

まいにち AEON CARD

“Let's create together
New Customers, New Services”



รายงานประจำปี 2549/2550

(ปีบัญชีสิ้นสุดวันที่ 20 กุมภาพันธ์ 2550)

Annual Report 2006/2007

(Fiscal year ended February 20, 2007)



บริษัท อีออน ธนสินทรัพย์ (ไทยแลนด์) จำกัด (มหาชน)

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED

สร้างความเชื่อมั่นให้ผู้ถือบัตร
ด้วยการเพิ่มมาตรฐานการให้บริการทางการเงิน

Seek to earn cardholders' trust and
raise standards of financial services



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จุดเด่นในรอบปีบัญชี 2549 (สิ้นสุดวันที่ 20 กุมภาพันธ์ 2550)

ฐานลูกค้า

- สมาชิกที่ใช้บริการสินเชื่อกว่า 1.9 ล้านคน
- บัตรเครดิต 1.5 ล้านบัตร
- บัตรสมาชิก 2.5 ล้านบัตร

Customers Base

- The ID base customers : 1.9 million IDs.
- Credit card : 1.5 million cards.
- Member card : 2.5 million cards.

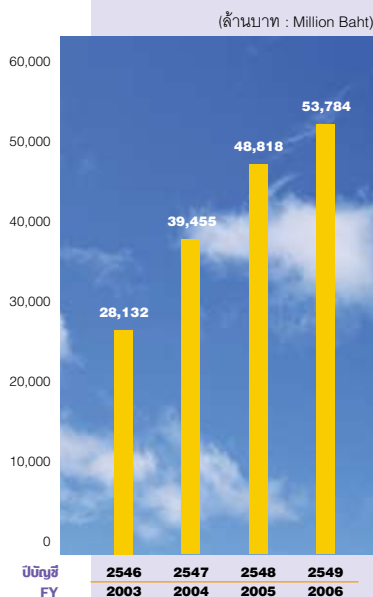
เครือข่ายสาขาและร้านค้า

- สาขา 76 แห่ง ทั่วประเทศ
- จุดให้บริการสินเชื่อเช่าซื้อ 270 แห่ง
- เครื่องเบิกและชำระเงินสดอัตโนมัติ 328 เครื่อง
- ร้านค้ากว่า 11,900 แห่ง

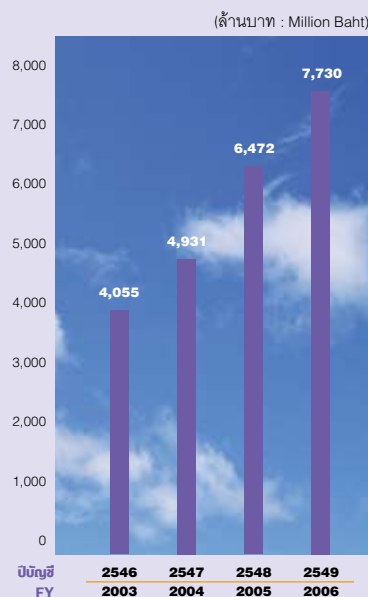
Member and Branch Network

- 76 branches nationwide.
- 270 hire purchase service counters.
- 328 ATMs
- More than 11,900 dealer shops.

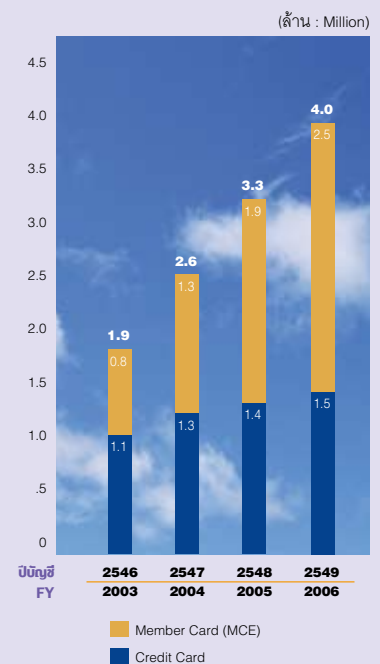
ยอดขายการให้สินเชื่อ Turnover



ยอดรายได้รวม Total Revenues



จำนวนบัตร No. of Cards



FY 2006 Highlights (ended February 20, 2007)

(ล้านบาท : Million Baht)

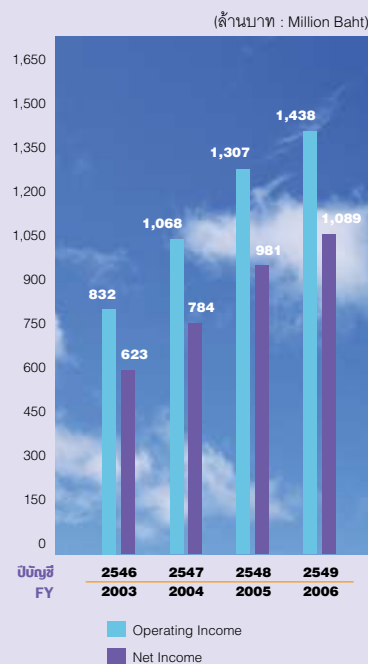
ปีบัญชี Fiscal Year		2546 2003	2547 2004	2548 2005	2549 2006
ยอดขายให้สินเชื่อ	Turnover	28,132	39,455	48,818	53,784
ยอดขายรายได้	Revenues	4,055	4,931	6,472	7,730
กำไรสุทธิ	Net Income	623	784	981	1,089
ส่วนของถือหุ้น	Shareholders' Equity	1,961	2,526	3,209	3,931
สินทรัพย์รวม	Total Assets	14,899	18,938	23,000	28,042

หน่วยต่อหุ้น (บาท)	Per Share Data (Baht)				
มูลค่าตามบัญชีต่อหุ้น	Book Values	7.85	10.10	12.84	15.72
กำไรสุทธิต่อหุ้น	Earning per Share	2.49	3.14	3.92	4.36
อัตราผลตอบแทนสินทรัพย์รวม	Return on Assets (ROA)	4.26%	4.64%	4.68%	4.27%
อัตราผลตอบแทนผู้ถือหุ้น	Return on Equity (ROE)	35.91%	34.95%	34.19%	30.52%
อัตราเงินปันผลจ่ายต่อกำไรสุทธิ	Dividend Payout	31.33%	31.85%	34.95%	35.11%

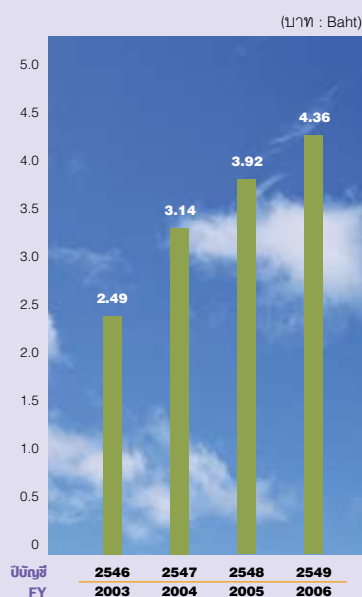
หมายเหตุ : รอบระยะเวลาบัญชีของบริษัทฯ สิ้นสุดวันที่ 20 กุมภาพันธ์ ของทุกปี กำไรต่อหุ้นคำนวณโดยการปรับมูลค่าหุ้นเป็น 1 บาท จำนวนหุ้นสามัญที่ออกและชำระเต็มมูลค่า 250 ล้านหุ้น
* ข้อมูลจากงบการเงินรวม ปีบัญชี 2549

Note : All financial indicators as at the ending of February 20 of each year. EPS calculated by par value of 1 baht per share. Issued and paid-up share capital 250 Million shares.
* Consolidated financial statements for fiscal year 2006

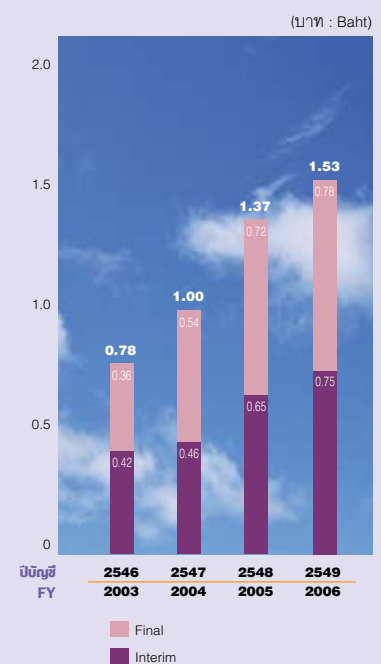
กำไรจากการดำเนินงานและกำไรสุทธิ Operating Income And Net Income



กำไรต่อหุ้น Earning Per Share



เงินปันผล Dividend



Message to Shareholders



The year 2006 has been a challenging year for AEON Thana Sinsap (Thailand) Public Company Limited (the “Company”) as well as other companies in Thailand. Most industries have been faced with the economic impact brought by surging oil prices, inflation, and the rising of market interest rates. Furthermore, there were some external factors that caused a major decline in consumers’ spending, such as the coup in September, unrest in the southern provinces as well as an announcement of reserve requirement on short-term capital inflow from the Bank of Thailand. However, the Company has overcome these challenges and improved both revenue as well as profitability.

Our operating results in the fiscal year ended February 20, 2007 which generated a revenue of THB 7,730 million (19% increase compared to the previous fiscal year), net profit of THB 1,089 million (11% increase)

The Company had also declared final dividend of THB 0.78 per share and then interim dividend of THB 0.75 per share, totaling THB 1.53 per share. The dividend payout ratio was 35.1%.

The Company has been able to expand the number of credit cardholders by issuing three new co-branded cards such as DTAC card, PB Air card and Photo Hut card in addition to Aeon credit cards. Moreover, the Company successfully issued a World Cup card during the World Cup period; as a result the Company issued 143,000 new credit cards last year and accumulated a total of 1.5 million credit cards.

The Company has proactively issued member cards for the customers who apply for our hire purchase and loan services. As a result, the Company issued 582,000 new member cards in the last year. The total number of member cards became 2.5 million cards.

In total, the Company had 4 million cards in hands and the number of active ID customers reached 2 million.

In terms of Network Expansion, the Company has made increased efforts to expand the network particularly in provincial areas. The Company set up 6 new branches, in total 76 branches (28 in Bangkok areas, 48 in provincial areas) nationwide, and the Company installed new ATMs for our customer’s convenience totaling 328 ATMs. Also the Company had expanded to 1,450 dealers, which can provide hire purchase or loan services to our customers. The total number of dealers became 11,900 (3,800 in Bangkok areas, 8,100 in provincial areas) along with expansion of the branch network.

In addition, the Company has centralized the regional operation center (Collection, Credit Control and Customer Service) in the northern region in order to improve efficiency and enable cost reduction of operations, after the Bangkok and South operation centers. For the centralization, each branch can concentrate on the marketing activities, as well as each regional operation center can offer the benefit of being able to support each other in the event of any operational problem.

In March 2007 the Company received “Best Bond Awards 2006” as the winner of “Most Creative Issue” from Thai Bond Market Association (ThaiBMA) for Bonds THB 2.28 billion, issued under our credit card securitization project. The award confirmed the deal innovation and success in over subscription from investors.

Our management philosophy is to “support cardholders’ lifestyles through the greatest benefit of our services” In this year 2007 the Company will continue building on our brand image and expanding marketing activities, while maintaining service quality and developing complementary business lines to increase stability of revenue. To achieve this, the Company shall implement the following measures:

- Increase the number of credit cards and member cards to reach the target of 4.8 million cards by launching various promotional activities.
- Expand the business network mainly in provincial areas. The Company will achieve this by opening new branches so that we can offer customers our service in more provinces; also the installation of new ATMs where customers can apply for utilities payment and so on.
- Continue our drive to strengthen our financial base and focus on low cost operation. The Company plans to centralize operation centers in the Northeast region and implement new technologies (IT) to support the retail finance operation.
- Regarding the CSR (Corporate Social Responsibility), the Company will contribute to the society as well as environmental protection via AEON Thailand Foundation and comply with good corporate governance policy in global standard management system. Furthermore the Company is planning to obtain ISO27001 within this year 2007.

By pursuing these key strategies, the Company will further improve efficiency and strive for company growth to the benefit of our shareholders, customers, and society in the long term.

On behalf of the Board of Directors, I wish to thank all our employees for their contribution and for their dedication to quality. Most importantly, I wish to thank our shareholders for their confidence and support during this challenging but rewarding year.

นายมาซาโอะ มิซึโนะ
กรรมการผู้จัดการ
MASAO MIZUNO
Managing Director

Board of Directors

Position	<ul style="list-style-type: none"> Chairman of the Board
Age	<ul style="list-style-type: none"> 56
Education Background	<ul style="list-style-type: none"> Bachelor Degree in Economics Nanzan University, Japan
Shareholding Percentage	<ul style="list-style-type: none"> 0.58%
Working Experience for the last 5 years	
1996 - present	<ul style="list-style-type: none"> Chairman AEON Thana Sinsap (Thailand) Public Company Limited / Retail Finance
1981 - present	<ul style="list-style-type: none"> President AEON Credit Service Company Limited / Retail Finance
1990 - present	<ul style="list-style-type: none"> President NCS Kosan Company Limited / Insurance Agency
1990 - present	<ul style="list-style-type: none"> Chairman AEON Credit Service (Asia) Company Limited / Retail Finance
1997 - present	<ul style="list-style-type: none"> Director AEON Credit Service (M) Berhad / Retail Finance
1999 - present	<ul style="list-style-type: none"> Director ACS Credit Management Company Limited / Debt Servicing
2003 - present	<ul style="list-style-type: none"> Director AEON Company Limited / Retail
2005 - present	<ul style="list-style-type: none"> Director ACS Capital Corporation Limited / Leasing

Position	<ul style="list-style-type: none"> Vice Chairman of the Board and Managing Director
Age	<ul style="list-style-type: none"> 48
Education Background	<ul style="list-style-type: none"> Bachelor Degree in Law Aichi Gakuin University, Japan. Directors Certificate, Thai Institute of Directors Association
Shareholding Percentage	<ul style="list-style-type: none"> 0.604%
Working Experience for the last 5 years	
1992 - present	<ul style="list-style-type: none"> Managing Director AEON Thana Sinsap (Thailand) Public Company Limited / Retail Finance
2001 - present	<ul style="list-style-type: none"> Director ACS Capital Corporation Limited / Leasing
2005 - present	<ul style="list-style-type: none"> Director ACS Insurance Broker (Thailand) Company Limited / Insurance Broker
2006 - present	<ul style="list-style-type: none"> Director Siam Jusco Company Limited / Retail
2006 - present	<ul style="list-style-type: none"> Director ACS Life Insurance Broker (Thailand) Company Limited / Life Insurance

Mr. Mitsuhiro Yashiro

Position	<ul style="list-style-type: none"> Director
Age	<ul style="list-style-type: none"> 48
Education Background	<ul style="list-style-type: none"> Diploma in Computer Science Tokyo Science and Engineering College Director Certificate, Thai Institute of Directors Association
Shareholding Percentage	<ul style="list-style-type: none"> 0.084%
Working Experience for the last 5 years	
2001 - present	<ul style="list-style-type: none"> Director AEON Thana Sinsap (Thailand) Public Company Limited / Retail Finance

Position	<ul style="list-style-type: none"> Director
Age	<ul style="list-style-type: none"> 43
Education Background	<ul style="list-style-type: none"> Master Degree in Business Administration NIDA Director Diploma, Thai Institute of Directors Association
Shareholding Percentage	<ul style="list-style-type: none"> 0.08%
Working Experience for the last 5 years	
2000 - present	<ul style="list-style-type: none"> Director AEON Thana Sinsap (Thailand) Public Company Limited / Retail Finance
2005 - present	<ul style="list-style-type: none"> Director ACS Insurance Broker (Thailand) Company Limited / Insurance Broker
2005 - present	<ul style="list-style-type: none"> Director NAVA Leasing Public Company Limited / Auto Finance
2006 - present	<ul style="list-style-type: none"> Director ACS Life Insurance Broker (Thailand) Company Limited / Life Insurance

Remark : Authorized directors are Mr. Yoshiki Mori, Mr. Masao Mizuno with the Company's seal.

Board of Directors

Mr. Apichat Nantaterm

Position	<ul style="list-style-type: none"> Director
Age	<ul style="list-style-type: none"> 52
Education Background	<ul style="list-style-type: none"> Master in Computer Science Atlanta University Director Accreditation Program, Thai Institute of Directors Association
Shareholding Percentage	<ul style="list-style-type: none"> 0.04%
Working Experience for the last 5 years	
2001 - present	<ul style="list-style-type: none"> Director AEON Thana Sinsap (Thailand) Public Company Limited / Retail Finance
2005 - present	<ul style="list-style-type: none"> Director ACS Insurance Broker (Thailand) Company Limited / Insurance Broker
2006 - present	<ul style="list-style-type: none"> Director ACS Life Insurance Broker (Thailand) Company Limited / Life Insurance
1998 - 2001	<ul style="list-style-type: none"> Vice President AEON Thana Sinsap (Thailand) Public Company Limited / Retail Finance

Miss Kannika Kursirikul

Position	<ul style="list-style-type: none"> Director
Age	<ul style="list-style-type: none"> 53
Education Background	<ul style="list-style-type: none"> Bachelor Degree in Accountancy, Thammasat University Directors Certificate, Thai Institute of Directors Association
Shareholding Percentage	<ul style="list-style-type: none"> 0.02%
Working Experience for the last 5 years	
2004 - present	<ul style="list-style-type: none"> Director AEON Thana Sinsap (Thailand) Public Company Limited / Retail Finance
2005 - present	<ul style="list-style-type: none"> Director ACS Capital Corporation Limited / Leasing
2002 - 2004	<ul style="list-style-type: none"> Vice President AEON Thana Sinsap (Thailand) Public Company Limited / Retail Finance
1996 - 2002	<ul style="list-style-type: none"> Assistant Vice President AEON Thana Sinsap (Thailand) Public Company Limited / Retail Finance

Mrs. Jiraporn Kongcharoenwanich

Position	<ul style="list-style-type: none"> Director
Age	<ul style="list-style-type: none"> 38
Education Background	<ul style="list-style-type: none"> Bachelor of Science in Agricultural Business Administration (Second class honors) King Mongkut's Institute of Technology Chaokhunthaharn Ladkrabang Campus
Shareholding Percentage	<ul style="list-style-type: none"> -
Working Experience for the last 5 years	
2006 - present	<ul style="list-style-type: none"> Director AEON Thana Sinsap (Thailand) Public Company Limited / Retail Finance
2004 - 2005	<ul style="list-style-type: none"> Vice President AEON Thana Sinsap (Thailand) Public Company Limited / Retail Finance
2003 - 2004	<ul style="list-style-type: none"> Assistant Vice President AEON Thana Sinsap (Thailand) Public Company Limited / Retail Finance
2002 - 2003	<ul style="list-style-type: none"> Manager AEON Thana Sinsap (Thailand) Public Company Limited / Retail Finance
2001 - 2002	<ul style="list-style-type: none"> Assistant Manager AEON Thana Sinsap (Thailand) Public Company Limited / Retail Finance

Mr. Chatchaval Jiaravanon

Position	<ul style="list-style-type: none"> Director
Age	<ul style="list-style-type: none"> 45
Education Background	<ul style="list-style-type: none"> Bachelor of Science in Business Administration University of Southern California, USA
Shareholding Percentage	<ul style="list-style-type: none"> 6.00%
Working Experience for the last 5 years	
2000 - present	<ul style="list-style-type: none"> Director AEON Thana Sinsap (Thailand) Public Company Limited / Retail Finance
1993 - present	<ul style="list-style-type: none"> Director TRUE Corporation Public Company Limited / Telecommunication
1999 - present	<ul style="list-style-type: none"> CEO TRUE Multimedia Company Limited / Multimedia
2000 - present	<ul style="list-style-type: none"> President and CEO Telecom Holding Company Limited / Holding Company
2003 - present	<ul style="list-style-type: none"> CEO Asia Infonet Company Limited / Internet Company
2005 - present	<ul style="list-style-type: none"> Chairman NAVA Leasing Public Company Limited / Auto Finance
2007 - present	<ul style="list-style-type: none"> Chairman and CEO Syrus Securities Public Company Limited / Securities Business
2000 - 2005	<ul style="list-style-type: none"> Independent Director Cal - Comp Electronics (Thailand) Public Company Limited / Electronic parts Manufacturing
2002 - 2007	<ul style="list-style-type: none"> Director Syrus Securities Public Company Limited / Securities Business

Board of Directors

Mr. Kazuhide Kamitani

Position	• Director
Age	• 50
Education Background	• Bachelor of Business Administration Ritsumeikan University, Japan
Shareholding Percentage	• 0.20%
Working Experience for the last 5 years	
1993 - present	• Director AEON Thana Sinsap (Thailand) Public Company Limited / Retail Finance
2002 - present	• Director AEON Credit Service (Asia) Company Limited / Retail Finance
2004 - present	• Senior Managing Director AEON Credit Service Company Limited / Retail Finance
2006 - present	• Director AEON Credit Service (M) Berhad / Retail Finance
2002 - 2004	• Managing Director AEON Credit Service Company Limited / Retail Finance
1990 - 2002	• Managing Director AEON Credit Service (Asia) Company Limited / Retail Finance
1994 - 2002	• Director AEON Credit Service Company Limited / Retail Finance

Mr. Noppun Muangkote

Position	• Independent Director and Chairman of Audit Committee
Age	• 59
Education Background	• Master Degree in Law New York University, USA Director Accreditation Program, Thai Institute of Directors Association
Shareholding Percentage	• 0.052%
Working Experience for the last 5 years	
2001 - present	• Independent Director and Chairman of Audit Committee AEON Thana Sinsap (Thailand) Public Company Limited / Retail Finance
1981 - present	• Director International Business Lawyers Company Limited / Legal Cons
1990 - present	• Director and Vice Chairman Sahakol Group of Companies / Construction Contractor/ Energy
1994 - present	• Director Siam - Jusco Company Limited / Retail Consulting
2001 - present	• Independent Director and Audit Committee Amata Corporation Plc. / Property Development
2005 - present	• Director AEON Holding (Thailand) Company Limited / Holding

Mr. Dej Bulsuk

Position	• Independent Director and Audit Committee Member
Age	• 57
Education Background	• Bachelor in Faculty of Commerce and Accountancy Thammasat University Director Accreditation Program, Thai Institute of Directors Association
Shareholding Percentage	• -
Working Experience for the last 5 years	
2001 - present	• Independent Director and Audit Committee Member AEON Thana Sinsap (Thailand) Public Company Limited / Retail Finance
2002 - present	• Independent Director and Audit Committee Member GMM Media Public Company Limited / Entertainment
2002 - present	• Independent Director JAY MART Public Company Limited / Mobile Phone
2004 - present	• Director Siam Future Development Public Company Limited / Property
2004 - present	• Independent Director and Audit Committee Member The Erawan Group Public Company Limited / Hotel Service
2004 - present	• President CCC Business Development Co., Ltd. / Training
2006 - present	• Independent Director and Audit Committee Member GMM Grammy Public Company Limited / Entertainment
2006 - present	• Advisor to Board of Director President Bakery Public Company Limited / Bakery / Food
2002 - 2006	• Independent Director and Audit Committee Member GMM Grammy Public Company Limited / Entertainment
2004 - 2006	• Honorary Chairman McThai Company Limited (McDonald's) / Food
2004 - 2006	• Chairman Ronald McDonald House Charities Foundation / Foundation

Mr. Shunichi Kobayashi

Position	• Independent Director and Audit Committee Member
Age	• 64
Education Background	• Diploma in Language Kanda Foreign Language Institute Japan Director Certificate, Thai Institute of Directors Association
Shareholding Percentage	• 0.04%
Working Experience for the last 5 years	
2001 - present	• Independent Director and Audit Committee Member AEON Thana Sinsap (Thailand) Public Company Limited / Retail Finance
1991 - present	• President International Administration (Thailand) Company Limited / Accounting and Legal Consulting

บัตรที่ให้โอกาสในสิทธิประโยชน์สูงสุด
เพื่อตอบสนองทุกรูปแบบของการใช้ชีวิต

Support cardholders' lifestyles
and maximize future opportunities
through effective use of credit



Business Nature

BACKGROUND

AEON Thana Sinsap (Thailand) Public Company Limited (the Company) was incorporated on September 18, 1992 by AEON Credit Service Co., Ltd. in Japan (AEON Credit Japan). The Company currently has paid up capital of 250 million baht.

