</u>	<u>295,026</u>

Baht : '000				
SEPARATE FINANCIAL STATEMENTS				
2008		2007		
For the quarter	For the Six-month period	For the quarter	For the Six-month period	
Hire Purchase Income				
Interest income from subordinated lending (see Note 9)	1,121	10,242	15,653	30,795
Dividend from investment in Special Purpose Vehicle	-	4,468	13,707	24,978
Servicing income	-	4,239	30,246	59,507
Total	<u>1,121</u>	<u>18,949</u>	<u>59,606</u>	<u>115,280</u>
Credit Card Income				
Interest income from subordinated lending (see Note 9)	69,816	139,847	61,963	105,341
Revenue from seller participation in Special Purpose Vehicle	7,781	6,334	8,898	14,407
Dividend from investment in Special Purpose Vehicle	33,788	92,195	62,331	87,046
Servicing income	118,291	236,812	118,578	206,209
Total	<u>229,676</u>	<u>475,188</u>	<u>251,770</u>	<u>413,003</u>
	<u>230,797</u>	<u>494,137</u>	<u>311,376</u>	<u>528,283</u>

16. 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:

16.1 Investments in subsidiaries

Baht : '000					
SEPARATE FINANCIAL STATEMENTS					
		As at August 20, 2008	As at February 20, 2008		
Related parties	Relationship	Paid-up Capital Baht	% Ownership	Cost	Cost
Other current assets					
Eternal 3 Special Purpose Vehicle Co., Ltd.	Subsidiary	40,000	26.0	10.4	10.4
Eternal 4 Special Purpose Vehicle Co., Ltd.	Subsidiary	40,000	26.0	10.4	10.4
				<u>20.8</u>	<u>20.8</u>

16.2 Business transaction with related parties

16.2.1 Balances with related parties

		Baht : '000			
Related parties	Relationship	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at		As at	
		August 20,	February 20,	August 20,	February 20,
		2008	2008	2008	2008
Other current assets - Other receivables					
Eternal 3 Special Purpose Vehicle Co., Ltd.	Subsidiary	-	-	318	18,912
Eternal 4 Special Purpose Vehicle Co., Ltd.	Subsidiary	-	-	29,455	33,957
Aeon Credit Service Co., Ltd.	Major shareholder and common directors	25	2	25	2
ACS Capital Corporation Limited	Shareholder and common directors	1,868	87	1,868	87
Aeon (Thailand) Co., Ltd.*	Holding shares and common directors	3,944	4,099	3,944	4,099
ACS Insurance Broker (Thailand) Co., Ltd.	Common directors	922	17	922	17
ACS Servicing (Thailand) Co., Ltd.	Common directors	1,286	6	1,286	6
ACS Life Insurance Broker (Thailand) Co., Ltd.	Common directors	1,443	17	1,443	17
		<u>9,488</u>	<u>4,228</u>	<u>39,261</u>	<u>57,097</u>
Participation in Special Purpose Vehicle for Securitization (see Note 8)					
Eternal 3 Special Purpose Vehicle Co., Ltd.	Subsidiary	-	-	547,324	209,955
Eternal 4 Special Purpose Vehicle Co., Ltd.	Subsidiary	-	-	183,964	172,563
		<u>-</u>	<u>-</u>	<u>731,288</u>	<u>382,518</u>
Subordinated lending (see Note 9)					
Eternal 3 Special Purpose Vehicle Co., Ltd.	Subsidiary	370,000	370,000	370,000	370,000
Eternal 4 Special Purpose Vehicle Co., Ltd.	Subsidiary	744,000	744,000	744,000	744,000
		<u>1,114,000</u>	<u>1,114,000</u>	<u>1,114,000</u>	<u>1,114,000</u>
Other non-current assets - Deposits					
Aeon (Thailand) Co., Ltd.*	Holding shares and common directors	191	191	191	191
		<u>191</u>	<u>191</u>	<u>191</u>	<u>191</u>
Accounts payable					
Aeon (Thailand) Co., Ltd.*	Holding shares and common directors	1,703	1,483	1,703	1,483
ACS Insurance Broker (Thailand) Co., Ltd.	Common directors	49,218	44,695	49,218	44,695
ACS Life Insurance Broker (Thailand) Co., Ltd.	Common directors	28,711	28,399	28,711	28,399
		<u>79,632</u>	<u>74,577</u>	<u>79,632</u>	<u>74,577</u>
Other current liabilities - Other payables					
Eternal 3 Special Purpose Vehicle Co., Ltd.	Subsidiary	-	-	221,176	76,645
Eternal 4 Special Purpose Vehicle Co., Ltd.	Subsidiary	-	-	118,863	173,656
Aeon Credit Service Co., Ltd.	Major shareholder and common directors	9,079	1,214	9,079	1,214
ACS Insurance Broker (Thailand) Co., Ltd.	Common directors	428	4,346	428	4,346
ACS Servicing (Thailand) Co., Ltd.	Common directors	21,436	6,828	21,436	6,828
Jay Mart Public Company Limited	Common directors	623	1,042	623	1,042
		<u>31,566</u>	<u>13,430</u>	<u>371,605</u>	<u>263,731</u>