AEON Credit Japan, the major shareholder of the Company, was listed 1st section on the Tokyo Stock Exchange and provide financial services, including credit card, hire purchase, personal loan and other services. Following its success in the Japanese market, AEON Credit Japan has expanded its business to other Asian countries such as Hong Kong, Thailand, Malaysia, Taiwan, China (Shenzhen), Indonesia, and Vietnam respectively.

COMPANY BUSINESS OVERVIEW

At present, the Company's principal business activity is the provision of a variety of retail finance services, including hire purchase, credit card, personal loan, and factoring services. The core business, which generated most revenue for the company in the past year, is credit card business, representing 40% of total revenues, the hire purchase business, representing around 16% of total revenues and personal loan, a high growth business, representing 37% accordingly.

The Company had accumulative number of active customer account approximately 2.84 million accounts, increased 224,000 accounts and total number of credit card issued counts 1.5 million cards and member cards 2.5 million cards, accumulated number of cards issued is 4 million cards. The Company also had 76 branches nationwide of which 28 branches are located in Bangkok and its surrounding provinces and 48 branches in other provinces. Moreover there were 270 service counters located in department stores and discount superstores such as Tesco-Lotus, Makro, Carrefour, Big C and IT City, and 328 ATMs had been installed in Bangkok and provinces for customer convenience.

Revenues Structure for fiscal year ended February 20 of each year

Business Category	2005			2006			2007		
	Amount (million) baht)	%	Growth Rate (%)	Amount (million) baht)	%	Growth Rate (%)	Amount (million) baht)	%	Growth Rate (%)
1. Credit card	1,899	39	72	2,470	38	30	3,110	40	26
2. Hire purchase	1,657	34	(8)	1,911	30	15	1,251	16	(35)
3. Personal loan	1,164	23	27	1,817	28	56	2,839	37	56
4. Factoring and others	210	4	(5)	274	4	30	530	7	94
Total	4,930	100	22	6,472	100	31	7,730	100	19

Note : All business is operated by AEON Thana Sinsap (Thailand) Public Company Limited.

BUSINESS MISSION

The unchanging corporate mission of the company is to constantly benefit our cardholders through quality financial services. In Japan and the rest of Asia, our management philosophy is to "Support Cardholders lifestyles and enable each individual to maximize future opportunities through effective use of credit" the Company carefully provides financial services by paying attention to our cardholders' needs and earn cardholders trust by raising standard of corporate behavior in the financial service industry and adhering to a strict code of corporate ethics and engaging in activities that conserve the environment and contribute to the society.

In the fiscal year 2007, the company has a slogan "Let's create together - New Customers, New services", the Company endeavors to provide its financing services which give more satisfaction to customers and member stores. Moreover, the Company will try to be a leader in the retail financing market to expand its business. In order to achieve this goal, the Company plans to expand its customer base and also its service network as stipulated in the future plan.

Extension the credit card holder base through efforts of issuing Gold Card that provides more privilege to our VIP customers and focusing on issuing co-branded cards in cooperation with convenience stores and corporate cards. The company has target to increase 200,000 credit cards and 650,000 member cards totaling to reach 4.8 million cards by the end of February 2008. Extend the service network through implementation of plans to increase the number of

ATMs installed nationwide up to 377 machines. In addition, increase customer convenience by providing credit payment through the Company's ATMs. The Company also has a policy to increase the number of branches and service counters, aiming to have up to 87 branches around the country.

NATURE OF EACH BUSINESS LINE

Credit Card

The Company's credit card service can be divided into two categories:

1. Credit Purchase whereby the Company's cardholders can use their credit cards to purchase products from member stores, with the Company paying the sales amount of the product to the store.
2. Cash Advance whereby the Company's cardholders can use their credit cards to obtain cash advances from branch offices or from the 328 ATMs which are installed in Bangkok and provincial area.

The Company currently offers two types of credit card:

(1) AEON International Card

The Company is issuing AEON MasterCard, AEON VISA Card and AEON JCB Card co-branded with MasterCard International incorporated, VISA International and JCB International Company Limited respectively. The MasterCard credit card can be used at over 150,000 domestic member stores and over 24 million member stores worldwide and VISA Credit Card can be used at over 146,000 domestic member stores and over 24 million member stores worldwide. JCB Credit Card can be used at 40,000 domestic member stores and approximately 11 million member stores worldwide. Besides the Company's cash dispensing machine, the cardholders can use the AEON MasterCard, AEON VISA Card and AEON JCB Card for cash advance through CIRRUS and PLUS network that has approximately 19,000 machines in domestic and over 1.87 million machines worldwide.

(2) AEON International Co-branded Cards

The international co-branded credit cards which the Company issues with other companies in several businesses such as DTAC Card, Photo Hut card, PB Air card, Giffarine VISA, AEON Club Thailand VISA and MasterCard, B-Quik VISA Card, MAX MasterCard card, and TDP VISA card etc. The co-branded cards will provide additional exclusive privileges for its cardholders. Currently the company issued 16 co-branded credit cards.

Hire Purchase

This credit service involves the leasing of goods to customers with fixed condition of payments over periods of 6 to 36 months, with ownership of the goods remaining with the Company until the customer has paid in full and comply with hire purchase agreements. Full ownership of the goods is then transferred.



Customers can utilize this service to purchase household appliances and consumer goods from 11,900 member stores, including The Mall, Jusco, Tesco-Lotus, Makro, Carrefour, IT city, Big C, and others. The products that the Company provides hire purchase services for Electrical appliances, Motorcycle, Home decoration, Office equipment, Sport equipment etc. Since July 1, 2005, the company changed the new loan of IT and mobile phone hire purchase contract to loan contract. This will not only reduce operation process, mailing and printing cost, but also more convenience to dealers.

The revenues of the Company from hire purchase services consist of interest and fees not more than 28% per year.

Personal Loan/Purposed Loan Business

This business consists of providing loans (Cash Loan or Purposed Loan) to customers who need money for various purposes such as education, car insurance, traveling, NGV equipment, Mobile phone, and IT product. The personal loan credit applicant can submit an application form directly at any of the Company's 76 branches, or send the application form and reference documents by mail, or through the internet. For purposed loan services, the customers directly apply loan services at all company's dealers where providing products or services. After being approved, the customers can receive products or services at point of sales.

The revenues from the personal loan business consist of loan interest, and fees. Since July 1, 2005 Hire Purchase and Loan business was controlled under the Ministry of Finance and Bank of Thailand also issued the BOT notifications for the regulation on those businesses. The interest rates, fines, service fees, and other operation fees in aggregate can be charged at the maximum of 28% annually (effective rate)

Factoring

This is the business of purchasing the right to claim over trade accounts receivable on due date from the suppliers who have already delivered goods or provided service to the buyer. When the Company purchases all collection rights over the trade account receivable (the dealer outlet) are transferred from the supplier to the Company. The factoring services of the Company are factoring with recourse. At present, the Company is providing the service to suppliers of Makro, Tesco-Lotus, Big C, and Jusco.

The revenues from the factoring business consist of interest charges, handling fee and penalty fee charged for late payment.

มุ่งมั่นในการดำเนินธุรกิจอย่างมีจริยธรรม
พร้อมส่งเสริมการรับผิดชอบต่อสังคมและสิ่งแวดล้อม

Adhere to code of corporate ethics,
Engage in activities that conserve the environment
and contribute to society

ทุกๆ วัน ใช้ใจออบ

Corporate **Social Responsibility**

PROTECTION OF PERSONAL INFORMATION

The company set up new section, "Corporate Quality Secretariat" (CQS) for the purpose of Company's information security awareness and segregation of duty evolving Company's information in each level including monitoring compliance in the workplace. The CQS section is responsible for Information Security Management System (ISMS). The CQS committee is committed to promote secure management of personal information by evaluating, training, and revising the measures of risk management for protection of company's asset and information. The company has access control system to rooms, e-mails, photocopies and faxes. Personal computers in the company are unable to transfer data to external recording devices or media without authorization.

การอนุรักษ์สิ่งแวดล้อม

เนื่องจากบริษัทในกลุ่มอออนมีนโยบายหลักในการตอบแทนสังคม ซึ่งเป็นฐานในการดำเนินธุรกิจของบริษัทฯ และส่งผลต่อความสำเร็จของกลุ่มบริษัทโดยรวม ในขณะที่ประชากรโลกกำลังเผชิญกับภาวะโลกร้อนในศตวรรษที่ 21 นั้น กลุ่มอออนมีนโยบายในการอนุรักษ์สิ่งแวดล้อม เช่น การปลูกต้นไม้และรักษาแหล่งน้ำ และบริษัทฯ ได้ร่วมในกิจกรรมปลูกต้นไม้เป็นประจำทุกปี และเมื่อวันที่ 11 กุมภาพันธ์ 2550 บริษัทฯ ได้ร่วมจัดกิจกรรมกับบริษัท สยามจัดโก้ จำกัด ในการรณรงค์ปลูกต้นไม้จำนวน 6,000 ต้น ตลอดแนวชายฝั่งของหมู่บ้านในไร่ อำเภอยะหริ่ง จังหวัดพังงา เพื่อสร้างแนวป้องกันคลื่นสึนามิตามแนวชายฝั่งทะเลทางภาคใต้ของประเทศไทย

กิจกรรมสาธารณประโยชน์

พนักงานบริษัทฯ ทั้ง 76 สาขาทั่วประเทศได้ร่วมกิจกรรมสาธารณประโยชน์ต่างๆ ในเดือนกันยายน และตุลาคม 2549 บริษัทฯ ได้จัดโครงการช่วยเหลือลูกค้าของบริษัทฯ ที่ได้รับผลกระทบจากภัยพิบัติน้ำท่วมในตอนกลางของประเทศ เช่น โครงการการลดดอกเบี้ย และการพักชำระหนี้

บริษัทฯ ยังจัดกิจกรรม “อออนร่วมรื้อหัวใจไทยร่วมสมทบทุนเพื่อมูลนิธิชัยพัฒนา ทูลเกล้าฯ ถวายพระบาทสมเด็จพระเจ้าอยู่หัว” เนื่องในวโรกาสมหามงคลสมัยฉลองสิริราชสมบัติครบ 60 ปี โดยการร่วมสมทบทุนโดยการใช้จ่ายผ่านบัตรอออน โดยบริษัทฯ จะบริจาค 1 บาท ต่อการใช้จ่ายผ่านบัตรอออนหรือการใช้บริการของอออนทุกรายการที่ได้รับอนุมัติ ซึ่งสามารถได้เงินบริจาค 800,000 บาท

ปัจจุบัน บริษัทฯ อยู่ระหว่างการรวบรวมข้อมูลและศึกษาเพื่อการวางแผนด้านกิจกรรมความรับผิดชอบต่อสังคมเพิ่มขึ้นต่อไป

ENVIRONMENT PROTECTION

AEON Group has policy to repay society which provides a market for our services and contribute to our success. As we are facing potential risk of Global Warming in this 21st century, AEON Group has policy to preserve environment such as tree and water resource. The Company has joined the tree-planting campaign every year. On February 11, 2007, the Company cooperated with Siam JUSCO Co., Ltd. and Phang Nga Province by joining 6,000 tree-planting campaigns along the seashore of Nairai village in the South of Thailand to enhance and reinforce the level of protection against Tsunami disaster.

SOCIAL CONTRIBUTION ACTIVITIES

To date, employees at 76 branches throughout the country have participated in social welfare and community. In September and October 2006, the Company had several programs to support the customers who were impacted by the flood disaster in the central part of Thailand such as reduction of interest rate and debt moratorium program.

The company has also developed promotion campaign to celebrate His Majesty's 60 years of Golden Reign. AEON gave 1 baht contribution for each transaction of spending through AEON credit card or AEON services, which raised 800,000 baht in donation to Chai Pattana Foundation.

Currently, the company has a research and development plan to enhance the Corporate Social Responsibilities in the long term.

Market and **Competition**

The Company has been operated the retail finance as a non-bank, which are benefit to the customers in term of service diversification. The basic qualification of financing service to customers are the age of more than 20 years old, earning a regular income and be in a secure job. Statistic shows that more than 40 million people or 67.07% of the total population are aged between 20 to 40 years old. The data from National Statistical Office in September 2004 indicated that there were 14.05 million people who have regular stable monthly income range between 7,000 - 15,000 Baht, which accounts for 90% of total monthly income population in Thailand.

A preliminary summary of Household Socio - Economic Survey in the year 2006 from the National Statistical Office shows that average total household income was 17,122 baht per month increased 7% from the year 2004. This is a target group customer of the Company. Therefore, there is a lot of opportunity for the growth of the Company's services in the Thai market in the future. The Company has aimed to expand our AEON networks with efficient management in nationwide.

COMPETITIVE ENVIRONMENT FOR EACH OF THE COMPANY'S BUSINESS LINES

Credit Card

For credit card services, our main competitors are commercial banks and other financial institutions. The Company has more than 1.5 million credit cards, account for 14% of market share with 19 credit card operators in the market. At the end of 2006, the number of credit cards issued in the market was 10.01 million accounts and the out standing balance was 143,454 million baht.

Since November 2002, Bank of Thailand (BOT) issued the regulation on the credit card services to control the maximum interest rate of 18% per year and other fees charged per annum and the qualification of the credit cardholders must have minimum monthly salary of 15,000 baht. In November 2006, the BOT had a notification of increasing the ceiling interest rate and service charges from 18% to 20%, on all debts incurred before or since the enforceable dates, starting from July 1, 2007 onward.

Hire Purchase

The Company is currently a leader of hire purchase service provider. For more than 15 years in the hire purchase business, the Company has more than 11,900 hire purchase dealers. The main competitors are other non-bank operators

Personal Loans

Our main competitors in this business are commercial banks and other financial institutions. The Company's advantage in this area is that it offers a wide variety of personal loan services to serve the needs of customers. The Company has also increased the number of service centers, which operates and expands its service coverage area, and has set up a network of ATMs for the convenience in approval of personal loan customers.

Since July 1, 2005 Bank of Thailand issued notifications for the regulation of Hire Purchase and Loan business, details are:

- The Non-finance institution Personal Loan operators must have registered capital of no less than 50 million baht and required to seek permission from the Ministry of Finance.
- The interest rates, fines, service fees, and other operation fees in aggregate can be charges at the maximum of 28% annually (effective rate). The others additional charges could be on actual base expenses in accordance with the Bank of Thailand's regulations.
- The line of credit extended to customers shall not exceed 5 times of his or her average monthly salary

COMPETITIVE STRATEGIES

The Company's competitive strategies consist of:

1. The Company establishes and classifies customers database based on different categories such as age, gender, or occupation. The Company has used this information in developing and preparing marketing plans to provide beneficial services and information to increase customer satisfaction.

2. Speedy Service

The Company has focused on the speed of services by providing financial services to its customers through the use of up-to-date technology and EDC (Electronic Draft Capture Terminal) which reduces the time processing of credit approval. The Company has 2.5 million Member Cards for more efficiency of hire purchase and loan credit approval. The Member Card can also withdraw cash through our ATMs, and the credit approval and payment information services are also offered through the internet at <http://www.aeon.co.th>.

3. Variety of Products and Services in one card

Increasing the range of new products or services is an aim to maximize its ability to meet customer's need. The Company's credit card offers 3 credit limit functions within one credit card, the customers can utilize hire purchase credit to purchase a variety of product, personal loan credit, and credit card function through our member stores and dealers network. The Company also has developed credit card functions to be a payment channel for recurring expenditure such as Personal Accident Insurance, Life Insurance, Electricity as well as prepaid expense of mobile phone, etc.

4. Expansion of Member Stores

To increase the number of member stores, the Company mainly focuses on large retail stores such as supermarkets and department stores. These stores provide consumer goods needed on a daily basis. Also, with respect to member stores expansion for credit card, the Company issued more international credit cards up to 66% of total Company's credit cards for the worldwide network spending.

5. Nationwide Network

The Company has branches and service counters throughout the country. In the last year, the Company centralized our branches' operating in each region for the same standard of services and reduced operation cost. The expansion of the networks supports customers and member stores. Each branch provides full range of services starting from application recruitment, credit approval, receiving payments, etc. The Company is now aiming at set up systems for more convenience and faster network for the Company's credit card service by installing 328 ATMs nationwide.

DISTRIBUTION CHANNELS

The Company has increased its distribution channels through the following marketing strategies:

1. Credit Card Recruitment Campaign

The Company plans daily campaign to recruit customer credit card applications from areas with large volumes of pedestrian traffic such as office buildings, shopping centers, and department stores. In addition, take-One-Boxes have been installed in areas. Moreover customers can also obtain credit approval through the internet from <http://www.aeon.co.th>.

2. Member Stores and Merchants

There are currently more than 11,900 member stores offering hire purchase and loan services throughout the country. AEON credit card holders can purchase products from shops that post the MasterCard sign the VISA sign and the JCB sign and receive special discount at affiliated stores when spending with our those co-branded credit cards.

3. Service Network

The Company has 76 branches nationwide of which 28 are located in Bangkok and its surrounding provinces, and 48 are located in provinces including 270 hire purchase service counters and 328 ATMs throughout Bangkok and provinces in order to increase customer convenience.

4. Advertising and Sales Promotion Activities

The Company's advertising policy promotes all of the Company's services including hire purchase, credit cards and personal loans through media such as posters, leaflets, premiums, newspapers, TV & radio commercials, bus stop ads, and big billboard at airports and subways as well as the internet. The company has promotion events and marketing activities by cooperation with manufacturers. The Company has provided a special discount for usage of co-branded credit cards and bonus points program on credit card usage for cash back reward or "Happy Point". As a result of these activities, the Company is able to promote and introduce its services and build brand recognition.

DEBT MANAGEMENT, POLICY ON PROVISIONS FOR DOUBTFUL ACCOUNTS

Debt Management

One of the key components of the financial service business is debt management. The Company has set up an efficient collection system and procedure to monitor and manage the debt which can be categorized into 3 main functions as follows:

1. Technology: The Company has implemented one of the most advance technology, both hardware and software, to manage customer database upon payment behavior and grouping data by collection aging. All customers profiles are available on-line, thus, every collection staff can directly access to the database through his/her own terminal computer. In addition, the system enables the management to monitor collection performance of each staff and each branch all over the country.

2. Monitoring and Managing: The Company has a philosophy of close monitoring and managing the debt. It examines the collection performance on a daily basis. All database of collection performance is centralized in each regional centre and at the head office. This information is examined and evaluated by the management who is ready to make decision support and exercise to improve and solve the problems of collection.

3. Collection Procedure: The Company has several collection methods. When a debtor starts being in default, the collection staff will promptly perform their jobs in order to insure that the debt management is efficiently and promptly done.

Customer Payment

The customer's statements, calculated by the Company, need to be paid within the 2nd of the next month by cash at all branches of the Company, Company's ATMs, commercial bank's counter, Counter Service, TOT Just Pay Service, Pay at Post, Post-dated cheque as well as bank account auto-payment. For the hire purchase service, customers must pay by monthly installments over periods of 6 to 36 months, depending upon the amount of the products.

Policy on Provision for Doubtful Accounts

The Company has a policy to classify debtors according to the number of outstanding installments. The Company sets up a full provision for doubtful debt for debtors who have three unpaid installments, this policy also complies with announcement of Securities and Exchange Commission dated April 30, 2004. The Company has written off the balances of which are uncollectible, such as debtors with six consecutive unpaid installments outstanding balances.

New Product Development **2006**

The Company has research and development plans to develop new products for efficiency and enrich services for customers' convenience as well as a low cost operation purpose.

NEW PRODUCT DEVELOPMENT

1. The company launched 3 new co-branded credit cards in order to expand market in other area such as airline business, photo business, and mobile phone. The new co-branded cards issued in 2006 are PB Air MasterCard, Photo Hut VISA card and DTAC VISA card.

2. The Company launched personal loan revolving program called "Your Cash" to facilitate AEON's member card. The "Your Cash" product provides revolving credit line to each AEON's member card for cashing from AEON's ATM and pay minimum payment.

3. In FY 2006, the Company launched new payment gateway for Personal Accident Insurance (PAI). The customers can purchase PAI through AEON's member card and the PAI's fee was charged in the monthly payment statements. This new payment gateway function of AEON's member card generates a new source of revenue from service fee to the Company.

4. The Company launched Health Insurance Loan to credit card customers and generated interest fee.

IMPROVEMENT OF CONVENIENCE AND OPERATIONAL EFFICIENCY

- Data Warehouse and Information Inquiry System

Data Warehouse is a repository of company's data. The data and information from various sources and servers will be stored in one place. The Company also enhanced a software management called "3ISEnhancement" or Information Inquiry System to manage the data and information through web application. The management has utilized information for effective decision making and reduces time analysis.

- Centralized Central and Northern Area

For the purpose of standardized operation in Credit Control, Collection, and Customer Service for the whole country, the Company has centralized operation service in one centre in each of 4 regions, North, Northeast, Central, and South. This system increased efficiency and reduced operation cost in each region. In FY2006, the Company has centralized the operation in Northern region to be center at Chiang Mai and Central region in Bangkok.

- Implemented systems to reduce operation process

The Company implemented several systems to facilitate marketing activities, credit judgment process, and collection service for the purpose of reducing time process at the point of sales (POS). For example, Mobile Branch was set up at head office to support credit judgment process during marketing events. The company installed Electronic Draft Capture (EDC) at POS such as department stores for automatic approval of hire purchase service to AEON's member cards. The Company also implemented system to support ID balance management for faster and convenience of judgments and collection process as well as support cross-selling functions in the future.

- Increased capacity to support customers and expand network

To support a large customer base and network thorough the country with minimizing operation cost and increase efficiency of workforce, the Company has implemented several software and systems such as Automatic Outbound Calling System, E- Statement intranet web application, Collection Monitoring and Analysis System, and File Server Sharing

- Implemented Information Security Management System

For enhancement of information security, the Company implemented Firewall and other computer security for securing and segmentation in each department. The Firewall controls the information traffic and interface between departments. The system implements levels of information access by separation of duties and enforcement of security policy.

Management Discussion and **Analysis**

for the fiscal year 2006 ended February 20, 2007

The audited financial statements as of February 20, 2007 were audited by Deloitte Touche Tohmatsu Jaiyos Audit Company Limited. The Company financial statements as at February 20, 2007 has not been changed the accounting policy regarding the investment in a subsidiary (Eternal 3 Special Purpose Vehicle Co., Ltd. / ESPT) from equity method to cost method as to comply with the Notification of the Federation of Accounting Professions No. 26/2549 dated October 11, 2006 to revise Thai Accounting Standard (TAS) No. 44 regarding consolidated Financial Statements and Accounting for investment in subsidiaries. This is because the difference of 4,000 baht is insignificant impact on the company's net profit of the Company financial statements. Thus, The Company will change the accounting policy for investments in subsidiary companies for the Company financial statements of the first quarter ended May 20, 2007 onward.

SUMMARY OF OPERATION RESULTS

In FY 2006, the Company's consolidated revenue has shown an upward trend was 7,730 million baht, increased from 6,472 million baht in FY 2005, which was equivalent to 19% growth. The company had net income of 1,089 million baht, which increase 11% from the same period of last year. Although domestic political uncertainty and high market interest rate still impacted consumer spending, the number of new customers has been increasing every year because the Company focused on strategies of controlling operation cost, emphasizing cross-selling activities, issuing new card and penetrating in provinces. As a result, the new members increased by 582,000 or 30% from the last year and reached 4 million cards (including 1.54 million credit cards and 2.46 million member cards). The company had 76 branches and 328 ATMs to support customers' convenience.

THE COMPANY'S REVENUE

Credit Card

Credit card turnover represented 47% of total turnover and the credit card turnover increased 13% y-o-y. Its income also had a growth rate of 26% increased from 2,470 million baht in FY 2005 to 3,110 million baht in FY 2006 and shares 40% of total revenues. As a result of continuously increased of portfolio, number of credit card, and issued three new co-branded cards such as PB Air Card, Photo Hut Card, and DTAC Card in FY 2006. The company also emphasized the service for payment of premium Personal Accident Insurance and Health Insurance through the Company's credit card which more than 300,000 are active accounts. The total number of credit cards was 1.54 million cards at the end of the FY 2006, increased 143,000 cards or 10% from last year.

Loan

Due to the increase member cards in FY 2006, the total loan's turnover increased 34% from last year and comprised of 35% of total turnover. That generated income of 2,839 million baht, which surged 56% from last year due to the loan outstanding growth of 29% from the FY 2005. The Company launched "Your Cash" or cash revolving card service to good payment customers in FY 2006. This service provides revolving loan and credit line to customers to increase flexibility and convenience of withdrawing money through AEON's ATM.

Hire Purchase

Hire purchase turnover comprised of 17% of total turnover. In the FY 2006, the Company had hire purchase income 1,250 million baht, or 16% of total revenue. The Company could increase new member cards which automatically approved hire purchase service to AEON's member card immediately at point of sale through EDC. The Company also launched several promotions with hyper-markets, dealers and manufacturers for the whole year. The Company has 2.5 million member cards, increased 582,000 cards and the dealers were 11,900 shops.

Others

The factoring income and others incomes was 530 million baht, comprised of 7% of total revenue. The majority of others income came from bad debt recovery of 315 million baht, collection servicing fees and servicing fee from utilizing the Company's networks, etc.

EXPENSES

The Company's expenses consist of operating and administrative expenses, bad debt and doubtful accounts, interest expense and other funding costs. In FY 2006, the Company had total consolidated expenses of 6,292 million baht, up 22%. Major expenses increased from funding cost, bad debt and business expansion; all details are shown as follows:

Operating and Administrative Expenses

In FY 2006, the Company's operating and administrative expenses were 2,863 million baht, increased 12% from last year due to business expansion in provinces, set up 6 new branches, developed IT system, ads and promotion expenses to support business growth. Operating and administrative expenses were accounted for 37% of the total revenues. This ratio has been reduced from 39% in FY 2005. This is a result of economy of scales from increased number of customer base 30% accordingly.

Bad debt and doubtful accounts

The Company posted bad debt and doubtful accounts of 2,176 million baht, or 28% of total revenues which is the same level of the previous year. The Bad debt and doubtful accounts increased 23% y-o-y due to the expansion of loan business 29% from last year. The Company and the subsidiary have set reserved of its account receivable by fully providing for all receivables which are 3 installments and upward past due.

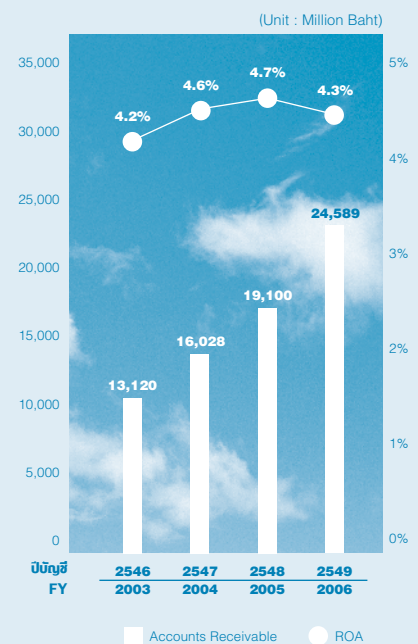
Interest Expenses and other funding costs

The Company's major source of fund came from financial institutions, issuing bill of exchange, debentures, syndicated loan, and securitization. In February 20, 2007, the Company has managed the portion short-term and long-term borrowing to be 37: 63. The company has locked up the long-term funding before the market interest rate and inflation rising. Therefore, the Company's interest and funding cost was 1,252 million baht, account for 16% of total revenue and average funding cost was 5.62% in the FY 2006.

NET INCOME

The Company's consolidated income before income tax has continually increased. In FY 2006, the income before income tax was 1,437 million baht, an increase of 10% from FY 2005. The Company had the consolidated net income of 1,089 million baht in the FY 2006, increased 11% or representing net profit margin of 14% accordingly.

ACCOUNTS RECEIVABLE AND ROA



CONSOLIDATED FINANCIAL STATUS

Total Assets

The Company's total assets increased from 22,999 million baht in FY 2005 to 28,041 million baht in FY 2006 or increased 22%, despite the fact that the net off-balance assets of 1,482 million baht by securitization of hire purchase and 2,000 million baht and 2,280 million baht by securitization of credit card debtors respectively. The Company also bought 16 ATM and set up 6 new branches as well as installed new system. Currently, as of the end of FY 2006, the Company had totally 328 ATMs and 76 branches.

Accounts Receivable

As at February 20, 2007, the Company's consolidated gross accounts receivable (both current assets and non-current assets) was 24,589 million baht, increased 29% from FY 2005, which was separated in according to Company's type of business as follows: credit card receivables was 8,149 million baht, loan receivables was 12,117 million baht and hire purchase receivables was 4,308 million baht, and other was 13 million baht.

As of February 20, 2007, the Company set allowance for doubtful debt in the amount of 722 million baht. or 2.9% of total account receivables. This could be divided into allowance for hire purchase receivable 142 million baht, allowance for credit card receivable 222 million baht, and allowance for loan receivable 358 million baht respectively.

It can be seen that total allowance for doubtful debt can cover all the 3 months and upward overdue accounts receivable. The Company and subsidiary has the policy to set a full provision for such overdue accounts receivable.

Total Liabilities

As of February 20, 2007, the Company had total liabilities in the amount of 24,110 million baht increased from 19,790 million baht in FY 2005. Mainly were both short-term and long-term borrowings totally 21,173 million baht This was a support of business expansion that surged account receivables of 29%. The Company debt to equity ratio reduced to 6.1 times in FY 2006.

The Company does not have any liquidity problem or shortage of funds. The Company's source of fund and use of fund has been matched. Although some part of the Company's loan is in foreign currency but the Company has fully hedged to protect risks arising from all transactions of foreign exchange.

Shareholders' Equity

The Company's performance has continually been successful as proven in the increase of consolidated net profit of 1,089 million baht or earning per share was 4.36 baht in FY 2006. That made the Company's shareholders' equity increased to 3,931 million baht, Book value of 15.7 baht per share, Equity ratio was 14%, Return on Equity was 30.5% and Return on Asset was 4.3% at the end of FY 2006 accordingly.

In the fiscal 2006, the Company paid interim dividend of 0.75 baht per share and the Board of Director No. 1/2007 on April 19, 2007 approved the final dividend of 0.78 baht per share, totally 1.53 baht per share or the payout ratio is 35.1% increased from 34.9% in the last year. The final dividend will be paid after being approved by the shareholders meeting on June 19, 2007

Risk Factors

The risks that may incur and affect the Company's performance are described as follows:

1. INTEREST RATE FLUCTUATION RISK

The Company is exposed to interest rate risk that may incur and affect the Company's performance caused by the risk for a rise in interest rates that would result in higher cost of funding. The Company is particularly aware of significant affect of the risk from a potential rise in interest rates to have an adverse effect on the Company. Therefore the Company has a policy to borrow long-term loan with THB fixed rate over the loan period and to hedge against the risk of interest rate fluctuation in which it enters into an interest rate swap contract for THB floating rate and enters into Cross Currency Swap contract for long-term foreign currency loan to swap to THB fixed rate. (Details of all contracts are shown in Note to Financial Statements No.12). The Company enters into derivative financial instruments for only hedging the risk of increase of funding cost caused by potential rise in future and not for trading or speculative purposes in the present and for future.

2. EXCHANGE RATE RISK

As of February 20, 2007, the Company had short-term liabilities, which includes current portion of long-term loan, in the amount of JPY 9,200 million equivalent to 2,770.88 million baht and US\$ 24 million equivalent to 860 million baht. In addition, the company also had long-term loan in the amount of JPY 20,500 million equivalent to the amount of 6,174.25 million baht.

In order to hedge its exposure to foreign exchange rate risks, the Company entered into forward exchange contract for all short term foreign currency loan included interest amounting and entered into Cross Currency Swap contract for all long-term foreign currency loan included current portion of long term loan at total amount. The Company does not or will not enter into such contracts for trading or speculation purposes at present or in the future.

3. WORKING CAPITAL INSUFFICIENCY RISK

The Company extends credit to the customer by lending funds borrowed. As of February 20, 2007, the Company's net receivables stood at 23,866.41 million baht and its working capital was raised by borrowing, issued commercial papers and debentures with the amount of 21,173 million baht.

The Company is aware of risk that may arise from depending on any major source of funds. The Company, therefore, diversified its sources of funds by borrowing or setting credit facility from 15 banks including 9 foreign bank's branches and 6 local banks. The company also raised fund through direct financing such as issuing debenture and bill of exchange. The Company does not rely on any creditor's fund for more than 30 percent of the total loans during the past period.

To mitigate liquidity risk, the Company entered into the contract with financial institutions for committed revolving Credit Facility Agreement of 1,070 million baht.

The Company raised fund through securitization by establishing Special Purpose Vehicle Company under Securitization Law. The Company held 26% of the each SPV's shares capital and the SPVs issued debentures, which were backed by the receivables of the Company that sold to the SPVs as follows. (Detail are shown in Note to Financial Statements No.4.3)

Date of issued	Asset Backed Securities (million baht)	Fund raised (million baht)	Issuer (Special Purpose Vehicle)
February 17, 2004	1,999.99 (Hire purchase receivables)	1,482.50	Eternal Special Purpose Vehicle Co., Ltd.
February 16, 2005	2,956.80 (Credit card receivables)	2,000	Eternal Credit Card Special Purpose Vehicle Co., Ltd.
February 6, 2006	2,782.51 (Credit card receivables)	2,280	Eternal 3 Special Purpose Vehicle Co., Ltd.

Moreover, the Company has a policy to consistently keep sufficient fund position in order to increase the receivable by sales expansion. Thus, the Company considerably plans to diversify its financing by issuing straight bonds, commercial paper, and securitization.

4. RISK OF FALSE STATEMENTS FROM CREDIT APPLICANTS

The Company is aware of the risks from fraudulent information provided by credit applicants or contracted members' stores to let them exploit cash, product or services to result in damage of the Company's revenues caused by credit losses. The Company considers that verification in the credit approval process including the data screening with in-house database, external information (telephone directory with CD ROM for confirmation by telephone), and external observation at the applicant's home and office by survey officer is important to avoid the said risks.

5. RISK FROM FRAUDULENT ACTS BY THE CREDIT STAFF

The Company is aware of the risks from fraudulent acts by the credit officer who intentionally misjudges or approves credit line without compliance with the Company's credit approval criteria and that might bring credit losses that may hurt the Company's revenue. To hedge those risks, the management of credit control department and its supervisors recheck and review at random credit applications, based on the point whether the approval was granted appropriately or not. Besides, the collection department gives feedback information regarding approval criteria to credit control department and branches.

6. RISK FROM DATA STORAGE

The Company is aware that its operation relies on the huge database of numerous customers' information and computer network, from which may cause significant adverse effect to the Company if any contingent accident happens. Risk from data storage includes deletion or loss of the data, leakage of confidential information out of the Company, and system failure of host computer. Against the risk from deletion or loss of the data, the Company introduced the synchronized system which links database between the primary and secondary computers, and preserving the database information at the different location daily, weekly, or monthly backed up into magnetic tape. Besides, for the protection of risk from leakage of confidential information out of the Company, every access from staff is filtered by their identification codes. In 2006, the Company also implemented additional Firewall segmentation in each department, which will control the information traffic and interface between department and levels of information access by separation of duties and enforcement of security policy.

7. RISK FROM THE GOVERNMENT'S CONTROL

On November 11, 2002, the Ministry of Finance has issued a notification on the Permission to Operate Credit Card under Section of the Announcement of National Executive Council No. 58 that delegated authority to Bank of Thailand to control the credit card business. In this regard, Bank of Thailand also issued the BOT notifications for the regulation on the credit card services to control the maximum interest rate and other fees charged not more than 18% per annum and cash withdrawal fee not more than 3% of cashing amount. The minimum qualification of the credit cardholders which required 15,000 baht minimum salary per month.

In April 2004, the Bank of Thailand also issued a notification regarding minimum payment, credit quality, and marketing restrictions on credit card business as follows:

- Minimum payment increased from 5% to 10% of outstanding balance effective in April 2007.
- The credit card companies have to cancel the credit cards of any cardholders who have defaults on payment more than 3 months.
- The credit card companies have to verify customers' information with the credit bureau before issuing the credit card
- The credit line to be granted to each credit card must not be exceeding 5 times of monthly income or cash flow in the deposit accounts.
- The credit card companies have to establish restricted marketing procedures for their own marketing officers in term of seeking new cardholders or exiting cardholders

In July 2005, the Ministry of Finance has issued a notification on the permission to operate personal loan business under the Announcement of National Executive Council No. 58 that delegated authority to Bank of Thailand to control "Personal Loan under supervision" which is defined as:

- Non-collateralized loans extended to a person with no particular objective or not for business purpose
- Loan from hire purchase and leasing for goods that operators do not sell as ordinary course of business, except cars and motorcycles.

In this regard, the Bank of Thailand also issued notifications regarding qualifications of Personal Loan operators, maximum interest rate and other fees charged per annum, and maximum line of credit extend to customers as follows:

- Non-finance institution Personal Loan operators must have registered capital of no less than 50 million baht and required to seek permission from the Ministry of Finance
- Interest rates, fines, service fees, and other operating fees in aggregate can be charged at the maximum of 28% annually. The others additional charges could be on actual base expenses in accordance with the Bank of Thailand's regulations.
- The line of credit extended to customers shall not exceed 5 times of his or her average monthly salary.

On November 28, 2006, the Bank of Thailand issued the notification to increase the ceiling of interest and other service charges from 18% per annum to 20% per annum, according to the higher operating cost. The effective date was on December 1, 2006 onwards, however, the debt spending or cashing before the enforceable date will be charged not higher than 18% per annum until June 30, 2007. The Bank of Thailand also revised the other regulations on qualification of a credit card holder and conditions of operating the credit card business summarized as follows;

- Considering qualifications of a credit card holder, the operators can consider a credit card holder's deposits or investments in debt instruments issued by commercial banks, government agencies, or state owned enterprisers founded by a specific law.

- Extending a regulation on considering qualifications of a corporate card holder, the operators can consider qualifications of a corporate card holder by evaluating the financial positions of the company requesting for credit cards in replacement of considering qualifications of an individual card holder.

In addition, if any regulation related to the company's business is issued in the future, the company will also comply with such regulation.

8. RISK OF AN OPTION TO BUY BACK EXCESS DEFAULTED RECEIVABLES FROM SPECIAL PURPOSE VEHICLE COMPANY LIMITED (SPV) UNDER THE SECURITIZATION PLAN

On February 17, 2004, the Company entered into the Receivables Sale Agreement with Eternal Special Purpose Vehicle Company Limited (ESPV), on February 16, 2005, the Company entered into the Receivables Sale Agreement with Eternal Credit Card Special Purpose Vehicle Company Limited (ECC), and on February 6, 2006, the Company entered into the Receivables Sale Agreement with Eternal 3 Special Purpose Vehicle Company Limited (ESPT). Those companies were incorporated under the Civil and Commercial Code of Thailand to be a special purpose vehicle under the Securitization Law, which was approved by the Securities Exchange Commission.

The Company sold an amount of revolving 1,999.99 million baht non-recourse hire purchase receivables to ESPV, 2,956.80 million baht non-recourse credit card receivables to ECC, and 2,782.51 million baht non-recourse credit card receivable to ESPT accordingly. The Company has an option to buy back those excess defaulted receivables from both Special Purpose Vehicles companies (details see Note to Financial Statements No.4.3(2))

In addition, on December 21, 2006, the Board of Directors' meeting No. 4/2006 passed the resolution of the disposal of credit card receivables for the purpose of securitization for the amount of not more than 3.3 billion baht.

However, if the Company does not exercise the option or having exercised the option fails to repurchase all such excess defaulted receivables from the SPVs, such non-exercise of failure shall constitute a trigger event. Such situation will not occur as long as the Company has performed a good debt management.

9. RISK FROM CONTROLLING OF THE MAJOR SHAREHOLDER

Currently, AEON group is a major shareholder of the Company holding 157,800,000 shares or equivalent to 63.12 percent of paid-up capital. This result in the fact that the major shareholder can control almost all shareholders' resolutions which require more than 50 percent of the votes except the agenda stipulated by Laws or Articles of Association that must have a vote of not less than three quarters of the total number of votes. Consequently, other shareholders of the Company may not be able to gather their voting rights in order to check and balance the agenda proposed by the major shareholder.

Audit Committee **Report**

To Shareholders of AEON Thana Sinsap (Thailand) Public Company Limited:

Audit Committee consists of three independent directors, whom each possessed all the required qualifications according to the Notification of the Stock Exchange of Thailand. Audit Committee performs the duties and responsibilities, as assigned by the Board of Directors, defined in Audit Committee's Charter that compliance with the Best Practice Guidelines for Audit Committee of the Stock Exchange of Thailand.

During the fiscal year 2006, Audit Committee held 4 meetings. The major issues concerned with compliance with Securities and Exchange act, regulations of the Stock Exchange of Thailand and other laws that may relate to the Company's business, internal control systems in several aspects, reviewed the disclosure of the transactions with related parties or may conflict of interest, reviewed the quarterly financial statements as well as the annual financial statements and consolidated financial statements of the Company and its subsidiary. In addition, Audit committee reviewed the disclosure information as the principal of good corporate governance, approved the annually internal audit planning including recommended to the Board of Directors to nominate the Company's auditor and audit fee.

Audit committee inferred that, the Company complied with Securities and Exchange act, regulations of the Stock Exchange of Thailand and other laws may relate to the Company's business. Together, the Company arranged the adequacy and sufficiency of internal control system and corporate governance. In addition, the Company's financial statements and the consolidated financial statements of the Company and its subsidiary were presented correctly and completely disclosed in accordance with the generally accepted accounting principles. Audit committee has proposed, Mr.Perm Sak Jerajakawattana, Certified Public Accountant (Thailand) Registration No.3427, Ms.Nachalee Boonyakarnkul, Certified Public Accountant (Thailand) Registration No.3126 and Mr.Niti Jungnitnirundr, Certified Public Accountant (Thailand) Registration No. 3809 to be the Company's auditor for the fiscal year 2007 based on qualification and audit fee.



MR.NOPPUN MUANGKOTE
Chairman of the Audit Committee


Report of **The Independent Certified Public Accountants**

TO THE SHAREHOLDERS AND THE BOARD OF DIRECTORS AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED

We have audited the consolidated balance sheets of AEON Thana Sinsap (Thailand) Public Company Limited and its subsidiary and the balance sheets of AEON Thana Sinsap (Thailand) Public Company Limited as at February 20, 2007 and 2006, and the related consolidated and Company's statements of income, changes in shareholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the aforementioned consolidated and Company's financial statements present fairly, in all material respects, the financial position of AEON Thana Sinsap (Thailand) Public Company Limited and its subsidiary and of AEON Thana Sinsap (Thailand) Public Company Limited as at February 20, 2007 and 2006, and the results of operations and cash flows for the years then ended in conformity with generally accepted accounting principles.



PERMSAK JERAJAKWATTANA
Certified Public Accountant (Thailand)
Registration No. 3427

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANGKOK

April 4, 2007

Balance Sheets

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARY

AS AT FEBRUARY 20, 2007 AND 2006

(UNIT : BAHT)

	CONSOLIDATED FINANCIAL STATEMENTS		THE COMPANY'S FINANCIAL STATEMENTS	
	As at February, 20 2007	As at February, 20 2006	As at February, 20 2007	As at February, 20 2006
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	731,882,555	569,054,523	661,795,011	569,014,523
Accounts receivable - net (Note 4)	22,588,043,926	16,936,007,197	22,180,077,931	16,789,125,362
Other current assets				
Other accounts receivable	262,204,010	243,572,362	291,118,250	273,493,799
Value-added-tax refundable	4,739,151	128,125,912	4,739,151	128,125,912
Others	74,043,244	51,667,338	74,040,907	51,667,338
	340,986,405	423,365,612	369,898,308	453,287,049
Total Current Assets	23,660,912,886	17,928,427,332	23,211,771,250	17,811,426,934
NON-CURRENT ASSETS				
Accounts receivable - net (Note 4)	1,278,362,867	1,509,333,427	1,278,362,867	1,509,333,427
Investment using the equity method (Note 17.1)	-	-	14,400	10,400
Other long-term investments				
Related company (Note 5.1)	30,442,708	30,442,708	30,442,708	30,442,708
Other companies (Note 5.2)	21,785	21,785	21,785	21,785
	30,464,493	30,464,493	30,464,493	30,464,493
Participation in Special Purpose Vehicle for Securitization (Note 6)	267,162,553	743,726,299	724,384,705	1,018,886,187
Subordinated lending (Note 7)	1,703,500,000	1,703,500,000	1,703,500,000	1,703,500,000
Equipment - net (Note 8)	261,369,082	329,699,429	261,369,082	329,699,429
Intangible assets (Note 9)	526,340,745	482,766,247	526,340,745	482,766,247
Other non-current assets (Note 10)	313,546,712	271,762,506	313,546,712	271,762,506
Total Non-Current Assets	4,380,746,452	5,071,252,401	4,837,983,004	5,346,422,689
TOTAL ASSETS	28,041,659,338	22,999,679,733	28,049,754,254	23,157,849,623

Notes to the financial statements form an integral part of these statements

Balance Sheets (Continued)

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARY

AS AT FEBRUARY 20, 2007 AND 2006

(UNIT : BAHT)