16.2.2 Transactions with related parties

Baht : '000

		CONSOLIDATED FINANCIAL STATEMENTS			
		August 20, 2008		August 20, 2007	
Related parties	Relationship	For the quarter	For the Six-month	For the quarter	For the Six-month
Credit card income					
Aeon (Thailand) Co., Ltd.*	Holding shares and common directors	98	202	112	221
		<u>98</u>	<u>202</u>	<u>112</u>	<u>221</u>
Other income					
ACS Capital Corporation Limited	Share holder and common directors	7,500	13,200	4,200	8,400
ACS Life Insurance Broker (Thailand) Co., Ltd.	Common directors	1,500	2,700	450	900
ACS Servicing (Thailand) Co., Ltd.	Common director	2,100	2,400	300	400
ACS Insurance Broker (Thailand) Co., Ltd.	Common directors	2,862	4,613	2,609	5,295
ACS Credit Management Company Limited	Holding shares and common directors	-	1,305	-	852
AEON Credit Service (M) Sdn.Bhd.	Holding shares and common directors	951	951	564	564
		<u>14,913</u>	<u>25,169</u>	<u>8,123</u>	<u>16,411</u>
Operating expenses					
Aeon (Thailand) Co., Ltd.*	Holding shares and common directors	640	1,226	581	966
ACS Capital Corporation Limited	Shareholder and common directors	3,936	8,220	4,085	8,221
Jay Mart Public Company Limited	Common directors	2,046	3,875	2,461	4,827
ACS Servicing (Thailand) Company Limited	Common directors	64,122	100,413	6,327	6,923
		<u>70,744</u>	<u>113,734</u>	<u>13,454</u>	<u>20,937</u>

		SEPARATE FINANCIAL STATEMENTS			
		August 20, 2008		August 20, 2007	
Related parties	Relationship	For the quarter	For the Six-month	For the quarter	For the Six-month
Credit card income					
Aeon (Thailand) Co., Ltd.*	Holding shares and common directors	98	202	112	221
		<u>98</u>	<u>202</u>	<u>112</u>	<u>221</u>
Revenue relating to securitization transaction					
Eternal 3 Special Purpose Vehicle Company Limited	Subsidiary	69,401	150,471	82,691	151,435
Eternal 4 Special Purpose Vehicle Company Limited	Subsidiary	81,650	166,114	81,707	81,707
		<u>151,051</u>	<u>316,585</u>	<u>164,398</u>	<u>233,142</u>
Other income					
ACS Capital Corporation Limited	Share holder and common directors	7,500	13,200	4,200	8,400
ACS Life Insurance Broker (Thailand) Co., Ltd.	Common directors	1,500	2,700	450	900
ACS Servicing (Thailand) Co., Ltd.	Common directors	2,100	2,400	300	400
ACS Insurance Broker (Thailand) Co., Ltd.	Common directors	2,862	4,613	2,609	5,295
ACS Credit Management Company Limited	Holding shares and common directors	-	1,305	-	852
AEON Credit Service (M) Sdn.Bhd.	Holding shares and common directors	951	951	564	564
		<u>14,913</u>	<u>25,169</u>	<u>8,123</u>	<u>16,411</u>
Operating expenses					
Aeon (Thailand) Co., Ltd.*	Holding shares and common directors	640	1,226	581	966
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Jay Mart Public Company Limited	Common directors	2,046	3,875	2,461	4,827
ACS Servicing (Thailand) Company Limited	Common directors	64,122	100,413	6,327	6,923
		<u>70,744</u>	<u>113,734</u>	<u>13,454</u>	<u>20,937</u>

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

- For the quarter and six-month period ended August 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 950,000 per month, Baht 300,000 per month, Baht 300,000 per month and Baht 400,000 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 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 related parties in accordance with securitization project (see Notes 5.4 and 15).