	CONSOLIDATED FINANCIAL STATEMENTS		THE COMPANY'S FINANCIAL STATEMENTS	
	As at February, 20 2007	As at February, 20 2006	As at February, 20 2007	As at February, 20 2006
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Short-term loans from financial institutions (Note 11)	2,430,800,600	3,064,525,700	2,430,800,600	3,064,525,700
Current portion of long-term loans (Note 12)	5,428,318,594	1,199,788,006	5,428,318,594	1,199,788,006
Accounts payable	360,905,994	348,361,795	360,905,994	348,361,795
Factoring payables	2,717,458	4,557,172	2,717,458	4,557,172
Other current liabilities				
Accrued income tax	191,184,746	182,401,832	162,901,080	177,949,758
Accrued interest expense	561,136,015	156,320,187	557,132,799	150,861,255
Accrued expenses - others	115,295,680	128,144,172	123,823,275	120,466,286
Accounts payable - others	148,799,744	192,060,934	180,683,547	367,849,316
Payables per forward exchange contracts and currency swap contracts	658,141,708	155,890,533	658,141,708	155,890,533
Others	28,262,096	93,101,553	28,262,096	93,101,553
	1,702,819,989	907,919,211	1,710,944,505	1,066,118,701
Total Current Liabilities	9,925,562,635	5,525,151,884	9,933,687,151	5,683,351,374
NON-CURRENT LIABILITIES				
Long-term loans (Note 12)	11,994,251,500	12,258,122,717	11,994,251,500	12,258,122,717
Long-term debentures (Note 13)	1,320,000,000	1,320,000,000	1,320,000,000	1,320,000,000
Payables per currency swap contracts	870,648,500	687,205,700	870,648,500	687,205,700
Total Non-Current Liabilities	14,184,900,000	14,265,328,417	14,184,900,000	14,265,328,417
TOTAL LIABILITIES	24,110,462,635	19,790,480,301	24,118,587,151	19,948,679,791
SHAREHOLDERS' EQUITY				
SHARE CAPITAL (Note 14)				
Authorized share capital				
250,000,000 ordinary shares of Baht 1 each	250,000,000	250,000,000	250,000,000	250,000,000
Issued and paid-up share capital				
250,000,000 ordinary shares of Baht 1 each, fully paid	250,000,000	250,000,000	250,000,000	250,000,000
PREMIUM ON ORDINARY SHARE CAPITAL	478,000,000	478,000,000	478,000,000	478,000,000
RETAINED EARNINGS				
Appropriated				
Legal reserve (Note 15)	25,000,000	25,000,000	25,000,000	25,000,000
Reserve for business expansion (Note 14)	1,850,000,000	1,300,000,000	1,850,000,000	1,300,000,000
Unappropriated	1,328,167,103	1,156,169,832	1,328,167,103	1,156,169,832
Total Company's shareholders' equity	3,931,167,103	3,209,169,832	3,931,167,103	3,209,169,832
MINORITY INTEREST	29,600	29,600	-	-
TOTAL SHAREHOLDERS' EQUITY	3,931,196,703	3,209,199,432	3,931,167,103	3,209,169,832
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	28,041,659,338	22,999,679,733	28,049,754,254	23,157,849,623

Notes to the financial statements form an integral part of these statements

Statements of Income

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARY

FOR THE YEARS ENDED FEBRUARY 20, 2007 AND 2006

(UNIT : BAHT)

	CONSOLIDATED FINANCIAL STATEMENTS		THE COMPANY'S FINANCIAL STATEMENTS	
	2007	2006	2007	2006
REVENUES				
Credit card income (Note 16)	3,110,351,560	2,470,433,177	2,711,460,418	2,451,848,008
Loans income	2,838,988,493	1,817,149,697	2,838,988,493	1,817,149,697
Hire purchase income (Note 16)	1,250,439,146	1,910,544,227	1,250,439,146	1,910,544,227
Factoring income	2,351,300	1,732,788	2,351,300	1,732,788
Other income				
Bad debt recovery	314,861,688	218,245,587	311,908,301	218,245,587
Gain on sale of fixed assets	63,079,823	1,203,682	63,079,823	1,203,682
Gain on sale of investment	19,817,177	-	19,817,177	-
Others	130,228,434	52,728,450	129,793,629	52,728,450
	527,987,122	272,177,719	524,598,930	272,177,719
Total Revenues	7,730,117,621	6,472,037,608	7,327,838,287	6,453,452,439
EXPENSES				
Operating and administrative expenses	2,863,446,397	2,552,023,941	2,836,231,889	2,543,372,297
Bad debts and doubtful accounts	2,176,713,706	1,767,739,740	1,993,492,053	1,767,732,020
Interest expenses and other funding costs	1,252,136,148	845,234,238	1,119,302,148	839,775,306
Total Expenses	6,292,296,251	5,164,997,919	5,949,026,090	5,150,879,623
INCOME BEFORE INCOME TAX	1,437,821,370	1,307,039,689	1,378,812,197	1,302,572,816
INCOME TAX	(348,332,819)	(326,500,089)	(289,338,446)	(322,048,016)
INCOME AFTER INCOME TAX	1,089,488,551	980,539,600	1,089,473,751	980,524,800
MINORITY INTERESTS IN NET INCOME OF SUBSIDIARY	(14,800)	(14,800)	-	-
NET INCOME	1,089,473,751	980,524,800	1,089,473,751	980,524,800
BASIC EARNINGS PER SHARE	BAHT			
	4.36	3.92	4.36	3.92
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES (Note 14)	SHARES			
	250,000,000	250,000,000	250,000,000	250,000,000

Notes to the financial statements form an integral part of these statements

Statements of Changes In Shareholders' Equity

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARY

FOR THE YEARS ENDED FEBRUARY 20, 2007 AND 2006

(UNIT : BAHT)

CONSOLIDATED FINANCIAL STATEMENTS

Appropriated Retained Earnings								
	Issued and Paid-up Share Capital	Premium on Ordinary Shares	Legal Reserve	Reserve for Business Expansion	Unappropriated Retained Earnings	Minority Interest	Total	
Beginning balance, February 21, 2005 Net income Appropriation for the previous year: Reserve for business expansion (Note 14) Dividend (Note 14) Appropriation for the current year: Interim dividend (Note 14) Minority interest Issued and paid up share capital - subsidiary (Note 14) Net income Dividend	250,000,000	478,000,000	25,000,000	800,000,000	973,125,992	-	2,526,125,992	
	-	-	-	-	980,524,800	-	980,524,800	
	-	-	-	500,000,000	(500,000,000)	-	-	
	-	-	-	-	(134,991,360)	-	(134,991,360)	
	-	-	-	-	(162,489,600)	-	(162,489,600)	
	-	-	-	-	-	29,600	29,600	
	-	-	-	-	-	14,800	14,800	
	-	-	-	-	-	(14,800)	(14,800)	
	250,000,000	478,000,000	25,000,000	1,300,000,000	1,156,169,832	29,600	3,209,199,432	
	Ending balance, February 20, 2006							
Beginning balance, February 21, 2006 Net income Appropriation for the previous year: Reserve for business expansion (Note 14) Dividend (Note 14) Appropriation for the current year: Interim dividend (Note 14) Minority interest Issued and paid up share capital - subsidiary (Note 14) Net income Dividend	250,000,000	478,000,000	25,000,000	1,300,000,000	1,156,169,832	29,600	3,209,199,432	
	-	-	-	-	1,089,473,751	-	1,089,473,751	
	-	-	-	550,000,000	(550,000,000)	-	-	
	-	-	-	-	(179,988,480)	-	(179,988,480)	
	-	-	-	-	(187,488,000)	-	(187,488,000)	
	-	-	-	-	-	-	-	
	-	-	-	-	-	14,800	14,800	
	-	-	-	-	-	(14,800)	(14,800)	
	250,000,000	478,000,000	25,000,000	1,850,000,000	1,328,167,103	29,600	3,931,196,703	
	Ending balance, February 20, 2007							

Notes to the financial statements form an integral part of these statements

Statements of Changes In Shareholders' Equity (Continued)

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARY

FOR THE YEARS ENDED FEBRUARY 20, 2007 AND 2006

(UNIT : BAHT)

THE COMPANY'S FINANCIAL STATEMENTS

	Issued and Paid-up Share Capital	Premium on Ordinary Shares	Legal Reserve	Reserve for Business Expansion	Unappropriated Retained Earnings	Total
Beginning balance, February 21, 2005	250,000,000	478,000,000	25,000,000	800,000,000	973,125,992	2,526,125,992
Net income	-	-	-	-	980,524,800	980,524,800
Appropriation for the previous year:						
Reserve for business expansion (Note 14)	-	-	-	500,000,000	(500,000,000)	-
Dividend (Note 14)	-	-	-	-	(134,991,360)	(134,991,360)
Appropriation for the current year:						
Interim dividend (Note 14)	-	-	-	-	(162,489,600)	(162,489,600)
Ending balance, February 20, 2006	250,000,000	478,000,000	25,000,000	1,300,000,000	1,156,169,832	3,209,169,832
Beginning balance, February 21, 2006	250,000,000	478,000,000	25,000,000	1,300,000,000	1,156,169,832	3,209,169,832
Net income	-	-	-	-	1,089,473,751	1,089,473,751
Appropriation for the previous year:						
Reserve for business expansion (Note 14)	-	-	-	550,000,000	(550,000,000)	-
Dividend (Note 14)	-	-	-	-	(179,988,480)	(179,988,480)
Appropriation for the current year:						
Interim dividend (Note 14)	-	-	-	-	(187,488,000)	(187,488,000)
Ending balance, February 20, 2007	250,000,000	478,000,000	25,000,000	1,850,000,000	1,328,167,103	3,931,167,103

Notes to the financial statements form an integral part of these statements

Statements of Cash Flows

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARY

FOR THE YEARS ENDED FEBRUARY 20, 2007 AND 2006

(UNIT : BAHT)

	CONSOLIDATED FINANCIAL STATEMENTS		THE COMPANY'S FINANCIAL STATEMENTS	
	2007	2006	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	1,089,473,751	980,524,800	1,089,473,751	980,524,800
Items to reconcile net income to net cash flows from operating activities				
Depreciation	149,528,657	198,091,936	149,528,657	198,091,936
Bad debts and allowance for doubtful accounts	2,176,713,706	1,767,739,740	1,993,492,053	1,767,732,020
Amortization of costs of software	174,896,528	131,497,963	174,896,528	131,497,963
Amortization of other assets	26,253,972	14,336,160	26,253,972	14,336,160
Amortization of deferred interest on long-term bill of exchange	118,680,521	136,004,387	118,680,521	136,004,387
Amortization of premium on forward exchange contracts	16,718,052	35,365,686	16,718,052	35,365,686
Gain on sale of fixed assets	(63,079,823)	(1,203,682)	(63,079,823)	(1,203,682)
Gain on sale of investment in other company	(19,817,177)	-	(19,817,177)	-
Share of profit from investment in subsidiary using the equity method (Note 16)	-	-	(80,309,011)	(10,361,651)
Minority interest in net income of subsidiary	14,800	14,800	-	-
Income from operations before changes in operating assets and liabilities	3,669,382,987	3,262,371,790	3,405,837,523	3,251,987,619
Operating assets (increase) decrease				
Accounts receivable	(24,037,790,169)	(20,427,209,698)	(23,908,259,360)	(20,555,480,031)
Other current assets	89,829,480	(208,220,957)	90,835,015	(238,142,394)
Other non-current assets	(31,540,319)	(64,124,687)	(31,540,319)	(64,124,687)
Operating liabilities increase (decrease)				
Accounts payable	12,544,200	(270,008,795)	12,544,200	(270,008,795)
Factoring payables	(1,839,715)	(632,951)	(1,839,715)	(632,951)
Other current liabilities	254,994,163	(156,535,243)	237,631,928	1,664,247
Net cash used in operating activities	(20,044,419,373)	(17,864,360,541)	(20,194,790,728)	(17,874,736,992)

Notes to the financial statements form an integral part of these statements

Statements of Cash Flows (Continued)

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARY

FOR THE YEARS ENDED FEBRUARY 20, 2007 AND 2006

(UNIT : BAHT)

	CONSOLIDATED FINANCIAL STATEMENTS		THE COMPANY'S FINANCIAL STATEMENTS	
	2007	2006	2007	2006
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash payments for investment in costs of software	(392,504,700)	(238,141,094)	(392,504,700)	(238,141,094)
Cash payments for fixed assets acquisition	(168,065,078)	(149,625,490)	(168,065,078)	(149,625,490)
Cash payments for investment in related companies	-	(30,442,708)	-	(30,453,108)
Proceeds from sales of fixed assets	257,844,849	6,230,653	257,844,849	6,230,653
Proceeds from sales of investment in other companies	19,817,177	-	19,817,177	-
Dividend received from subsidiary	-	-	80,309,011	10,361,651
Net cash used in investing activities	(282,907,752)	(411,978,639)	(202,598,741)	(401,627,388)
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash proceeds from sale of hire-purchase receivables under securitization (Note 4.3)	4,762,607,516	5,421,963,798	4,762,607,516	5,421,963,798
Cash proceeds from sale of credit card receivables under securitization (Note 4.3)	12,131,304,852	9,614,634,897	12,131,304,852	9,614,634,897
Increase (decrease) in short-term loans from financial institutions	(655,874,525)	139,208,721	(655,874,525)	139,208,721
Increase in long-term loans	6,132,814,724	5,436,600,000	6,132,814,724	5,436,600,000
Increase in long-term debentures	-	1,320,000,000	-	1,320,000,000
Cash payment for long-term loans	(1,513,206,130)	(2,438,160,324)	(1,513,206,130)	(2,438,160,324)
Cash payment for long-term debenture	-	(1,000,000,000)	-	(1,000,000,000)
Dividend payments	(367,476,480)	(297,480,960)	(367,476,480)	(297,480,960)
Dividend payment to minority interest	(14,800)	(14,800)	-	-
Cash proceeds for share capital from minority interests of a subsidiary	-	29,600	-	-
Net cash provided by financing activities	20,490,155,157	18,196,780,932	20,490,169,957	18,196,766,132
Net decrease in cash and cash equivalents	162,828,032	(79,558,248)	92,780,488	(79,598,248)
Cash and cash equivalents at beginning of the years	569,054,523	648,612,771	569,014,523	648,612,771
Cash and cash equivalents at the end of the years	731,882,555	569,054,523	661,795,011	569,014,523

Notes to the financial statements form an integral part of these statements

Notes to the Financial Statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANY
FOR THE YEARS ENDED FEBRUARY 20, 2007 AND 2006

1. OPERATIONS AND GENERAL INFORMATION

The Company was registered as a limited company under the Civil and Commercial Code on September 18, 1992 with its office located at 159, 1st - 2nd floor, Serm-mit Tower, Asoke Road (Sukhumvit 21), Wattana, Bangkok. The main objective is to do the business in credit card, hire-purchase and personal loans.

On July 27, 2001, the extraordinary shareholders' meeting passed a special resolution to change the status of the Company from a private company to be a public company and change the Company's name from "Aeon Thana Sinsap (Thailand) Company Limited" to "AEON Thana Sinsap (Thailand) Public Company Limited". The Company has registered to be Public Company Limited with the Ministry of Commerce on August 7, 2001.

As at February 20, the Company has the number of branches and a total number of employees with staff expenses for the years ended February 20, as follows:

	2007	2006
Number of branches	76	70
Number of oversea representative office	1	1
Number of employees	3,516	3,252
Staff expenses (Million Baht)	641	568

Aeon Credit Service Company Limited, Japan and ACS Capital Corporation Limited are currently major shareholders with 35.12 % and 19.2%, respectively.

Eternal 3 Special Purpose Vehicle Company Limited is a subsidiary of the Company which was incorporated under The Civil and Commercial Code of Thailand, and under the Securitization law. The main objective is 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 project approved by the Office of the Securities and Exchange Commission of Thailand ("the SEC") on February 3, 2006. The subsidiary has no employees and no staff expenses, and entered into various service contracts to appoint other companies for providing administration service.

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

The Company maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with accounting standards and practices generally accepted in Thailand.

The consolidated and the Company's 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 significant accounting policies are as follows:

2.1 Cash and cash equivalents

Cash and cash equivalents are cash on hand, deposits at banks and fixed deposits with original maturities of 3 months or less.

2.2 Accounts receivable

Hire purchase and purposed loan receivables are stated at the outstanding contract price after deducting unearned financing income and allowance for doubtful accounts.

2.3 Allowance for doubtful accounts

The allowance for doubtful accounts is provided at the estimated collection losses on receivables at the end of the year. Such estimated losses are based on the Company's collection experience.

The Company and subsidiary's allowance for doubtful accounts have been complied with the notification of the Office of the Securities and Exchange Commission by fully providing for all receivables which are over 3 installments contractually past due.

2.4 Securitization transaction

Since there are no Thai accounting standards in dealing with securitization transaction, the Company applied the following guidelines for accounting for securitizations:

(1) Securitization Projects which were approved by the SEC prior to February 3, 2006

Securitization transactions under the Projects which were approved by the SEC prior to February 3, 2006, the Company applied the US Accounting Standards, namely Financial Accounting Standard Board (FASB) Statement No. 140 regarding "Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities".

A transfer of financial assets in which the transferor surrenders control over those assets is accounted for as a sale to the extent that consideration other than beneficial interests in the transferred assets is received in exchange.

Servicing assets and other retained interests in the transferred assets are measured by allocating the previous carrying amount between the assets sold, if any, and retained interests, if any, based on their relative fair values at the date of transfer, if practicable.

The qualifying special purpose entities shall not be consolidated in the financial statements of a transferor or its affiliates.

(2) Securitization Projects which were approved by the SEC since February 3, 2006

Securitization transactions under the Projects which were approved by the SEC since February 3, 2006, the Company recognized the sales of credit card receivables to a Special Purposes Vehicle ("Securitization Plan"), according to the approval conditions required by the Securities Exchange Commission of Thailand. The conditions related to the accounting treatment are as follows:

- The Company will prepare its financial statements in accordance with the accounting standards and the accounting guideline issued by the Federation of Accounting Professions. Therefore, the Company will prepare its consolidated financial statements to combine the financial statements of Eternal 3 Special Purpose Vehicle Company Limited (ESPT).

- The Company is able to derecognize the credit card receivables, which were transferred to the SPV, and the debentures under the securitization project in the amount that the risks and rewards on the receivables have been transferred to the debentureholders for both initial receivables transferred on the initial cut off date and additional revolving receivables transferred during the revolving periods.

For those receivables whose risks and rewards were not transferred to the debentureholders, the Company has recorded it as Subordinated Lending Account which is separately presented in the balance sheet.

In order to derecognise the credit card receivables and the debentures under the securitization project which the risks and rewards on the receivables have been transferred to the debentureholders, the Company has considered that the risks and rewards have been transferred when the transferor surrenders control over those assets to the transferee and accounted for as a sale to the extent that consideration other than beneficial interests in the transferred assets is received in exchange.

Servicing assets and other retained interests in the transferred assets are measured by allocating the previous carrying amount between the assets sold, if any, and retained interests, if any, based on their relative fair values at the date of transfer, if practicable.

2.5 Investments

2.5.1 Long-term investments in other securities are classified as securities for general investment and stated at cost.

2.5.2 Investment in subsidiary is recorded using the equity method.

Cost of securities sold during the year is calculated by the weighted average method.

In case impairment in value of investment has occurred, the resultant loss for all classification of investment is recognized in the statement of income.

2.6 Equipment

Equipment is stated at cost less accumulated depreciation.

Depreciation is calculated by the straight-line method, based on the estimated useful life of the assets of 5 years except for cash dispenser machines acquired since February 21, 2001 and personal computers with relative accessories acquired since February 21, 2002, the estimated useful life is 3 years.

2.7 Intangible assets

Intangible assets are costs of software which are amortized by the straight-line method over the period of 5 years.

2.8 Foreign currency transactions

Transactions during the year denominated in foreign currencies are translated into Baht at the rates of exchange ruling on the transaction dates. Monetary assets and liabilities at the balance sheet date denominated in foreign currencies are translated into Baht at the reference exchange rate announced by Bank of Thailand at that date. Gains and losses on exchange arising on settlements or translations are recognized as income or expense when incurred. In case of assets and liabilities under forward exchange and currency swap contracts, the differences between forward rates and the spot rate in forward foreign exchange contracts (premiums or discounts) are amortized to expenses or income over the period of contracts.

2.9 Revenue recognition

Income on hire-purchase and interest income on purposed loan are calculated by the sum of the installment digits method. Income on credit card, hire-purchase and personal loans including the related penalty and other fee income are recognized on an accrual basis.

The Company has stopped recognizing income from debtors who are over 3 consecutive installments contractually past due by stopping income recognition of such receivables since the 4th installment, in accordance with the notification of the Office of the Securities and Exchange Commission ("the SEC") dated April 30, 2004 regarding "The Opinion on Provision for Doubtful Accounts for Consumer Finance Business".

2.10 Provident fund

The contribution for employee provident fund is recorded as expenses when incurred.

2.11 Income tax

Income tax expense is based on tax paid and accrued for the year.

2.12 Basic earnings per share

Basic earnings per share are calculated by dividing the net income for the year by the number of weighted average ordinary shares outstanding during the year. In the case of a capital increase, the number of shares is weighted according to time of registration of the paid-up share capital increase. The Company did not have any common share equivalents outstanding which would have dilutive effects on earnings per share.

2.13 Use of accounting estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

3. SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

3.1 Cash paid for interest and income tax for the years ended February 20, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		THE COMPANY'S FINANCIAL STATEMENTS	
	2007 Baht	2006 Baht	2007 Baht	2006 Baht
Interest	1,012,340,713	722,315,001	872,592,067	722,315,001
Income tax	343,960,243	296,493,430	308,795,124	296,493,430

3.2 Non-cash items

3.2.1 Non-cash items of equipment and costs of software for the years ended February 20, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		THE COMPANY'S FINANCIAL STATEMENTS	
	2007 Baht	2006 Baht	2007 Baht	2006 Baht
Purchase of equipment				
Liabilities recorded - brought forward	2,250,307	17,766,636	2,250,307	17,766,636
Purchase of equipment and deposits for equipment	166,448,661	134,109,161	166,448,661	134,109,161
	168,698,968	151,875,797	168,698,968	151,875,797
<u>Less</u> Cash payments for purchase of equipment and deposits for equipment	(168,065,078)	(149,625,490)	(168,065,078)	(149,625,490)
Liabilities recorded - carry forward	633,890	2,250,307	633,890	2,250,307
Investment in costs of software				
Liabilities recorded - brought forward	39,612,809	38,941,317	39,612,809	38,941,317
Investment in costs of software and deposits for costs of software	364,483,561	238,812,586	364,483,561	238,812,586
	404,096,370	277,753,903	404,096,370	277,753,903
<u>Less</u> Cash payments for investment in costs of software and deposits for costs of software	(392,504,700)	(238,141,094)	(392,504,700)	(238,141,094)
Liabilities recorded - carry forward	11,591,670	39,612,809	11,591,670	39,612,809

3.2.2 For the year ended February 20, 2007 and 2006, the Company refinanced short-term lending of Baht 370,000,000 and Baht 816,000,000, respectively, to be long-term lending (see Note 7).

4. ACCOUNTS RECEIVABLE - NET

4.1 Accounts receivable - net as at February 20, consist of:

CONSOLIDATED FINANCIAL STATEMENTS						
	2007			2006		
	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	3,791,418,191	1,227,254,678	5,018,672,869	3,969,577,393	1,397,177,297	5,366,754,690
<u>Less</u> Unearned financing income	(569,183,942)	(141,434,346)	(710,618,288)	(643,731,450)	(207,978,391)	(851,709,841)
	3,222,234,249	1,085,820,332	4,308,054,581	3,325,845,943	1,189,198,906	4,515,044,849
<u>Less</u> Allowance for doubtful accounts	(141,639,667)	-	(141,639,667)	(223,001,395)	-	(223,001,395)
Hire-purchase and accrued interest receivable - net	3,080,594,582	1,085,820,332	4,166,414,914	3,102,844,548	1,189,198,906	4,292,043,454
Loans receivable						
Loans and accrued interest receivable	11,925,120,757	192,542,535	12,117,663,292	9,087,686,658	320,134,521	9,407,821,179
<u>Less</u> Allowance for doubtful accounts	(358,569,975)	-	(358,569,975)	(279,373,936)	-	(279,373,936)
Loans and accrued interest receivable - net	11,566,550,782	192,542,535	11,759,093,317	8,808,312,722	320,134,521	9,128,447,243
Credit card receivable						
Credit card and accrued interest receivable	8,149,777,366	-	8,149,777,366	5,153,768,306	-	5,153,768,306
<u>Less</u> Allowance for doubtful accounts	(222,558,476)	-	(222,558,476)	(151,869,928)	-	(151,869,928)
Credit card and accrued interest receivable - net	7,927,218,890	-	7,927,218,890	5,001,898,378	-	5,001,898,378
Factoring receivable						
Factoring and accrued interest receivable	13,701,303	-	13,701,303	23,002,776	-	23,002,776
<u>Less</u> Deferred income	(21,631)	-	(21,631)	(51,227)	-	(51,227)
Factoring and accrued interest receivable - net	13,679,672	-	13,679,672	22,951,549	-	22,951,549
Total accounts receivable - net	22,588,043,926	1,278,362,867	23,866,406,793	16,936,007,197	1,509,333,427	18,445,340,624

As at February 20, 2007 and 2006, Participation in Special Purpose Vehicle for Securitization Account of Baht 457,222,152 and Baht 275,159,888, respectively which is non-subordinated and rank in order of priority pari passu with payment in principal in respect of the debentures of subsidiary, is included in credit card receivables in the consolidated financial statements (see Note 6).

THE COMPANY'S FINANCIAL STATEMENTS

	2007			2006		
	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	3,791,418,191	1,227,254,678	5,018,672,869	3,969,577,393	1,397,177,297	5,366,754,690
<u>Less</u> Unearned financing income	(569,183,942)	(141,434,346)	(710,618,288)	(643,731,450)	(207,978,391)	(851,709,841)
	3,222,234,249	1,085,820,332	4,308,054,581	3,325,845,943	1,189,198,906	4,515,044,849
<u>Less</u> Allowance for doubtful accounts	(141,639,667)	-	(141,639,667)	(223,001,395)	-	(223,001,395)
Hire-purchase and accrued interest receivable - net	3,080,594,582	1,085,820,332	4,166,414,914	3,102,844,548	1,189,198,906	4,292,043,454
Loans receivable						
Loans and accrued interest receivable	11,925,120,757	192,542,535	12,117,663,292	9,087,686,658	320,134,521	9,407,821,179
<u>Less</u> Allowance for doubtful accounts	(358,569,975)	-	(358,569,975)	(279,373,936)	-	(279,373,936)
Loans and accrued interest receivable - net	11,566,550,782	192,542,535	11,759,093,317	8,808,312,722	320,134,521	9,128,447,243
Credit card receivable						
Credit card and accrued interest receivable	7,686,119,078	-	7,686,119,078	5,006,886,471	-	5,006,886,471
<u>Less</u> Allowance for doubtful accounts	(166,866,183)	-	(166,866,183)	(151,869,928)	-	(151,869,928)
Credit card and accrued interest receivable - net	7,519,252,895	-	7,519,252,895	4,855,016,543	-	4,855,016,543
Factoring receivable						
Factoring and accrued interest receivable	13,701,303	-	13,701,303	23,002,776	-	23,002,776
<u>Less</u> Deferred income	(21,631)	-	(21,631)	(51,227)	-	(51,227)
Factoring and accrued interest receivable - net	13,679,672	-	13,679,672	22,951,549	-	22,951,549
Total accounts receivable - net	22,180,077,931	1,278,362,867	23,458,440,798	16,789,125,362	1,509,333,427	18,298,458,789

4.2 Quality of assets

Accounts receivable as at February 20, are classified by aging as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		THE COMPANY'S FINANCIAL STATEMENTS	
	2007 Baht	2006 Baht	2007 Baht	2006 Baht
<u>Less</u> than 3 months	23,936,805,365	18,525,810,523	23,528,839,370	18,378,928,688
3 months up	652,369,546	573,775,360	596,677,253	573,775,360
Total	24,589,174,911	19,099,585,883	24,125,516,623	18,952,704,048
<u>Less</u> Allowance for doubtful accounts	(722,768,118)	(654,245,259)	(667,075,825)	(654,245,259)
Accounts receivable - net	23,866,406,793	18,445,340,624	23,458,440,798	18,298,458,789

4.3 Transfers of financial assets

The Company entered into the Receivables Sale and Purchase Agreements with three (3) Special Purposes Vehicle Companies, which were incorporated under the Civil and Commercial Code of Thailand to be special purpose vehicles (SPV) under the Royal Enactment on Special Purpose Juristic Persons for Securitization B.E. 2540 (1997), under 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***
Selling date		February 17, 2004	February 16, 2005	February 6, 2006
Type of transferred receivables		Hire Purchase Receivable	Credit Card Receivable	Credit Card Receivable
Revolving period		February 2004 - August 2007 (approximately)	February 2005 - January 2010 (approximately)	February 2006 - January 2011 (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
Proceeds from transfer of the right of receivables	Baht	1,482,499,755	2,000,000,000	2,280,000,000
Subordinated lendings (see Note 8)	Baht	517,500,000	816,000,000	370,000,000
Minimum seller participation - pari passu with debentures (see Note 7)	Baht	-	140,800,000	132,500,000
Number of contracts		306,192	213,872	181,389
Average principal amount outstanding	Baht	6,532	13,825	15,340
Average principal amount as at the time of origination	Baht	8,542	-	-
Interest rate		-	18% p.a.	18% 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)

The Company does not recognize other assets obtained in transfer 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 the repurchase of 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) and Eternal 3 Special Purpose Vehicle Company Limited (ESPT)

During the life of 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.

The key financial information of Special Purpose Vehicle Companies as of February 20, 2007 and 2006, and for the years ended February 20, 2007 and 2006, is summarized as follows:

February 20, 2007

	ESPV "Unaudited" Baht	ECC "Unaudited" Baht	ESPT* Baht
Total assets	2,080,461,183	3,165,415,476	3,171,131,518
Total liabilities	2,080,417,183	3,160,981,949	3,171,087,518
Total shareholders' equity	44,000	4,433,527	44,000
Total income	503,346,399	855,515,708	728,550,104
Bad debts and doubtful accounts	126,605,462	184,101,804	183,221,654
Other operating expenses	131,501,572	261,503,064	210,885,708
Interest expenses	122,100,000	323,250,436	195,124,558
Income tax	36,084,470	21,481,109	58,994,374
Net income	87,054,895	65,179,245	80,323,811

February 20, 2006

	ESPV "Unaudited" Baht	ECC "Unaudited" Baht	ESPT* Baht
Total assets	2,087,087,484	3,685,463,500	2,972,710,216
Total liabilities	2,087,043,484	3,685,419,500	2,972,666,216
Total shareholders' equity	44,000	44,000	44,000
Total income	492,047,791	802,308,072	47,518,050
Bad debts and doubtful accounts	93,962,327	152,610,171	7,720
Other operating expenses	131,525,261	244,538,122	22,831,033
Interest expenses	121,935,616	268,750,753	9,846,772
Income tax	47,601,823	60,573,560	4,452,074
Net income	97,022,763	75,835,466	10,380,451

* Eternal 3 Special Purpose Vehicle Company Limited (ESPT) is the Company's subsidiary (see Note 1)

For the years ended February 20, 2007 and 2006, transfers of financial assets are summarized as follows:

Million Baht

	2007	2006
Sales of eligible hire purchase receivables and transfers of future credit card receivables (at book value)		
• Hire-purchase receivable (ESPV)	4,763	5,422
• Credit card receivable (ECC)	6,340	6,890
• Credit card receivable (ESPT)	5,792	3,227
	16,895	15,539
Cash collection on behalf of Special Purpose Vehicles (SPV)		
• Hire-purchase receivable (ESPV)	5,126	5,827
• Credit card receivable (ECC)	6,829	6,856
• Credit card receivable (ESPT)	5,976	518
	17,931	13,201
Servicing fee income from the SPV		
• Hire-purchase receivable (ESPV)	120	120
• Credit card receivable (ECC)	222	209
• Credit card receivable (ESPT)	184	14
	526	343
Repurchase of defaulted receivable	-	-

As at February 20, 2007 and 2006, outstanding of receivables sold to Special Purpose Vehicles and managed by the Company, are classified by aging as follows:

Million Baht

	2007	2006
Hire-purchase receivables (included accrued interest income) - ESPV		
Less than 3 months	1,983	1,977
3 months up	34	31
	2,017	2,008
<u>Less</u> Allowance for doubtful account	(34)	(37)
	1,983	1,971
Credit card receivables (included accrued interest income) - ECC		
Less than 3 months	3,085	3,578
3 months up	49	52
	3,134	3,630
<u>Less</u> Allowance for doubtful account	(49)	(64)
	3,085	3,566
Credit card receivables (included accrued interest income) - ESPT		
Less than 3 months	3,058	2,797
3 months up	56	-
	3,114	2,797
<u>Less</u> Allowance for doubtful account	(56)	-
	3,058	2,797
Total	8,126	8,334

5. OTHER LONG-TERM INVESTMENTS

As at February 20, 2007 and 2006, long-term investments consist of:

5.1 Long-term investments in related companies consist of:

CONSOLIDATED AND THE COMPANY'S FINANCIAL STATEMENTS

	2007		2006	
	% of Ownership	Cost Baht	% of Ownership	Cost Baht
Siam-Jusco Company Limited (340,000 shares of Baht 100 each, Baht 25 called up)	8.50	8,500,000	8.50	8,500,000
ACS Credit Management Company Limited (550 shares of Yen 100,000 each, Par value of Yen 50,000, fully paid)	4.60	20,614,000	4.60	20,614,000
AEON Credit Service (M) Sdn. Bhd. (300,000 shares of RM 3 each, Par value of RM 1, fully paid)	2.50	9,828,708	2.50	9,828,708
		38,942,708		38,942,708
<u>Less</u> Allowance for impairment of assets		(8,500,000)		(8,500,000)
		30,442,708		30,442,708

5.2 Long-term investments in other companies consist of:

CONSOLIDATED AND THE COMPANY'S FINANCIAL STATEMENTS				
	2007		2006	
	% of Ownership	Cost Baht	% of Ownership	Cost Baht
Eternal SPV Company Limited	26.00	10,400	26.00	10,400
Eternal Credit Card SPV Company Limited	26.00	10,400	26.00	10,400
Others	-	985	-	985
		21,785		21,785

6. PARTICIPATION IN SPECIAL PURPOSE VEHICLE FOR SECURITIZATION

Participation in Special Purpose Vehicles for securitization as at February 20 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		THE COMPANY'S FINANCIAL STATEMENTS	
	2007 Baht	2006 Baht	2007 Baht	2006 Baht
Eternal Credit Card Special Purpose Vehicle Company Limited	267,162,553	743,726,299	267,162,553	743,726,299
Eternal 3 Special Purpose Vehicle Company Limited	-	-	457,222,152	275,159,888
Total	267,162,553	743,726,299	724,384,705	1,018,886,187

The Company entered into Credit Card Sales and Purchase Agreements with Eternal Credit Card Special Purpose Vehicle Company Limited (ECC) and Eternal 3 Special Purpose Vehicle Company Limited (ESPT) under securitization projects. The Company received partial payments from ECC and ESPT with seller participation account under securitization project of Baht 140,800,085 and Baht 132,514,549, 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 of Baht 140,800,000 and Baht 132,500,000, respectively, of which such amount will be repaid by cash approximately within 2010 and 2011, respectively, or when this project ends (see Note 4.3).

7. SUBORDINATED LENDING

Subordinated lending entered with Special Purpose Vehicles as at February 20 are as follows:

CONSOLIDATED AND THE COMPANY'S FINANCIAL STATEMENTS		
	2007 Baht	2006 Baht
Subordinated lending		
Eternal Special Purpose Vehicle Company Limited (ESPV)	517,500,000	517,500,000
Eternal Credit Card Special Purpose Vehicle Company Limited (ECC)	816,000,000	816,000,000
Eternal 3 Special Purpose Vehicle Company Limited (ESPT)	370,000,000	370,000,000
Total	1,703,500,000	1,703,500,000

- 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 (see Note 4.3).

- 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 (see Note 4.3).

- 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 4.3).

8. EQUIPMENT - NET

Equipment - net consist of the following:

CONSOLIDATED AND THE COMPANY'S FINANCIAL STATEMENTS				
	Balance as at February 20, 2006 Baht	Additions Baht	Disposals Baht	Balance as at February 20, 2007 Baht
Cost:				
Furniture and office equipment	1,065,844,661	172,642,577	(197,134,746)	1,041,352,492
Total	1,065,844,661	172,642,577	(197,134,746)	1,041,352,492
Accumulated depreciation:				
Furniture and office equipment	(736,145,232)	(149,528,657)	105,690,479	(779,983,410)
Total	(736,145,232)	(149,528,657)	105,690,479	(779,983,410)
Total equipment - net	329,699,429			261,369,082
			2007 Baht	2006 Baht
Depreciation for the years			149,528,657	198,091,936

As at February 20, 2007 and 2006, the gross carrying amounts of fully depreciated assets still in use are Baht 497.0 million and Baht 236.0 million, respectively.

9. INTANGIBLE ASSETS

Intangible assets as at February 20, consist of the following:

CONSOLIDATED AND THE COMPANY'S FINANCIAL STATEMENTS		
	2007 Baht	2006 Baht
Costs of software	985,952,162	800,805,473
Less Accumulated amortization	(459,611,417)	(318,039,226)
Costs of software - net	526,340,745	482,766,247
Amortization for the years	174,896,528	131,497,963

10. OTHER NON-CURRENT ASSETS

Other non-current assets as at February 20, consist of the following:

CONSOLIDATED AND THE COMPANY'S FINANCIAL STATEMENTS		
	2007 Baht	2006 Baht
Deposits	199,852,231	149,649,329
Others	113,694,481	122,113,177
Total	313,546,712	271,762,506

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 February 20, 2007

CONSOLIDATED AND THE COMPANY'S FINANCIAL STATEMENTS		
	Foreign Currency	Baht Equivalent
Loan in Yen currency (BOT rate)	1,000,000,000	301,183,000
Loan in USD currency (BOT rate)	24,000,000	859,617,600
Loan in Baht currency		1,270,000,000
Total short-term loans from financial institutions		2,430,800,600

As at February 20, 2006

CONSOLIDATED AND THE COMPANY'S FINANCIAL STATEMENTS		
	Foreign Currency	Baht Equivalent
Loan in Yen currency (BOT rate)	1,500,000,000	502,078,500
Loan in USD currency (BOT rate)	12,000,000	472,447,200
Loan in Baht currency		2,090,000,000
Total short-term loans from financial institutions		3,064,525,700

As at February 20, 2007 and 2006, 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 (see Note 22.1) in Baht currency amounting to Baht 1,070,000,000.

12. LONG-TERM LOANS

The Company entered into long-term loan agreements and issued bills of exchange in Baht and foreign currencies as follows:

CONSOLIDATED AND THE COMPANY'S FINANCIAL STATEMENTS					
	As at February 20, 2007		As at February 20, 2006		
	Foreign Currencies	Baht Equivalent	Foreign Currencies	Baht Equivalent	
Repayable within fiscal year ending February 20, 2007					
● Loan in USD currency (BOT rate)					
Interest rate at (p.a.)					
● USD-LIBOR-BBA + 0.85%		-	US\$ 8,000,000		314,964,800
		-			314,964,800
● Loan in Yen currency (BOT rate)					
Interest rate at (p.a.)					
● 1.17%		-	Yen 1,000,000,000		334,719,000
● ZTIBOR 6M + 0.90%		-	Yen 1,500,000,000		502,078,500
		-			836,797,500
● Bill of exchange in Baht currency					
Interest rate at (p.a.)					
● 2.30%		-			48,025,706
		-			48,025,706
		-			1,199,788,006
Repayable within fiscal year ending February 20, 2008					
● Loan in Yen currency (BOT rate)					
Interest rate at (p.a.)					
● JPY-BBA LIBOR 6M + 0.05%	Yen 3,000,000,000	903,549,000	Yen 3,000,000,000		1,004,157,000
● 1.51%	Yen 1,000,000,000	301,183,000	Yen 1,000,000,000		334,719,000
● 1.57%	Yen 1,200,000,000	361,419,600	Yen 1,200,000,000		401,662,800
● ZTIBOR 6M + 0.90%	Yen 3,000,000,000	903,549,000	Yen 3,000,000,000		1,004,157,000
		2,469,700,600			2,744,695,800
● Bill of exchange in Baht currency					
Interest rate at (p.a.)					
● 3.90%		1,064,944,602			1,153,705,546
● 4.10% - 4.16%		1,643,673,392			1,760,452,871
● 4.25%		250,000,000			250,000,000
		2,958,617,994			3,164,158,417
		5,428,318,594			5,908,854,217
Repayable within fiscal year ending February 20, 2009					
● Loan in Yen currency (BOT rate)					
Interest rate at (p.a.)					
● ZTIBOR 6M + 0.90%	Yen 1,500,000,000	451,774,500	Yen 1,500,000,000		502,078,500
● JPY-LIBOR 6M + 0.40%	Yen 5,000,000,000	1,505,915,000	Yen 5,000,000,000		1,673,595,000
● 1.25%	Yen 1,000,000,000	301,183,000	Yen 1,000,000,000		334,719,000
● JPY-BBA LIBOR + 0.40%	Yen 1,000,000,000	301,183,000	Yen 1,000,000,000		334,719,000
● 1.75%	Yen 1,500,000,000	451,774,500	-		-
		3,011,830,000			2,845,111,500

CONSOLIDATED AND THE COMPANY'S FINANCIAL STATEMENTS

	As at February 20, 2007		As at February 20, 2006	
	Foreign Currencies	Baht Equivalent	Foreign Currencies	Baht Equivalent
Repayable within fiscal year ending (Continued)				
February 20, 2009				
• Loan in Baht currency				
Interest rate at (p.a.)				
• THBFIX 6M + 0.80%		500,000,000		500,000,000
• THBFIX 6M + 0.75%		600,000,000		600,000,000
• THBFIX 6M + 0.50%		400,000,000		400,000,000
• 5.80%		450,000,000	-	-
		1,950,000,000		1,500,000,000
		4,961,830,000		4,345,111,500
Repayable within fiscal year ending				
February 20, 2010				
• Loan in Yen currency (BOT rate)				
Interest rate at (p.a.)				
• 2.00%	Yen 1,500,000,000	451,774,500		-
• JPY-LIBOR 6M + 0.40%	Yen 6,000,000,000	1,807,098,000		-
		2,258,872,500		-
• Loan in Baht currency				
Interest rate at (p.a.)				
• THBFIX 6M + 0.40%		500,000,000		-
• THBFIX 6M + 0.75%		1,000,000,000		-
• THBFIX 6M + 0.80%		370,000,000		-
• THBFIX 6M + 0.60%		1,000,000,000		-
		2,870,000,000		-
• Bill of exchange in Baht currency				
Interest rate at (p.a.)				
• 4.30%		700,000,000		700,000,000
		700,000,000		700,000,000
		5,828,872,500		700,000,000
Repayable within fiscal year ending				
February 20, 2011				
• Loan in Yen Currency (BOT Rate)				
Interest rate at (p.a.)				
• JPY-BBA LIBOR + 0.54%	Yen 3,000,000,000	903,549,000	Yen 3,000,000,000	1,004,157,000
		903,549,000		1,004,157,000
• Loan in Baht currency				
• THBFIX 6M + 0.64%		300,000,000		300,000,000
		300,000,000		300,000,000
		1,203,549,000		1,304,157,000
Total		17,422,570,094		13,457,910,723
Less Current portion of long-term loans		(5,428,318,594)		(1,199,788,006)
Total long-term loans		11,994,251,500		12,258,122,717

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 February 20, 2007

Principal to be received	Interest rate to be received	Principal to be paid (Baht)	Interest rate to be paid	Period
JPY 1,000,000,000	1.51%	377,600,000	4.77%	Jun 25, 2004 - Jun 25, 2007
JPY 1,500,000,000	ZTIBOR 6M + 0.90%	566,550,000	4.38%	Jun 28, 2004 - Jun 28, 2007
JPY 1,200,000,000	1.57%	453,120,000	4.91%	Aug 6, 2004 - Aug 6, 2007
JPY 1,500,000,000	JPY-BBA LIBOR 6M + 0.05%	564,450,000	3.86%	Sep 15, 2004 - Sep 13, 2007
JPY 1,500,000,000	JPY-BBA LIBOR 6M + 0.05%	569,250,000	4.48%	Nov 22, 2004 - Nov 22, 2007
JPY 1,500,000,000	ZTIBOR 6M + 0.90%	546,600,000	5.10%	Feb 15, 2005 - Feb 15, 2008
THB 450,000,000	5.8%	450,000,000	5.8%	Mar 28, 2006 - Mar 31, 2008
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
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	1.75%	484,050,000	6.63%	Aug 18, 2006 - Aug 18, 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 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

As at February 20, 2006

Principal to be received	Interest rate to be received	Principal to be paid (Baht)	Interest rate to be paid	Period
JPY 1,000,000,000	1.51%	377,600,000	4.77%	Jun 25, 2004 - Jun 25, 2007
JPY 1,500,000,000	ZTIBOR 6M + 0.90%	566,550,000	4.38%	Jun 28, 2004 - Jun 28, 2007
JPY 1,500,000,000	ZTIBOR 6M + 0.90%	557,100,000	4.19%	Feb 4, 2004 - Feb 4, 2007
JPY 1,000,000,000	1.17%	369,500,000	4.29%	Feb 13, 2004 - Feb 13, 2007
JPY 1,200,000,000	1.57%	453,120,000	4.91%	Aug 6, 2004 - Aug 6, 2007
JPY 1,500,000,000	JPY-BBA LIBOR 6M + 0.05%	564,450,000	3.86%	Sep 15, 2004 - Sep 13, 2007
JPY 1,500,000,000	ZTIBOR 6M + 0.90%	567,000,000	4.91%	Oct 19, 2004 - Oct 17, 2008
JPY 1,500,000,000	JPY-BBA LIBOR 6M + 0.05%	569,250,000	4.48%	Nov 22, 2004 - Nov 22, 2007
JPY 1,500,000,000	ZTIBOR 6M + 0.90%	546,600,000	5.10%	Feb 15, 2005 - Feb 15, 2008
JPY 5,000,000,000	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 1,000,000,000	JPY-BBA LIBOR + 0.40%	351,000,000	6.50%	Nov 10, 2005 - Sep 30, 2008
JPY 3,000,000,000	JPY-BBA LIBOR + 0.54%	1,053,000,000	6.97%	Nov 10, 2005 - Sep 30, 2010
USD 8,000,000	USD-LIBOR-BBA + 0.85%	333,040,000	3.10%	Jul 21, 2003 - Jul 21, 2006
THB 500,000,000	THBFIX 6M + 0.80%	500,000,000	5.09%	Apr 20, 2005 - Apr 21, 2008
THB 600,000,000	THBFIX 6M + 0.75%	600,000,000	5.74%	Sep 2, 2005 - Sep 2, 2008
THB 400,000,000	THBFIX 6M + 0.50%	400,000,000	6.51%	Nov 10, 2005 - Sep 30, 2008
THB 300,000,000	THBFIX 6M + 0.64%	300,000,000	6.91%	Nov 10, 2005 - Sep 30, 2010

13. LONG-TERM DEBENTURES

As at February 20, 2007 and 2006, long-term debentures represent unsubordinated and unsecured debentures with a par value of Baht 1,000 each which the details are as follows:

						CONSOLIDATED AND THE COMPANY'S FINANCIAL STATEMENTS	
Issue date	Maturity date	No. of units	Amount (Baht)	Interest rate (%)	Term of interest payment	2007 Baht	2006 Baht
30/06/05	30/06/08	500,000	500,000,000	4.45	Semi-annual	500,000,000	500,000,000
15/07/05	15/07/08	520,000	520,000,000	4.77	Semi-annual	520,000,000	520,000,000
15/07/05	15/07/10	300,000	300,000,000	4.94	Semi-annual	300,000,000	300,000,000
Total						1,320,000,000	1,320,000,000

On February 6, 2006, the subsidiary issued the debentures of Baht 2,280,000,000 under the Securitization project. 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.

As at February 20, 2007 and 2006, the subsidiary's debentures classified to four classes as follows:

Debenture Classes	Maturity date	Amount (Baht)	Interest rate (%)	Baht
Class A-1	February 10, 2009	1,500,000,000	5.73	1,500,000,000
Class A-2	February 30, 2011	500,000,000	5.88	500,000,000
Class B	Amortizing basis following February 10, 2011	120,000,000	6.13	120,000,000
Class C	Amortizing basis following February 10, 2011	160,000,000	6.33	160,000,000
				2,280,000,000

Such subsidiary's debentures are derecognized against credit card receivables in the consolidated financial statements (see Note 2.4).