- For the quarter and six-month period ended August 20, 2007, 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 550,000 per month, Baht 300,000 per month, Baht 100,000 per month and Baht 50,000 per month, respectively and for the computer fee at the rates of Baht 700,000 per month, Baht 150,000 per month, Baht 50,000 per month and Baht 50,000 per month, respectively, and for marketing support fee at the rate of Baht 100,000 per month and the marketing research fee at the rate of Baht 50,000 per month, 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 15).
- Pricing policy is determined by the Company and the related parties based on the cost plus basis.

17. 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.

18. FINANCIAL INSTRUMENTS DISCLOSURE

18.1 Forward exchange contracts and currency and interest rate swap contracts

As at August 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 August 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	31.995	34.0790	96

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.

18.2 Fair value of financial assets and liabilities

As at August 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 August 20, 2008		As at February 20, 2008	
	Carrying value	Fair value	Carrying value	Fair value
Long-term loan bearing fixed interest rate	5,479,149	5,415,310	5,880,195	6,177,685
Long-term debenture bearing fixed interest rate	300,000	301,040	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 August 20, 2008, if the Company terminated the forward foreign exchange contracts, it will receive approximately Baht 53.27 million from the counterparties. (As at February 20, 2008 : None)

As at August 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 497.1 million and Baht 1,292.1 million, respectively, to the counterparties.

19. OTHER MATTERS

19.1 As at August 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:

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

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

- 19.2 As at August 20, 2008 and February 20, 2008, the Company has bank's letter of guarantees issued to suppliers for guarantee payment of Baht 7,400,000 and Baht 7,500,000, respectively.
- 19.3 As at August 20, 2008 and February 20, 2008, the Company has unused overdraft facilities with various banks totaling Baht 105,000,000 and Baht 85,000,000, respectively.

20. RECLASSIFICATION

A reclassification has been made to the consolidated balance sheet and separate balance sheet as at February 20, 2008. Receivables per currency swap contracts of Baht 19,865,000, which was previously presented as a part of other non-current assets, has been separately presented as receivables per currency swap contracts under non-current assets to conform to the presentation of consolidated balance sheet and separate balance sheet as at August 20, 2008.

A reclassification has been made to the consolidated and separate statements of income for the quarter and six-month period ended August 20, 2007. Outsource collection service income of Baht 10,795,604 and Baht 5,723,635, respectively, which was previously presented as a part of other income, has been separately presented as outsource collection service income under other income to conform to the presentation of consolidated and separate statements of income for the quarter and six-month period ended August 20, 2008.

21. 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 a tax rate for the corporate income tax calculation for the quarter and six-month period ended August 20, 2008 to conform to such tax rate change.

22. EVENT OCCURRING AFTER THE BALANCE SHEET DATE

On August 25, 2008, the Company had additional issued and offered debenture which was approved by the board of directors' meeting held on September 20, 2007, to additional issue and offer debenture under the remaining balance according to the resolution of the 2005 Annual General Meeting of Shareholder held on June 9, 2005, which the details are as follows:

Issuer:	AEON Thana Sinsap (Thailand) Public Company Limited
Type:	Guaranteed Debentures of named certificate, unsubordinated with Debentureholders' Representative
Total Value:	Tranche 1 debentures : Baht 1,000,000,000 (One Billion Baht Only) Tranche 2 debentures : Baht 1,000,000,000 (One Billion Baht Only)
Par Value Per unit:	Baht 1,000
Term:	Tranche 1 debentures : 2 years from the issued date (Maturity in 2010) Tranche 2 debentures : 4 years from the issued date (Maturity in 2012)
Interest Rate:	Tranche 1 debentures : 4.59% per annum Tranche 2 debentures : 5.20% per annum
Credit Rating:	"AAA" rated by Fitch Ratings (Thailand) Company Limited
Guarantor:	Tranche 1 debentures : Mizuho Corporate Bank, Ltd. Tranche 2 debentures : Mizuho Corporate Bank, Ltd. and Japan Bank for International Cooperation("JBIC")

23. APPROVAL OF FINANCIAL STATEMENTS

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