14. SHAREHOLDERS' EQUITY

At the Annual General Meeting of shareholders held on June 9, 2005, the shareholders had the resolution to approve the following matters:

- The appropriation of the net income of Baht 500,000,000 as a reserve for business expansion.
- The declaration of final dividends for the fiscal year 2004 at the rate of Baht 0.54 per share amounting to Baht 135,000,000. 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 134,991,360 on June 20, 2005.

On September 22, 2005, the board of directors' meeting passed a resolution to declare interim dividends at the rate of Baht 0.65 per share amounting to Baht 162,500,000. The aforementioned shareholders included 16,000 shares of foreign shareholders who had no right to receive dividend in accordance with regulation of Thailand Securities Depository thus the Company paid dividend to shareholders amounting to Baht 162,489,600 on October 14, 2005.

At the Annual General Meeting of shareholders held on June 15, 2006, the shareholders had the resolution to approve the following matters:

- The appropriation of the net income of Baht 550,000,000 as a reserve for business expansion.
- The declaration of final dividends for the fiscal year 2005 at the rate of Baht 0.72 per share amounting to Baht 180,000,000. 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 179,988,480 on June 22, 2006.

On September 21, 2006, the board of directors' meeting passed a resolution to declare interim dividends at the rate of Baht 0.75 per share amounting to Baht 187,500,000. The aforementioned shareholders included 16,000 shares of foreign shareholders who had no right to receive dividend in accordance with regulation of Thailand Securities Depository thus the Company paid dividend to shareholders amounting to Baht 187,488,000 on October 13, 2006.

15. LEGAL RESERVE

Pursuant to the Public Limited Companies Act. B.E. 2535 (1992), the Company must allocate to a reserve fund from the annual net profit, not less than five percent of the annual net profit deducted by the total accumulated loss brought forward (if any) until the reserve fund reaches an amount of not less than ten percent of the registered capital.

16. REVENUE RELATING TO SECURITIZATION TRANSACTION

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

For the years ended February 20, 2007 and 2006, the details of revenues from securitization transaction consist of the following:

CONSOLIDATED FINANCIAL STATEMENTS		
	2007 Baht	2006 Baht
Hire Purchase Income		
Interest income from subordinated lending (see Note 7)	62,100,000	62,100,000
Dividend from investment in Special Purpose Vehicle	87,040,094	111,445,719
Servicing income	119,999,933	119,999,916
Total	269,140,027	293,545,635
Credit Card Income		
Interest income from subordinated lending (see Note 7)	122,400,000	84,506,301
Revenue from seller participation in Special Purpose Vehicle (see Notes 4.3 and 6)	111,350,485	95,191,573
Dividend from investment in Special Purpose Vehicle (see Notes 4.3 and 6)	60,774,918	77,610,458
Servicing income	222,407,020	208,363,679
Total	516,932,423	465,672,011

THE COMPANY'S FINANCIAL STATEMENTS		
	2007 Baht	2006 Baht
Hire Purchase Income		
Interest income from subordinated lending (see Note 7)	62,100,000	62,100,000
Dividend from investment in Special Purpose Vehicle (see Notes 4.3 and 6)	87,040,094	111,445,719
Servicing income	119,999,933	119,999,916
Total	269,140,027	293,545,635
Credit Card Income		
Interest income from subordinated lending (see Note 7)	177,900,000	86,635,069
Revenue from seller participation in Special Purpose Vehicle (see Notes 4.3 and 6)	118,141,043	97,450,646
Dividend from investment in Special Purpose Vehicles (see Notes 4.3 and 6)	141,083,930	87,972,109
Share of profits from investment in Special Purpose Vehicle using the equity method	80,309,011	10,361,651
Servicing income	406,078,220	222,543,068
Total	923,512,204	504,962,543

17. TRANSACTIONS WITH RELATED PARTIES

The consolidated and the Company's financial statements include certain transactions with the subsidiary and related parties. The relationship may be by shareholding or the companies may have the same group of shareholders or directors. The consolidated and the Company's financial statements reflect the effects of these transactions on the basis determined by the Company, the subsidiary and the related parties which are as follows:

17.1 Investments using the equity method

THE COMPANY'S FINANCIAL STATEMENTS As at February 20, 2007						
Company	Relationship	Paid-up Capital Baht	% of Ownership	Cost Baht	Equity Baht	Dividend Received Baht
Eternal 3 Special Purpose Vehicle Company Limited	Subsidiary	40,000	26.0%	10,400	14,400	80,309,011
				10,400	14,400	80,309,011

THE COMPANY'S FINANCIAL STATEMENTS As at February 20, 2006						
Company	Relationship	Paid-up Capital Baht	% of Ownership	Cost Baht	Equity Baht	Dividend Received Baht
Eternal 3 Special Purpose Vehicle Company Limited	Subsidiary	40,000	26.0%	10,400	10,400	10,361,651
				10,400	10,400	10,361,651

17.2 Business transaction with related parties

17.2.1 Balances with related parties

		CONSOLIDATED FINANCIAL STATEMENTS As at February 20,		THE COMPANY'S FINANCIAL STATEMENTS As at February 20,	
Related parties	Relationship	2007 Baht	2006 Baht	2007 Baht	2006 Baht
Other current assets					
Eternal 3 Special Purpose Vehicle Company Limited	Subsidiary	-	-	28,914,240	29,921,438
Aeon Credit Service Company Limited	Major shareholder	221,738	1,605	221,738	1,605
ACS Capital Corporation Limited	Shareholder and same directorship	352,942	-	352,942	-
Siam-Jusco Company Limited	Mutual holding and one common director	3,798,440	3,769,458	3,798,440	3,769,458
ACS Insurance Broker (Thailand) Co., Ltd.	Same directorship	67,914	-	67,914	-
Other assets					
Siam-Jusco Company Limited	Mutual holding and one common director	190,500	190,500	190,500	190,500
Participation in Special Purpose Vehicle for Securitization					
Eternal 3 Special Purpose Vehicle Company Limited	Subsidiary	-	-	457,222,152	-
Subordinated lending					
Eternal 3 Special Purpose Vehicle Company Limited	Subsidiary	-	-	370,000,000	-

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS As at February 20,		THE COMPANY'S FINANCIAL STATEMENTS As at February 20,	
		2007 Baht	2006 Baht	2007 Baht	2006 Baht
Account payable					
Siam-Jusco Company Limited	Mutual holding and one common director	1,903,530	2,200,916	1,903,530	2,200,916
ACS Insurance Broker (Thailand) Co., Ltd.	Same directorship	45,188,848	-	45,188,848	-
Other current liabilities					
Eternal 3 Special Purpose Vehicle Company Limited	Subsidiary	-	-	43,075,642	175,788,381
Aeon Credit Service Company Limited	Major shareholder	1,363,304	1,944,273	1,363,304	1,944,273
ACS Insurance Broker (Thailand) Co., Ltd.	Same directorship	3,452,569	3,661,962	3,452,569	3,661,962
Jay Mart Public Company Limited	One common director	582,960	393,840	582,960	393,840

17.2.2 Transactions with related parties

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS For the year ended February 20,		THE COMPANY'S FINANCIAL STATEMENTS For the year ended February 20,	
		2007 Baht	2006 Baht	2007 Baht	2006 Baht
Credit card income					
Siam-Jusco Company Limited	Mutual holding and one common director	523,584	669,893	523,584	669,893
Revenue relating to securitization transaction					
Eternal 3 Special Purpose Vehicle Company Limited	Subsidiary	-	-	326,274,770	28,928,881
Other income					
ACS Capital Corporation Limited	Shareholder and Same directorship	22,200,000	1,160,000	22,200,000	1,160,000
ACS Insurance Broker (Thailand) Co., Ltd.	Same directorship	21,650,726	4,882,071	21,650,726	4,882,071
ACS Credit Management Company Limited	Mutual holding and one common director	978,744	-	978,744	-
AEON Credit Service (M) Sdn. Bhd.	Mutual holding and one common director	1,082,003	-	1,082,003	-
Operating expenses					
Siam-Jusco Company Limited	Mutual holding and one common director	1,863,713	1,620,034	1,863,713	1,620,034
ACS Capital Corporation Limited	Shareholder and same directorship	12,628,497	7,649,696	12,628,497	7,649,696
Jay Mart Public Company Limited	One common director	7,776,568	5,443,425	7,776,568	5,443,425
Dividend payment					
Aeon Credit Service Company Limited	Major shareholder	129,066,000	82,110,000	129,066,000	82,110,000
ACS Capital Corporation Limited	Shareholder and same directorship	70,560,000	57,120,000	70,560,000	57,120,000
Siam-Jusco Company Limited	Mutual holding and one common director	-	26,180,000	-	26,180,000

- For the year ended February 20, 2007, there were other income includes fees charged to ACS Capital Corporation Limited for the management fee at the rate of Baht 600,000 per month, for marketing support fee at the rate of Baht 300,000 per month, for the computer fee at the rate of Baht 700,000 per month and the marketing research fee at the rate of Baht 50,000 per month. Due to business of ACS Capital Corporation Limited was expanded, thus the management fee increased from Baht 600,000 to be Baht 1,000,000 per month starting from August 21, 2006. For ACS Insurance Broker (Thailand) Co., Ltd. the management fee was Baht 600,000 per month, for marketing support fee at the rate of Baht 300,000 per month and the Company started to charge computer fee at the rate of Baht 200,000 per month from July 2006 onwards. Revenues relating to securitization transactions are determined by the Company and the related companies in accordance with securitization projects (see Notes 4.3 and 16).

- For the year ended February 20, 2006, other income includes the management fee charged to ACS Capital Corporation Limited and ACS Insurance Broker (Thailand) Co., Ltd. at the rates of Baht 80,000 per month and Baht 35,000 per month, respectively, and the marketing research fee 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 companies in accordance with securitization projects (see Notes 4.3 and 16).

- The transactions are determined by the Company and the related companies based on the market prices and if there are no market prices the Company and the related companies determined prices and conditions by cost plus basis.

17.3 Long-term agreements

As at February 20, 2007 and 2006, the Company has long-term lease and service agreements with a related party as follows:

As at February 20, 2007

CONSOLIDATED AND THE COMPANY'S FINANCIAL STATEMENTS			
Related party	Relationship	Remaining period	Remaining expenses Baht
Office rental and service Siam-Jusco Company Limited	Mutual holding and one common director	21/2/07 - 30/6/07	276,000

As at February 20, 2006

CONSOLIDATED AND THE COMPANY'S FINANCIAL STATEMENTS			
Related party	Relationship	Remaining period	Remaining expenses Baht
Office rental and service Siam-Jusco Company Limited	Mutual holding and one common director	21/2/06 - 30/6/07	1,104,000

Prices and conditions are the same as Siam-Jusco Company Limited offered to other third parties.

18. LONG-TERM OPERATING LEASE AND SERVICE AGREEMENTS

As at February 20, 2007 and 2006, the Company has long-term lease and service agreements as follows:

As at February 20, 2007

CONSOLIDATED AND THE COMPANY'S FINANCIAL STATEMENTS		
Type	Remaining period	Remaining expenses Baht
Office rental and Service	21/02/2007 - 20/02/2008	129,803,596
	21/02/2008 - 20/02/2009	90,769,939
	21/02/2009 - 20/02/2010	55,261,014
	21/02/2010 - 20/02/2011	3,915,752
		279,750,301
Equipment lease	21/02/2007 - 20/02/2008	195,664,463
	21/02/2008 - 20/02/2009	154,473,381
	21/02/2009 - 20/02/2010	62,307,045
		412,444,889

As at February 20, 2006

CONSOLIDATED AND THE COMPANY'S FINANCIAL STATEMENTS		
Type	Remaining period	Remaining expenses Baht
Office rental and Service	21/02/2006 - 20/02/2007	89,486,074
	21/02/2007 - 20/02/2008	53,628,411
	21/02/2008 - 20/02/2009	18,469,197
	21/02/2009 - 20/02/2010	1,810,600
		163,394,282
Equipment lease	21/02/2006 - 20/02/2007	78,977,644
	21/02/2007 - 20/02/2008	50,722,072
	21/02/2008 - 20/02/2009	13,046,896
		142,746,612

19. 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.

20. FINANCIAL INSTRUMENTS DISCLOSURE

The Company presents and discloses financial instruments in accordance with the Thai Accounting Standard No. 48 regarding "Presentations and Disclosure of Financial Instruments".

The Company enters into foreign exchange forward contracts to hedge foreign exchange risk associated with certain commitments denominated in foreign currencies. It is the Company's policy to use derivatives only for the purpose of managing risks associated with such commitments. The Company does not hold derivatives for trading purposes.

20.1 Accounting policies

Details of significant accounting policies are disclosed in Note 2.

20.2 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company and subsidiary. Concentrations of the credit risk with respect to trade receivables are limited due to the large number of customers comprising the customer base, and their dispersion across different geographic regions. However, the Company and subsidiary have adopted the policy to prevent this risk by performing credit analysis from customers' information and following up on customer status consistently.

In the case of recognized financial assets, the carrying amount of the assets recorded in the balance sheet, net of a portion of allowance for doubtful accounts, represents the Company maximum exposure to credit risk.

20.3 Interest rate risk

Interest rate risk arises from a potential for a change in interest rates to have an adverse effect on the Company and subsidiary in the current reporting period and in future years.

The Company did not have interest rate risk as all of the loans carrying floating interest rate has been hedged. Details of cross currency and interest rate swaps are disclosed in Note 12.

The subsidiary did not have interest rate risk as all of the loans carry fixed rates.

20.4 Foreign exchange risk

Foreign exchange risk arises from the change in foreign currency exchange rate to have an adverse effect on the Company in the current reporting period and in future years. The Company did not anticipate any foreign exchange risk which may have a material effect on the result of operations as all the transactions in foreign currency have been hedged by entering to forward exchange and currency swap contracts.

As at February 20, 2007 and 2006, the Company entered into a various swap currency contracts to hedge long-term loans by details disclosed in Note 12.

As at February 20, 2007 and 2006, the Company entered into a various forward exchange contracts with banks to hedge short-term loans from financial institutions and fixed deposit with their relative interest denominated in foreign currencies. The details of such contracts are as follows:

As at February 20, 2007

CONSOLIDATED AND THE COMPANY'S FINANCIAL STATEMENTS					
	Currency	Amount	Average rate	Spot rate at balance sheet date	The remaining period (days)
Forward purchase contracts	Yen	1,000,000,000	0.340628	0.301183	158 - 190
	USD	24,000,000	36.2478	35.8174	31 - 150

As at February 20, 2006

THE COMPANY'S FINANCIAL STATEMENTS					
	Currency	Amount	Average rate	Spot rate at balance sheet date	The remaining period (days)
Forward purchase contracts	Yen	1,500,000,000	0.357103	0.334719	7 - 129
	USD	12,000,000	40.5522	39.3706	63 - 149

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.

20.5 Estimated fair value of financial instruments

Thai Accounting Standard No. 48, "Financial Instruments Disclosure and Presentation", requires certain fair value disclosures. Considerable judgment is necessarily required in estimation of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amount that could be realized in a current market exchange.

The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value. The following methods and assumptions were used by the Company in estimating fair value of financial instruments.

Cash and cash equivalents, fixed deposits used as collateral, accounts receivable, short-term loans from financial institutions, accounts payable and factoring payable; the carrying values approximate their fair values due to short period maturity.

Other long-term investments; The determination of fair value for other long-term investments is as disclosed in Note 2.5.1 to the financial statements.

Subordinated lending; The management believes that the approximate fair value of subordinated lending is based on the amounts recognized in the balance sheet because there is no equivalent subordinated lending in the market for reference.

Long-term loans; the fair values of long-term loans bearing floating rate of interest are based on the amount recognized in the balance sheet. The fair values of long-term loans and debentures bearing fixed rates of interest are estimated based on the discounted cash flows using average current interest rate over remaining period to maturity.

CONSOLIDATED AND THE COMPANY'S FINANCIAL STATEMENTS

	As at February 20, 2007		As at February 20, 2006	
	Carrying value Baht	Fair value Baht	Carrying value Baht	Fair value Baht
Long-term loan bearing fixed interest rate	5,975,952,593	6,907,923,678	5,403,463,522	5,121,830,704
Long-term debenture bearing fixed interest rate	1,320,000,000	1,305,768,966	1,320,000,000	1,277,966,821

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 February 20, 2007 and 2006, if the Company terminated the forward foreign currency exchange contracts, it has to pay approximately Baht 42.3 million and Baht 47.6 million, respectively, to the counterparties.

As at February 20, 2007 and 2006, if the Company terminated the cross currency and interest rate swap contracts agreement, it has to pay approximately Baht 1,562.2 million and Baht 549.0 million, respectively, to the counterparties.

21. PROVIDENT FUND

The Company has set up a contributory provident fund. The contribution from employees is deducted from the monthly salaries, with the Company matching the individual's contribution. The Company registered its provident fund in accordance with the Provident Fund Act. B.E. 2530 (1987) on June 1, 1999. For the years ended February 20, 2007 and 2006, the Company contributed Baht 4,054,445 and Baht 4,322,465, respectively, to the provident fund and recorded it as expenses.

22. OTHER MATTERS

22.1 As at February 20, 2007 and 2006, the Company has the committed revolving credit facility agreements with financial institutions for general corporate funding requirements. The details are as follows:

As at February 20, 2007**CONSOLIDATED AND THE COMPANY'S
FINANCIAL STATEMENTS****Revolving credit facilities**

	Currency	Amount
May 15, 2006 - May 16, 2007	Baht	700,000,000
August 21, 2006 - August 21, 2007	Baht	370,000,000

As at February 20, 2006**CONSOLIDATED AND THE COMPANY'S
FINANCIAL STATEMENTS****Revolving credit facilities**

	Currency	Amount
May 16, 2005 - May 15, 2006	Baht	700,000,000
August 19, 2005 - August 19, 2006	Baht	370,000,000

As at February 20, 2007 and 2006, such credit facilities are unused by the Company.

22.2 As at February 20, 2007 and 2006, the Company has bank's letter of guarantees issued to suppliers for guarantee payment of Baht 7,500,000 and Baht 9,500,000, respectively.

22.3 As at February 20, 2007 and 2006, the Company has unused overdraft facilities with various banks totaling Baht 85,000,000.

23. IMPORTANT AGREEMENTS RELATING TO SECURITIZATION TRANSACTION**23.1 Receivables Sale Agreements**

23.1.1 On February 17, 2004, the Company entered into the Receivables Sale Agreement with the Eternal Special Purpose Vehicle Company Limited (ESPV). Such agreement sets out the procedures and terms in respect of the sale and purchase of the Initial Hire-purchase Receivables on the Closing Date and of additional Offered Receivables on each Purchase Date including the rights, obligations and responsibilities of both parties. In addition, the Receivables Sale Agreement also sets out the terms and conditions in respect of the resale and repurchase of the Excess Defaulted Receivables on each Monthly Purchase Date, as well as in respect of the resale and repurchase of the Purchased Receivables on each Monthly Allocation Date in the event they are Ineligible Receivables or following the exercise by the Seller of the option to repurchase, during the Amortization Period, the Purchased Receivables which became Defaulted Receivables during the immediately preceding Collection Period or following the exercise by the Servicer of the Clean-up Call or the exercise by the Seller of the repurchase option as a result of a change in Thai tax law.

23.1.2 On February 16, 2005, the Company entered into the Receivables Sale and Purchase Agreement with Eternal Credit Card Special Purpose Vehicle Company Limited (ECC). Such agreement sets out the procedures and terms in respect of the sale and purchase of the Initial Receivables on the Closing Date, for Future Receivables on each Purchase Date and for Additional Receivables on each Monthly Purchase Date including the rights, obligations and responsibilities of both parties. The Receivables Sale and Purchase Agreement also sets out the terms and conditions in respect of the resale and repurchase of the Ineligible Receivables and Defaulted Receivables.

23.1.3 On February 6, 2006, the Company entered into the Receivables Sale and Purchase Agreement with Eternal 3 Special Purpose Vehicle Company Limited (ESPT). Such agreement sets out the procedures and terms in respect of the sale and purchase of the Initial Receivables on the Closing Date, for Future Receivables on each Purchase Date and for Additional Receivables on each Monthly Purchase Date including the rights, obligations and responsibilities of both parties. The Receivables Sale and Purchase Agreement also sets out the terms and conditions in respect of the resale and repurchase of the Ineligible Receivables and Defaulted Receivables.

23.2 Servicing Agreements

23.2.1 On February 17, 2004, the Company entered into the Servicing Agreement with the ESPV. Based on such agreement, the ESPV appointed the Company (as a transferor and servicer) to provide certain administration services (including record-keeping and producing written reports relating to the Collections), to act as the collection agent and other services for hire-purchase receivables in relation to the Purchased Receivables. In addition, the Servicing Agreement also set out other relevant terms, such as the scope of the services, the payment of service fees, the termination of the appointment of the Servicer and the Back-up Servicer, and the appointment of the substitute servicer.

23.2.2 On February 16, 2005, the Company entered into the Servicing Agreement with the ECC. Based on such agreement, the ECC appointed the Company (as a transferor and servicer) to provide certain administration services (including record-keeping and producing written reports relating to the Collections), to act as the collection agent and other services for credit card receivables in relation to the Purchased Receivables. In addition, the Servicing Agreement also set out other relevant terms, such as the scope of the services, the payment of service fees, the termination of the appointment of the Servicer and the Back-up Servicer appointment of the substitute servicer.

23.2.3 On February 6, 2006, the Company entered into the Servicing Agreement with the ESPT, the subsidiary. Based on such agreement, the ESPT appointed the Company (as a transferor and servicer) to provide certain administration services (including record-keeping and producing written reports relating to the Collections), to act as the collection agent and other services for credit card receivables in relation to the Purchased Receivables. In addition, the Servicing Agreement also set out other relevant terms, such as the scope of the services, the payment of service fees, the termination of the appointment of the Servicer and the Back-up Servicer appointment of the substitute servicer.

24. REVISED THAI ACCOUNTING STANDARD WHICH IS NOT YET EFFECTIVE

On October 11, 2006, the Federation of Accounting Professions issued the notification No. 26/2549 to revise Thai Accounting Standard No. 44 regarding Consolidated Financial Statements and Accounting for Investment in Subsidiaries. The new standard requires that parent companies with investments in subsidiaries, in jointly-controlled entities, and in associated companies which are not classified as being held for sale, to account for such investments using the cost method or the recognition and measurement of financial instruments method (when effective) instead of the equity method which is currently in use. This new standard shall be applicable for financial statements for the accounting periods beginning on or after January 1, 2007, but can also be adopted prior to such date. The Company will change the accounting policy for investments in subsidiary companies for the company's financial statements for the year ended February 20, 2008. The effects of such change are not material to the Company's financial statements for the year ended February 20, 2007.

25. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved for issue by the authorized director on April 4, 2007.

Shareholders and **Management Structure**

The Company has registered capital of 250 million baht, paid-up capital of 250 million baht divided into 250 million ordinary shares with a par value of Baht 1 each.

SHAREHOLDERS

List of 10 major shareholders as at February 20, 2007

Name of shareholders	Number of shares (shares)	%
1. AEON Credit Service Co., Ltd. / Japan	87,800,000	35.12
2. ACS Capital Corporation Limited	48,000,000	19.20
3. Thailand Securities Depository Co., Ltd. (Thai)	42,884,057	17.15
4. Thailand Securities Depository Co., Ltd. (Foreign)	28,548,928	11.42
5. AEON Holding (Thailand) Co., Ltd.	22,000,000	8.80
6. Mr. Chatchaval Jiaravanon	15,000,000	6.00
7. Mr. Masao Mizuno	1,510,000	0.60
8. Mr. Motoya Okada	1,500,000	0.60
9. Mr. Yoshiki Mori	1,450,000	0.58
10. Mr. Kazuhide Kamitani	500,000	0.20

STRUCTURE OF DIRECTORS OF THE COMPANY

The Company has two committees, that is, the Board of Directors of the Company and the Audit Committee, the details are as follows:

Board of Directors of the Company

Board of Directors of the Company in the fiscal year 2006 composed of 12 directors whose names and the number of meeting, which they attended in the FY 2006, are listed below:

Name	Position	Number of Board of Director Meeting In the fiscal year 2006	
		Ordinary Meeting	Total
1. Mr. Yoshiki Mori	Chairman of the Board	1	1/4
2. Mr. Masao Mizuno	Vice Chairman and Managing Director	4	4/4
3. Mr. Mitsuhiro Yashiro	Director	4	4/4
4. Mrs. Suporn Wattanavekin	Director	4	4/4
5. Mr. Apichat Nantatarn	Director	4	4/4
6. Ms. Kannika Kursirikul	Director	4	4/4
7. Mr. Chatchaval Jiaravanon	Director	1	1/4
8. Mr. Kazuhide Kamitani	Director	-	0/4
9. Mrs. Jiraporn Kongcharoenwanich	Director	3	3/3
10. Mr. Noppun Muangkote	Independent Director and Chairman of Audit Committee	4	4/4
11. Mr. Dej Bulsuk	Independent Director and Audit Committee Member	3	3/4
12. Mr. Shunichi Kobayashi	Independent Director and Audit Committee Member	4	4/4

Note : - The authorized director of the Company is Mr. Yoshiki Mori or Mr. Masao Mizuno with the Company's seal and their signature.

Scope of powers and duties of the Board of Directors of the Company

1. A director shall perform his/her duties in compliance with the law, objectives and articles of association of the Company as well as the resolutions of the shareholders' meeting.
2. A director shall not operate any business which has the same nature as and is in competition with that of the Company, nor be a partner in an ordinary partnership or unlimited partner in a limited partnership, nor be a director in other limited or public limited company having a business of a similar nature competing against the business of the Company, unless they have informed the shareholders' meeting before the resolution appointing them as directors has been passed.
3. A director shall, without delay, inform the Company in case where he/she has a direct or indirect interest in any contract, which is made by the Company, or he/she holds shares or debentures of the Company or an affiliated company increasingly or decreasingly.
4. The Board of Directors shall hold at least once every three months.
5. A Director who has an interest in any resolution shall have no right to vote on such resolution.
6. At any meeting, in case of equality of votes, the chairman of the meeting shall be entitled to a casting vote.

Independent Directors and the Audit Committee

The Board of Directors' meeting of the Company, No. 1/2007, held on April 19, 2007, has passed a resolution appointing an audit committee, which is composed of three members whose names are listed below:

Name	Position
1. Mr. Noppun Muangkote	Independent Director and Chairman of Audit Committee
2. Mr. Dej Bulsuk	Independent Director and Audit Committee Member
3. Mr. Shunichi Kobayashi	Independent Director and Audit Committee Member

Scope of powers and duties of the Audit Committee

1. To review the Company's financial reporting process to ensure accuracy and adequacy
2. To ensure that the Company has suitable and efficient internal control system and internal audit
3. To review the performance of the Company to ensure compliance with the securities and exchange law, regulations of the Stock Exchange of Thailand or laws that relating to business of the Company.
4. To consider, select, nominate and recommend remuneration of the Company's external auditor.
5. To review the disclosure of information of the Company in case that there is a connected transaction or transaction that may lead to conflict of interest so as to ensure the accurateness and completeness.
6. To prepare a report on monitoring activities of the audit committee and disclose it in an annual report of the Company, and have such report signed by the chairman of the audit committee.
7. To perform any other act as assigned by the Board of Directors of the Company with approval of the audit committee.

The qualifications of independent directors:

1. They must not involve in the day-to-day management of the Company or an affiliated company, an associated company, a related company or with the major shareholders of the company
2. They must not be the employees or a staff member or an advisor who receives a regular salary from the Company, an affiliated company, as associated company, a related company or the major shareholders of the Company
3. They must be free of any present, directed, financial or, other interest in the management and business of the listed company, its subsidiaries, associated companies, or its major shareholders and must be free of any past direct or indirect, financial, or other interest in the management and business of the company.
4. They must not be a relative of any executive director, executive officer or major shareholders of the Company.
5. They must not be acting as a nominee or representative of any director, major shareholder, or shareholders, who are a relative of any major shareholders of the Company.

6. They must be able to carry out their duties, exercise their judgment, and report the committee's performance, which are assigned by the board of directors without influenced by executive directors or major shareholders of the Company.

Management

As at February 20, 2007, the Company has totaling 11 executive officers, whose names are as listed below:

Name	Position
1. Mr. Masao Mizuno	Managing Director*
2. Mr. Mitsuhiro Yashiro	Director*
3. Mrs. Suporn Wattanavekin	Director*
4. Mr. Apichat Nantaterm	Director*
5. Ms. Kannika Kursirikul	Director*
6. Mrs. Jiraporn Kongcharoenwanich	Director*
7. Mr. Shigeto Nasu	SVP - Accounting & General Affairs
8. Mr. Naoyuki Yamada	SVP - Collection & Customer Service
9. Mr. Nobuaki Onishi	SVP - Marketing
10. Mr. Tawatchai Peechapat	SVP - MIS
11. Ms. Suriporn Thammavattid	SVP - Collection

Note: * Directors who involve in day-to-day operation of the Company.

Scope of power and duties of Managing Director

The Managing Director shall have the authority and duty to manage the Company as delegated by the Board of Directors and shall perform in accordance with the corporate plan including conducting and/or managing the Company's routine tasks, and conducting activities pursuant to the policies, business plans and budget as approved by the Board of Directors. In this regard, the Managing Director can delegate the other person(s) the authority to perform his duties.

The Managing Director or the person(s) delegated by him shall not approve, involve in or transact business, or deal in which he or any person who is likely to have a conflict of interest, has an interest or is likely to have a conflict of interest of any kind with the Company or the Company's subsidiaries.

Nomination Committee

The general meeting of shareholders elects and appoints the directors of the Company, without going through any process of the nomination committee. The Board of Directors shall operate the business of the Company under the control of the general meeting of shareholders and the articles of association of the Company. The procedure for the appointment of directors can be summarized as follows:

1. One shareholder has one vote per one share;
2. In choosing the directors, the voting method used may be to vote on candidate by candidate or several candidates together, whichever the shareholders' meeting finds appropriate, but in voting to pass the resolution the shareholders shall vote using all the votes under Clause 1 which cannot be divided for any person or group to any extent at all.
3. In the election of the directors, the vote shall be on the majority basis. In case of equality of votes, the chairman of the meeting shall be entitled to a casting vote.

The Chairman of the Board is the representative of the AEON Credit Service, Japan, which held the Company's shares of 54.32% and he is not the Managing Director of the Company. Moreover, both of them are the representatives from the same major shareholders but in order to balance the power of management, the Company's board structure also consists of 3 independent directors who are also the independent directors, which is one-fourth of the total directors on the board.

Remuneration for the Management

Monetary Remuneration

In FY 2006, the Company has totaling 12 directors and 11 executive officers. The directors remuneration for FY 2006 commencing from February 21, 2006, and ending on February 20, 2007, can be summarized as follows:

Name	Position	Remuneration (Million Baht)	
		FY 2006	FY 2005
1. Mr. Yoshiki Mori**	Chairman of the Board	None	None
2. Mr. Masao Mizuno	Vice Chairman and Managing Director	2.80	2.70
3. Mr. Mitsuhiro Yashiro	Director	0.65	0.55
4. Mrs. Suporn Wattanavekin	Director	0.60	0.55
5. Mr. Apichat Nantatarn	Director	0.62	0.55
6. Ms. Kannika Kursirikul	Director	0.50	0.40
7. Mr. Chatchaval Jiaravanon	Director	0.71	0.69
8. Mrs. Jiraporn Kongcharoenwanich	Director	Appointed June 15, 2006	-
9. Mr. Kazuhide Kamitani**	Director	None	None
10. Mr. Tatsuya Saito**	Director	Resigned June 15, 2006	None
11. Mr. Noppun Muangkote	Independent Director and Chairman of Audit Committee	0.65	0.64
12. Mr. Dej Bulsuk	Independent Director and Audit Committee Member	0.54	0.53
13. Mr. Shunichi Kobayashi	Independent Director and Audit Committee Member	0.54	0.53
Total		7.61	7.14

** Three directors from AEON Credit Service (Japan).

Remuneration of Executive Officers

Types of Remuneration	Remuneration of Executive Officers (Million Baht)	
	FY 2006	FY 2005
No. of Executives	11	16
Salary and other incentives	26.30	44.10
Bonus	0.70	3.20
Contribution added into provident fund	0.30	0.38
Total	27.30	47.68

Note : The Company had some change of directors and management team in the fiscal year 2006. (FY 2005 executive included 11 Vice President and up but In FY 2006 included only 5 Senior Vice President and up)

CORPORATE GOVERNANCE

After the Company became a public limited company, the Board of Directors prepared and determined the code of best practices in accordance with the rules and regulations of the Stock Exchange of Thailand to provide the maximum benefit to the shareholders. The principles of good corporate governance for the Company were approved by the Executive Committee's meeting which had 6 executive directors attended the meeting on March 22, 2007 and also were approved by the Audit Committees' meeting on April 19, 2007 accordingly.

The principles of good corporate governance of the Company are as follows;

- Facilitate all shareholders with fair and equal treatments
- Operate business with transparency and scrutiny, and disclose adequate information to all stakeholders and related parties

- The responsibilities of executive committee and management must be clear and concise with check an balance control system
- Must follow all the related rules and regulations
- Determine to create long-term value-added to the corporate for the maximum benefit of the shareholders, mitigate conflict of interest,
- Strict to the code of corporate ethics and engage in activities that conserve the environment and contribute to society
- Must have meeting regularly, all information must be given before the meeting according to the rule and regulations and must have a well prepared minutes

INFORMATION ACCESS/TRANSPARENCY AND INVESTOR RELATIONS

The Company also supports the principles of good corporate governance such as facilitating shareholders with equal treatments, transparency, check and balance access control, adequate information disclosure to all stakeholders. The Company also has an Investor Relations unit to represent the company in communication with institutional and individual investors, stock analysts and other people. The Investor Relations Office: Tel 02 689 7009, website: www.aeon.co.th

Last year the Company provided information to both Thai and foreign analysts and investors through "Company Visiting" at our Company, totaling 70 meetings. The Company also joined domestic and institutional roadshows on yearly basis. Moreover, the Company has disclosed important financial transactions such as issuing debenture and securitization to analysts and investors and disclosed information through website and press release. The investor relations also answer company information through conference calls and emails on regular basis.

SHAREHOLDERS' RIGHTS

For shareholders' confidence and protect their benefits, all necessary information is disclosed in an accurate, timely, and transparency for the public to be informed before making investment decisions.

In FY 2006, The Company conducted one shareholders' meeting on June 15, 2006 and sent a notification and its agenda and relevant information for consideration 15 days prior to the date of the meeting. The shareholders' notice was also published in a Thai and English daily newspaper for 3 consecutive days and at least 3 days prior to the date of the meeting as well as disclosed the agenda on the Company's website. In this regard, each agenda item was stated clearly whether it is a matter proposed for acknowledgement, for approval, or for consideration, including opinion of the Board of Directors. After the meeting the Company also prepared a minute of the shareholders' meeting and questions and answers for shareholders.

At the shareholders' meeting in 2006, there were 7 directors attended the meetings together with Vice Chairman of the Board and Audit Committee members as well as the auditor and legal advisors of the Company. The Chairman of the meeting had allocated appropriate time and encouraged equal opportunities for shareholders to express their opinions and raise any question at the meeting. Those issues and questions also are included in the minute of the meeting.

ROLE OF STAKEHOLDER PARTIES

Shareholder:	The Company is responsible to the shareholders by emphasizing on business growth and creates long-term returns to shareholders. After became listed company in 2001, the company has ensured steady increasing dividends for 5 consecutive years.
Employee:	The Company has recognized its employees as crucial to success. The Company supports good quality of life in the workplace, education and training to the employees to ensure their standards of professional service to customers. The employees also received fairly benefits and rewards for their dedication to the company on yearly basis.
Customer:	Customers' satisfaction is the high priority focus of the Company and has committed to promote secure management of personal information. The Company has raised awareness of the need to protect personal information and comply fully with relevant laws. In addition, the company also provides several channels for receiving customer complaints and resolving problems fairly, carefully, and confidentially.
Competitor:	The Company executes the business under a fair competition and integrity approaches
Business partner:	The Company strictly treats any agreements and conditions with honorably for a long-term relationship with all partners.
Society:	The Company is aware of the responsibility towards the public and environment by supporting activities that conserve the environment and contribute to society.

GOVERNANCE OF THE USAGE OF INSIDE INFORMATION

The Company sets up the following policies to protect directors and executive officers to exploit the Company's inside information for their own benefit.

1. The directors of executive officers, including his/her spouse and minor child, shall not use any inside information for the buying, selling, transferring or acceptance of transfer of the Company's securities before the disclosure of such information to the public, especially one month before the disclosure of the financial statement to the public. In addition, after the disclosure of the information, the above-mentioned person should not buy or sell securities until the public who receive such information has had an opportunity to evaluate it thoroughly.

2. The Company shall educate the directors and executive officers who have responsibilities to report the possession of securities by himself/herself, his/her spouse and his/her minor child that when the directors or executive officers including their spouse of their minor child buy, sell, transfer or accept transfer of the securities of the Company, they have duties to submit the reports of securities holding in accordance with the Notification of the Securities and Exchange Commission and the Stock Exchange of Thailand.

INTERNAL CONTROL

At the meeting of the Audit Committee meeting, No. 1/2007, dated April 19, 2007, with the two audit committee members in attendance the Audit Committee Meeting evaluated the internal control systems covering 5 parts: organization and environment, risk management, supervision of the management, information technology and data communication, and monitoring system, by asking for information from the Company's management. The Audit Committee Meeting considered that the Company has sufficient internal controls systems regarding the making of transactions with major shareholders, directors, management or any person related to all such persons. In respect of internal control of other issues, the Audit Committee Meeting considered that the internal controls also are sufficient.

AUDITOR FEE AND OTHERS EXPENSES

The Company appointed three auditors from Deloitte Touche Tohmatsu Jaiyos Audit Company Limited. Deloitte Touche Tohmatsu Jaiyos Audit Company limited and the auditors proposed as auditor of the Company and its subsidiary company have no relationship or any interest with the Company or its subsidiary company, executives, major shareholders, or related persons, in the way impact their performing task independently. Either one of them shall have the authority to audit, performs, expresses an opinion, and signs on financial statements of the Company.

For the fiscal year 2002 - 2006 the auditors are as follows

	CPA Number	Fiscal Year of auditing
1. Mr. Permsak Jerajakwattana	3427	2003 - 2006
2. Mrs. Nachalee Boonyakarnkul	3126	2000 - 2002
3. Mr. Niti Jungnitnirundr	3809	-

Moreover, Deloitte Touche Tohmatsu Jaiyos Audit Company Limited is the auditor of Eternal 3 Special Purpose Vehicle Co., Ltd., the subsidiary of the Company.

Audit fee

Auditor fee and non-auditor fee paid to Deloitte Touche Tohmatsu Jaiyos Company Limited for the fiscal year 2006 - 2007

(Baht)

	FY 2007	FY 2006
1. Auditor fee	Not more than 4,400,000	4,150,000
2. Non- auditor fee (Miscellaneous expenses)	Not more than 100,000	17,125
Total	Not more than 4,500,000	4,167,125

Note: The miscellaneous expenses are Copy, stamps, transportation etc. pay to Deloitte Touche Tohmatsu Jaiyos Audit Company Limited.

Related Party **Transaction**

During the FY 2006 ended on February 20, 2007, the Company has related party transactions with persons with a possibility of conflict of interest as follows:

Person with possibility to cause conflict	Relationship	Nature/ Size of Transaction	Necessity and Reasonableness of Transactions
Siam Jusco Co., Ltd. ("Siam Jusco")	The Company Holding 8.5% stake in Siam Jusco. Jointly having Mr. Noppun Muangkote and Mr. Masao Mizuno as directors	1. The Company has entered into the rental and service agreements for one branch office with Siam Jusco, Rachadapisek Branch. Total rental area of 128 square meters, lease term of 3 years from July 1, 2004 to June 30, 2007, monthly rental and service fee of 69,000 baht	The Company rent area in order to set up its branch office which is considered the normal business operation. Rental and service fees that the Company paid to Siam Jusco were relatively close to the fees Siam Jusco charged from other customers. The Audit Committee provided opinion on this transaction that it was reasonable and fair and also considered it as a normal course of business.
		2. The Company also rents areas in 5 locations of Siam Jusco for installing ATM in which the Company has total expense of 19,660 baht per month.	The Company rents area from Siam Jusco in order to have its ATMs located. This is considered as a normal business practice as the rental fee the Company paid to Siam Jusco was close to the fee that the Company paid to other department stores in the same location. The Audit Committee also provided opinion on this transaction that it was reasonable and fair. They also considered this transaction the normal business course.
		3. The Company operates credit card businesses with Siam Jusco. In FY 2006, the Company received commission fee from Siam Jusco for credit card business in the amount of 523,584 baht. As at February 20, 2007, the Company had accounts payable - Siam Jusco amounted of 1,903,530 baht. Received payment from the company's customers amounted of 3,798,440 baht	Doing Credit Card business through Siam Jusco is considered as the Company's normal business operation. The Company does not have to pay any fee to them. For Credit Card business, the commission fee that the Company charged from Siam Jusco is nearly the same as the fee charged from other department stores. For this transaction, the Audit Committee provided their opinion that it was reasonable and fair. They also considered this transaction as a normal course of business.

Person with possibility to cause conflict	Relationship	Nature/ Size of Transaction	Necessity and Reasonableness of Transactions
ACS Capital Corporation Ltd. ("ACS")	Holding 19.20% stake in the Company and jointly has Mr. Yoshiki Mori, Mr. Masao Mizuno, Ms. Kannika Kursirikul and Mr. Shigeto Nasu as directors and management.	<p>1. The Company has provided management service to ACS such as the management fee at the rate of baht 600,000 baht per month (increased to be 1,000,000 baht per month starting from August 21, 2006) for marketing support fee at the rate of 300,000 baht per month, for the computer fee at the rate of 700,000 baht per month. In addition, the company received 50,000 baht per month for marketing research in Vietnam from ACS since November 2005. In FY2006, the Company had the revenue from this service in the amount of 22.20 million baht As of February 20, 2007, the Company had account receivable with ACS at the amount of 352,942 baht.</p> <p>2. The Company also has rented cars from ACS for the company's management and branch managers. In FY2006, the company paid 12,628,497 baht for car rental.</p>	<p>The Company provides management service to ACS after the restructuring of the shareholding structure and business structure between the Company and ACS. However, the ACS had ceased its business until the year 2005 and started operating business again in car rental service and leasing business. Hence, at the beginning, the Company has provided back office service such as computer service, marketing research, and accounting etc. There is no comparable fee for this service as the Company does not provide this kind of service to others. However, the fee for ACS service was charged adequately to cover the costs used to provide the service such as employee expense, communication expense, etc.</p> <p>Due to business of ACS Capital Corporation Limited was expanded, thus the management fee increased from 600,000 baht to be 1,000,000 baht per month starting from August 21, 2006.</p> <p>The audit committee provided the opinion that this transaction was necessary and reasonable. In the future, the Company still provided this kind of service to ACS and the audit committee will jointly take care of this transaction in order to make this transaction to be reasonable and comply with the agreement.</p>

Person with possibility to cause conflict	Relationship	Nature/ Size of Transaction	Necessity and Reasonableness of Transactions
ACS Insurance Broker (Thailand) Co., Ltd. (ACS Insurance)	Mr. Masao Mizuno, Ms. Suporn Wattanavekin, and Mr. Apichat Nantatarn are directors of both ACS Insurance and the Company.	<p>1. The Company has provided management services and general administration to ACS Insurance. ACS Insurance pays services and the management fee at the rate of 600,000 baht per month, for marketing support fee at the rate of 300,000 baht per month, and for the computer fee at the rate of 200,000 baht per month, starting from July 2006.</p> <p>In FY 2006, the Company had revenue from collection fee from insurance of motorcycle hire purchase 9.25 million baht. The company has total income from ACS Insurance of 21,650,726 baht</p> <p>2. As at February 20, 2007, the Company had other account receivable with ACS Insurance at the amount of 67,914 baht and account payable of 45,188,848 baht and other liabilities of 3,452,569 baht.</p>	<p>The services fee received from ACS Insurance is charged to cover the cost for providing the services such as commission fee, employee expenses communication expenses, etc.</p> <p>The Audit Committee provided their opinion that it was fair and reasonable price.</p> <p>The business with ACS Insurance is considered as normal operation. The rate charged on commission of motorcycle insurance with ACS Insurance is market rate.</p>
Jay Mart Public Company Limited (Jay Mart)	Mr. Dej Bulsuk is the independent director and audit committee member of both companies.	<p>1. The Company has entered hire purchase and loan business for purchasing mobile phones and equipment through Jay Mart as one of our dealer</p> <p>2. In FY 2006, the Company paid marketing commission fees to Jay Mart 7,776,568 baht As of February 20, 2007, the Company had other liabilities with Jay Mart of 582,960 baht</p>	<p>The hire purchase and loan business through Jay Mart is considered as the Company's normal business operation. The marketing commission fee that the Company paid to Jay Mart for hire purchase and loan of mobile and equipment considered as the normal rate as the market charged from other stores.</p> <p>For this transaction, the Audit Committee provided their opinion that it was reasonable and fair. They also considered this transaction as a normal course of business.</p>

Company Profile

Company Name AEON Thana Sinsap (Thailand) Public Company Limited

Registration Number Bor. Mor. Jor. 0107544000078

Address 388 Exchange Tower, 27th Floor, Sukhumvit Road
Khwaeng Klongtoey, Khet Klongtoey, Bangkok 10110
Tel. 0-2689-7197 Fax. 0-2689-7007
www.aeon.co.th

Business Hire Purchase, Credit Card, Personal Loan and
Factoring Services

Number and Type of Registered	Ordinary shares	250,000,000 shares
Shares Issued by the Company	Ordinary shares paid up	250,000,000 shares
	Par Value of share	1 baht
	Total Value	250,000,000 baht

REFERENCE

Securities Registrar Thailand Securities Depository Company Limited
Capital Market Academy
Building 2nd Floor (North Park Project)
2/7 Moo 4 Vibhavadi-Rangsit Road, Tungsonghong,
Laksi, Bangkok 10210
Tel. 0-2596-9000

Auditor Deloitte Touche Tohmatsu Jaiyos Audit Company Limited
Rajanakarn Building, 25th Floor,
183 South Sathon Road, Yannawa, Sathon, Bangkok 10120
Tel. 0-2676-5700 Fax. 0-2676-5757-8

Legal Advisor White & Case (Thailand) Limited
Gaysorn Plaza, 4th - 5th Floor,
999 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330
Tel. 0-2656-1721 Ext. 5108 Fax. 0-2656-1733-4

Branch Network

Branch in Bangkok and Vicinity (28 Branches)

Branch	Address	Telephone No.	Fax No.
1 Sermit Tower	159 1-2 Fl., Sermit Tower, Asoke Rd., (Sukhumvit 21) Klongtoey Nua, Wattana, Bangkok 10110	0-2665-0297-8	0-2665-0237 0-2665-0792
2 Jusco Ratchadapisek	Jusco Ratchadapisek 129 3 rd Fl., Ratchadapisek Rd., Dindaeng, Bangkok 10400	0-2248-1942 0-2247-8413	0-2- 248-1943
3 Central Rattanathibet	Central Rattanathibet 2 nd Fl., 68/100 Moo 8, Rattanathibet Rd., Bangkasor, Nonthaburi 11000	0-2526-8031-2	0-2526-8030
4 CP. Tower	C.P. Tower 4 th Fl., 313 Silom Rd., Bangrak, Bangkok 10500	0-2238-2132	0-2638-2928
5 Tang Hua Seng	Tang Hua Seng Department Store 4 th Fl., 289 Sirinthorn Rd., Bngbumruh, Banglpad, Bangkok 17000	0-2423-2172-4	0-2423-2175
6 Secon Square Srinakarin	Secon Square Shopping Mall Room No. 2018 2 nd Fl., Srinakarin Rd., Nongbon, Pravet, Bangkok 10250	0-2320-2950-2	0-2721-8379
7 Lotus Laksi	Lotus Laksi 559 2 nd Fl., Moo 3, Anusawaree, Bangkaen, Bangkok 10220	0-2955-7213-4	0-2955-7215
8 Future Park Rangsit	Future Park Rangsit 94 Room No.101/R 1F Fl., Moo 2, Phahonyothin Rd., Pachathipat, Tanyaburi, Phatumthanee 12110	0-2958-6204-8	0-2958-6209
9 Fashion Island	5/5-6 Moo 7, Fashion Island Shopping Center, Room No. 2032, Ramindra Rd., Kannayao, Bangkok 10230	0-2947-5088 0-2540-6700-6	0-2947-5089 0-2540-6709
10 Huamark	Big C Huamark 2001 Room No. G26-28 Ramkhamhaeng Rd., Huamark, Bangkok, Bangkok 10240	0-2314-7341-2	0-2314-7343
11 Bangna	Lotus Bangna 14/9 Moo 13 Bangna-Trad Rd., Bangkaew, Bangplee, Samutprakarn 10540	0-2313-3196-7	0-2739-9167
12 Thapra	The Mall Thapra 2S-C9 2 nd Fl., 99 Ratchada Rd., Bukkaloo, Thonburi, Bangkok 10600	0-2477-9949	0-2477-9950
13 Rangsit	Lotus Rangsit 392/104 Room No 106, Moo 2, Prachatipat, Tanyaburi, Prathumthani 12130	0-2567-4962-3	0-2567-0359
14 Lotus Bangkok	Lotus Bangkok 3109 Lotus Bangkok Ladpraw Rd., Klongjan, Bangkok, Bangkok 10240	0-2374-2823	0-2374-2836

Branch	Address	Telephone No.	Fax No.
15 The Mall Bangkapi	The Mall Bangkapi 3522 1 st Fl., Room No. 1S-L23 Ladpraw Rd., Klongjan, Bangkapi, Bangkok 10240	0-2374-5165 0-2704-7640	0-2374-5175
16 Central Rama II	128 Moo 6, Room No. 329 3 rd Fl., Central Rama II, Rama II Rd., Samaedam, Bangkhunthien, Bangkok 10150	0-2872-4486	0-2872-4487
17 Lotus Jaransanitwong	Lotus Jaransanitwong 244 Jaransanitwong Rd., Bangpat, Bangkok 10700	0-2424-9275-6	0-2424-9408
18 Carrefour Ramindra	Carrefour Ramindra 59 Moo 4, Ramindra Rd., Anusawaree, Bangkaen, Bangkok 10220	0-2971-5176-7	0-2971-5178
19 Carrefour Samrong	1293 Moo 4, Carrefour Samrong 2 nd Fl., Taparak, Muang Samutprakan, Samutprakan 10270	0-2380-6437	0-2380-6439
20 Imperial Samrong	999 Moo 1, Imperial Samrong 2 nd Fl., Room No. S2FIS- 49, Sukumvit Rd., Samrong, Muang, Samutprakan 10270	0-2756-8726-7	0-2756-8728
21 Lotus Rama 1	831 Lotus Rama1, 3 rd Fl., Rama 1 Rd., Wangmai, Patumwan, Bangkok 10330	0-2612-3405-6	0-2612-3407
22 Bic C Sapankwai	Bic C Sapankwai 618/1 Bic C Shopping Plaza Supermarket, Sapankwai Branch, Phaholyothin Rd., Samsen Nai, Phayathai Bangkok 10400	0-2615-4527-8	0-2615-4529
23 The Mall Ngamwongwan	The Mall Ngamwongwan 3 rd Fl., 30/39-50 639 Moo 2, Room No. 3S-C4A, 3S-C5A, Ngwongwan Rd., Bangkokhen, Muangnonthaburi, Nonthaburi 11000	02-951-9092 02-951-9268	02-951-9497
24 Central Ladplao	Central Plaza Ladplao Department 1691/1 Room No. 261, 2 nd Fl., Paholyothin Rd., Jatujak, Bangkok 10900	0-2513-3677 0-2513-3690	0-2937-0530
25 Lotus Pathumthani	Lotus Pathumthani 21/49 Pathum-samkhok, Bangpork, Muang, Pathumthani 12000	0-2581-8453	0-2581-8454
26 Carrefour Bangyai	Carrefour Bangyai 9/9 Room No. F2/8 Moo 11, Talingchan-suphanburi Rd., Bangrukpattana, Bangbuatong, Nonthaburi 11110	0-2903-3689	0-2903-3690
27 Lotus Bangna KM.12	Lotus Bangna KM.12 99/27 Moo 1, Racathawa, Bangplee, Samutprakan 10540	0-2751-0594	0-2751-0595
28 The Mall Bangkae	The Mall Bangkae 2S-L19 2 nd Fl., 275 Moo 1, Petkaseam Rd., Bangkaenuer, Bangkae, Bangkok 10160	0-2454-8177	0-2454-8178
Northern Region 9 Branches			
1 Chiang Mai	Central Airport Plaza Room No 359/1 3 rd Fl., 2 Mahidol Rd., Muang, Chiangmai 50000	0-5320-2031-2	0-5320-2033
2 Lotus Hangdong	132 Moo1, Padad, Muang, Chiangmai 50000	0-5380-7524-6	0-5380-7517

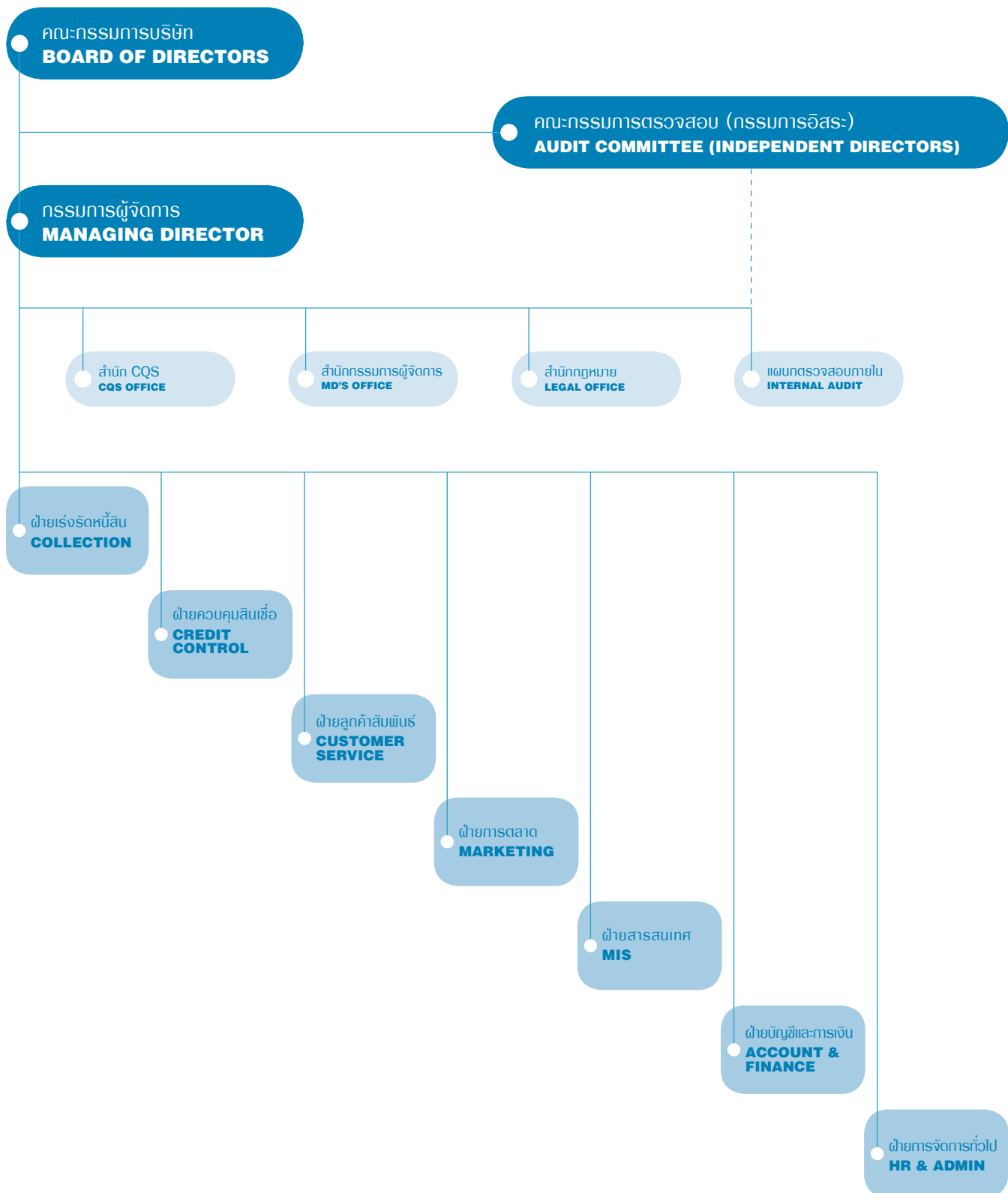
Branch	Address	Telephone No.	Fax No.
3 Lotus Khamthieng	Lotus Khamthieng 19 Talad Khamthieng Rd., Patan, Muang, Chiangmai 50000	0-5387-2845	0-5384-2846
4 Chiang Rai	Api Square Plaza Department 1 st Fl., 882/102 Udonkit Rd., Weang, Muang, Chiangrai 57000	0-5363-3123 0-5374-7180-4 0-5374-7132-6	0-5371-8449 0-5371-8368
5 Lampang	238-238/1 Sanambin Rd., Muang, Lampang 52000	0-5437-7123	0-5437-7191-2 0-5431-4511
6 Phitsanulok	Lotus Phitsanulok 909 Moo 3, Phitsanulok-Lomsak Rd., Aranyik, Muang, Phitsanulok 65000	0-5522-9123	0-5522-9191-2
7 Nakhonsawan	V Square Center 320/11 Room No. 208 and 209/1, 2 nd Fl., Sawanvitee Rd., Paknumpho, Muang, Nakhonsawan 60000	0-5632-1123	0-5632-1191-3
8 Lotus Mae Sai	Lotus Mae Sai 156 Moo 5, Thanghluang No.1 Rd., Weangpa, Mae Sai, Chiangrai 57130	0-5373-4558	0-5373-4558
9 Petchaboon	Lotus Petchaboon 19 Ketpunya Rd., Naimuang, Muang, Petchaboon 67000	0-5674-1619-21	0-5674-1621
Central Region 19 Branches			
1 Saraburi	141 Samyakitthaphap, Phaholyothin Rd., Pak-Preaw, Muang, Sraburi 18000	0-3632-8123	0-3632-8191-2
2 Lopburi	Lotus Lopburi 2 nd Fl., Praholyothin Rd., Thasala, Muang, Lopburi 15000	0-3663-4123	0-3663-4191
3 Suphanburi	Lotus Suphanburi 293 Moo 5, Supanburi-Chainart Rd., Tarrhat, Muang, Supanburi 72000	0-3540-1123	0-3550-2666-7
4 Ayuthaya1	51/287-290 Rotjana Rd., Thanu, Uthai, Phanakornsri Ayuttaya 13000	0-3533-6670	0-3571-4191-2
5 Ayuthaya 2	Lotus Ayuthaya 126 Ayuthaya Park 2 nd Fl., Room No. I-46 Moo 3, Asia Rd., Klong-Suanplu, Phanakornsri Ayuttaya, Ayuttaya 13000	0-3571-4123	0-3534-6256
6 Nakhonpathom	286, 288 Tesa Rd., Phraphathomjedee, Muang, Nakhonpathom 73000	0-3436-2123	0-3436-2191-2
7 Samuthsakorn	322/90 Ekachai Rd., Mahachai, Muang, Samuthsakorn 74000	0-3482-8123	0-3482-8191-2
8 Rayong	23/20-21 Moo 3 Nemptra, Muang, Rayong 21150	0-3896-6222	0-3896-6421 0-3862-3943
9 Chonburi 1	Pacific Park Building 90 Room No. 224 2 nd Fl., Sukumvit Rd., Sriracha, Chonburi 20110	0-3876-7123 0-3832-4360-1 0-3832-4072	0-3832-4475 0-3832-7470

Branch	Address	Telephone No.	Fax No.
10 Chonburi 2	Near Pacific park 42, 44 Srirachanakorn 3 Rd., Sriracha, Chonburi 20110	0-3244-5123 0-3877-1570-4 0-3832-7506	0-3877-1449
11 Pattaya Nua	Lotus Pattaya Nua 1 st Fl., 221/19 Moo 5, Pattaya Nua Rd., Nakuea, Banglamung, Chonburi 20150	0-3837-0960-1	0-3841-1187
12 Amata Nakorn	700/2 Moo 1, Amata Nakorn Building 2 nd Fl., Klongtamhru, Muang, Chonburi 20000	0-3874-4100	0-3874-4101
13 Pethburi	Commercial Building Near Pethcharat Hospital 43/19 Petchakasem Rd., Banmoh, Maung, Pethburi 76000	0-3244-5123 0-3241-0964	0-3241-0969-71
14 Lotus Ratchaburi	Lotus Ratchaburi 8/4 Kathatorn Rd., Namuang, Muang, Ratchaburi 70000	0-3235-0372-3	0-3235-0372-3
15 Lotus Chanthaburi	Lotus Chanthaburi 1 st Fl., 25/4 Phayatrang Rd., Watmai, Muang, Chanthaburi 22000	0-3930-3389 0-3930-3391	0-3935-1325
16 Kanjanaburi	35/10 Crossroads Chukkadon, Bantai, Muang, Kanjanaburi 71000	0-3462-3672-5	0-3441-3151-2
17 Huahin	Huahin Market village Department Room No. A 302 3 rd Fl., 234/1 Pectkaseam Rd., Huahin, Prachuapkhirikhan 77000	0-3252-6213-4	0-3252-6215
18 Chacheongsao	Major Chacheongsao 9/2 Room No. 9 and 10 Chacheongsao-Bankpakoog Rd., Narmuang, Muang, Chacheongsao 24000	0-3853-5348 0-3853-5178	0-3851-8782
19 Lotus Sattahip	Lotus Sattaheep 2 nd Fl., 179 Moo 2, Sukhumvit Rd., Sattaheep, Chonburi 20180	0-3930-3389 0-3930-3391	0-3935-1325
North-Eastern Region 12 Branches			
1 Udonthani	119/13-14 Nityo Rd., Mak-khaeng, Muang, Udonthani 41000	0-4220-4780-5 0-4230-8123	0-4220-4786-7 0-4232-3855
2 Khonkaen	Opposite Fairyland Plaza NR Building 1 st Fl., 552/5 Namuang Rd., Nimunag, Muang, Khonkaen 40000	0-4338-9100-2 0-4338-9231-6	0-4338-9115 0-4338-9105 0-4338-9097
3 Ubonratchathani	47 Sinratchabutr Building 1 st Fl., Room No. 101 Ratchabutr Rd., Nai Muang, Muang, Ubonratchathani 34000	0-4520-8123 0-4526-2802-6	0-4524-0702 0-4525-0698 0-4526-2984
4 Nakhonratchasima 1	The Mall Department Store 2 nd Fl., Room No. 2P-52 Mittapap Rd., Nai Muang, Muang, Nakhonratchasima 30000	0-4470-9123 0-4425-8301	0-4428-8303
5 Nakhonratchasima 2	1206/2-4 Opposite Asia Bank Mittapap Rd., Nai Muang, Muang, Nakhonratchasima 30000	0-4426-3606-14	0-4426-3605 0-4434-2025

Branch	Address	Telephone No.	Fax No.
6 Surin	Near Thongtharin Hotel 4/1 Sirirat Rd., Nai Muang, Muang, Surin 32000	0-4453-1701-4 0-4471-3088-91	0-4453-1695 0-4453-1705
7 Nongkai	Jeang-Future Plaza 304 Room No. A-03 Moo 10, Mitthapab Rd., Prochai, Muang, Nongkai 43000	0-4241-3438	0-4241-3435
8 Lotus Chaiyaphoom	Lotus Chaiyapoom 2 nd Fl., 171 Sanambin Rd., Naimuang, Muang, Chaiyapoom 36000	0-4483-8151 0-4480-4123	0-4483-8152
9 Roied	Nawada Multiplex 1 st Fl., 68/3 Tewapiban Rd., Naimuang, Muang] Roied 45000	0-4351-6400-1 0-4361-9123	0-4351-6402
10 Lotus Loei	Lotus Loei 2 nd Fl., 51/3 Sertsri Rd., Kudpong, Muang, Loei 42000	0-4283-3543-4	0-4283-3664
11 Sakonnakorn	Nawada Multiplex 1 st Fl., 1594/17 Room No. A-01 Robmuang Rd., Thatcheongchum, Muangsakhonnakorn, Sakhonnakorn 47000	0-4273-1410-4 0-4270-0123	0-4271-4028
12 Lotus Sawangdanedin	Lotus Sawangdanedin 1 st Fl., Room No. 501 Moo 2, Sawangdanedin, Sawangdanedin, Sakornnakhon 47110	0-4273-7746	0-4273-7747
Southern Region 8 Branches			
1 Had Yai	Julladhit Had Yai Piazza 1 st Fl., 200 Room No. 102, 104, 106, 108, 114, 116 Nipat Utis 3 Rd., Had Yai, Songkhla 90110	0-7427-1000	0-7435-5297-9
2 Carrefour Had Yai	677 Carrefour Had Yai Petkaseam Rd., Had Yai, Songkla 90110	0-7446-9181-2	0-7446-9183
3 Suratthani	Lotus Suratthani 9/1 Moo 3, Lengmuang Rd., Makhamtie, Muang, Suratthani 84000	0-7720-5020-3 0-7728-9683-4	0-7720-5832-3
4 NakhonSithammarat	First City Building 89/10-11 Pattanakarn Koo-Kwang Rd., Naimuang, Muang, Nakornsrihammarat 80000	0-7530-4000	0-7534-0674-5
5 Phuket	75 Moo 5, Central Festival Phuket 2 nd Fl., Room No. TC-024 Wichit, Muang, Phuket 83000	0-7636-2000	0-7624-9849 0-7624-9850
6 Trang	59/8-9 Huayyod Rd., Tabtieng, Muang, Trang 92000	0-7520-5000	0-7521-9141 0-7522-3249
7 Chumporn	113/7 Khommarungchumporn Rd., Thatapao, Muang, Chumporn 86000	0-7752-9000	0-7757-2120-21
8 Samui	Lotus Samui 1/7 Moo 6, Borpud, Khosamui, Suratthani	0-7724-5303 0-7724-5307	0-7724-5310

โครงสร้างบริษัท

Organization Chart



Major Group Companies

(As of February 20, 2007)

General Merchandise Stores (GMS)

- AEON Co., Ltd.
- Posful Corporation
- AEON Stores (Hong Kong) Co., Ltd.
- AEON Co., (M) Bhd.
- AEON Kyushu Co., Ltd.
- AEON Super Center Co., Ltd.
- AEON Marche Co., Ltd.
- MYCAL Corporation
- MYCALKYUSHU Corporation
- Ryukyu JUSCO Co., Ltd.
- AEON (China) Co., Ltd.
- Guangdong JUSCO Teem Stores Co., Ltd.
- Qingdao AEON Dongtai Co., Ltd.
- Shenzhen JUSCO Friendship Co., Ltd.
- Taiwan AEON Stores Co., Ltd.

Supermarkets

- INAGEYA Co., Ltd.
- Kasumi Co., Ltd.
- Maxvalu Chubu Co., Ltd.
- Maxvalu Nishinohon Co., Ltd.
- Maxvalu Tohoku Co., Ltd.
- Maxvalu Tokai Co., Ltd.
- Belc Co., Ltd.
- Maxvalu Hokkaido Co., Ltd.
- Maxvalu Kyushu Co., Ltd.
- Maxvalu Nagoya Co., Ltd.
- JOY Co., Ltd.
- Siam JUSCO Co., Ltd.

Drugstores

- CFS Corporation
- TSURUHA Holding, Inc.
- WELCIA KANTO Co., Ltd.
- KUSURI NO AOKI Co., Ltd.
- Kraft Inc.
- Terashima Co., Ltd.
- Medical Ikkou Co., Ltd.
- Welpark Co., Ltd.
- Takiya Co., Ltd.

Home Centers

- Sunday Co., Ltd.
- Homac Corp

Convenience Stores

- Ministop Co., Ltd.

Department Stores

- Tachibana Department Store Co., Ltd.
- Bon Belta Co., Ltd.

Specialty Stores

- The Talbots, Inc.
- Taka-Q Co., Ltd.
- YAMAYA Corp.
- TSURUYA SHOE STORE Co., Ltd.
- Cox Co., Ltd.
- Blue Grass Co., Ltd.

- Abilities JUSCO Co., Ltd.
- AEON Forest Co., Ltd.
- AEON Bakery System Co., Ltd.
- ORIGIN TOSHU Co., Ltd.
- Claire's Nippon Co., Ltd.
- Talbots Japan Co., Ltd.
- Nustep Co., Ltd.
- Petcity Co., Ltd.
- Mycal CANTEVOLE Co., Ltd.
- MIRAIYA SHOTEN Co., Ltd.
- Mega Sports Co., Ltd.
- Mega Petro Co., Ltd.
- Loura Ashley Japan Co., Ltd.

SC Development Operations

- Diamond City Co., Ltd.
- AEON Mall Co., Ltd.
- LOC Development Co., Ltd.

Financial Services

- AEON Credit Service Co., Ltd.
- AEON Credit Service (Asia) Co., Ltd.
- AEON Thana Sinsap (Thailand) Plc.
- ACS Credit Management Co., Ltd.
- NCS Kosan Co., Ltd.
- AEON Credit Card (Taiwan) Co., Ltd.
- AEON Credit Guarantee (China) Co., Ltd.
- AEON Credit Service (M) Berhad.
- AEON Credit Service (Taiwan) Co., Ltd.
- AEON Information Service (Shenzhen) Co., Ltd.
- PT. AEON Credit Service Indonesia

Services

- AEON dilight Co., Ltd.
- AEON Fantasy Co., Ltd.
- Zwel Co., Ltd.
- Certo Corporation
- AEON Cinemas Co., Ltd.
- AEON Demonstration Service Inc.
- Jusvel Co., Ltd.
- Research Institute For Quality Living Co., Ltd.
- Refrom Studio Co., Ltd.
- Warner Mycal Co., Ltd.

Food Services

- AEON Eaheart Co., Ltd.

Food Processing, Distribution and Other Operations

- Aic, Inc.
- Condon Vert Co., Ltd.
- Food Supply JUSCO Co., Ltd.
- Tasmania Feedlot Pty. Ltd.

e-commerce Business

- AEON Visty Co., Ltd.

- AEON 1% Club
- AEON Environment Foundation
- The Cultural Foundation of Okada



AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED



Planting Seeds of Growth

We are AEON