

REVIEW REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE BOARD OF DIRECTORS

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED

We have reviewed the consolidated balance sheet of AEON Thana Sinsap (Thailand) Public Company Limited and its subsidiaries and the separate balance sheet of AEON Thana Sinsap (Thailand) Public Company Limited as at August 20, 2007, and the related consolidated and the separate statements of income for the quarters and six-month periods ended August 20, 2007 and 2006, and the consolidated and the separate statements of changes in shareholders' equity and cash flows for the six-month periods ended August 20, 2007 and 2006. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. Our responsibility is to report on these financial statements based on our reviews.

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

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

We have previously audited, in accordance with generally accepted auditing standards, the consolidated and the separate financial statements for the year ended February 20, 2007, and expressed an unqualified opinion in our report dated April 4, 2007. The consolidated and the separate balance sheets as at February 20, 2007, presented herein for comparison, have been derived from such financial statements which have been audited and reported on. We have not performed any other audit procedures subsequent to such report date.

BANGKOK
September 17, 2007

Permsak Jerajakwattana
Certified Public Accountant (Thailand)
Registration No. 3427
DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT AUGUST 20, 2007 AND FEBRUARY 20, 2007

BAHT : '000

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	“Unaudited”		“Unaudited”	
	As at	As at	As at	As at
	August 20,	February 20,	August 20,	February 20,
	2007	2007	2007	2007
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	966,835	731,883	908,010	661,795
Accounts receivable	22,552,146	23,310,812	22,109,442	22,847,154
<u>Less Allowance for doubtful accounts</u>	<u>(701,815)</u>	<u>(722,768)</u>	<u>(655,312)</u>	<u>(667,076)</u>
Accounts receivable - net (Note 5.1)	<u>21,850,331</u>	<u>22,588,044</u>	<u>21,454,130</u>	<u>22,180,078</u>
Other current assets				
Other accounts receivable	372,780	262,204	451,311	291,118
Value-added-tax refundable	6,455	4,739	6,455	4,739
Others	77,940	74,043	77,938	74,041
	<u>457,175</u>	<u>340,986</u>	<u>535,704</u>	<u>369,898</u>
Total Current Assets	<u>23,274,341</u>	<u>23,660,913</u>	<u>22,897,844</u>	<u>23,211,771</u>
NON-CURRENT ASSETS				
Accounts receivable - net (Note 5.1)	1,261,621	1,278,363	1,261,621	1,278,363
Investment in subsidiaries (Notes 3 and 14.1)	-	-	21	14
Other long-term investments				
Related companies (Note 6.1)	30,443	30,443	30,443	30,443
Other companies (Note 6.2)	21	22	21	22
	<u>30,464</u>	<u>30,465</u>	<u>30,464</u>	<u>30,465</u>
Participation in Special Purpose Vehicle for Securitization (Note 7)	305,970	267,162	805,813	724,385
Subordinated lending (Note 8)	2,447,500	1,703,500	2,447,500	1,703,500
Equipment - net	342,918	261,369	342,918	261,369
Intangible assets	562,239	526,341	562,239	526,341
Other non-current assets	359,588	313,546	359,588	313,546
Total Non-Current Assets	<u>5,310,300</u>	<u>4,380,746</u>	<u>5,810,164</u>	<u>4,837,983</u>
TOTAL ASSETS	<u><u>28,584,641</u></u>	<u><u>28,041,659</u></u>	<u><u>28,708,008</u></u>	<u><u>28,049,754</u></u>

See notes to the interim financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (CONTINUED)

AS AT AUGUST 20, 2007 AND FEBRUARY 20, 2007

BAHT : '000

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	“Unaudited”		“Unaudited”	
	As at	As at	As at	As at
	August 20,	February 20,	August 20,	February 20,
	2007	2007	2007	2007
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Short-term loans from financial institutions				
(Note 9)	3,035,355	2,430,801	3,035,355	2,430,801
Current portion of :-				
- Long-term loans (Note 10)	5,560,145	5,428,319	5,560,145	5,428,319
- Long-term debentures (Note 11)	1,020,000	-	1,020,000	-
Accounts payable	390,124	360,906	390,124	360,906
Factoring payables	2,580	2,717	2,580	2,717
Other current liabilities				
Accrued income tax	232,998	191,185	209,940	162,901
Accrued interest expense	294,644	561,136	287,645	557,133
Accrued expenses - others	138,325	115,295	134,338	123,823
Accounts payable - others	157,489	148,799	314,967	180,683
Payables per forward exchange contracts				
and currency swap contracts	708,639	658,142	708,639	658,142
Others	29,061	28,262	29,061	28,262
	<u>1,561,156</u>	<u>1,702,819</u>	<u>1,684,590</u>	<u>1,710,944</u>
Total Current Liabilities	<u>11,569,360</u>	<u>9,925,562</u>	<u>11,692,794</u>	<u>9,933,687</u>
NON-CURRENT LIABILITIES				
Long-term loans (Note 10)	12,086,038	11,994,252	12,086,038	11,994,252
Long-term debentures (Note 11)	300,000	1,320,000	300,000	1,320,000
Payables per currency swap contracts	312,212	870,648	312,212	870,648
Total Non-Current Liabilities	<u>12,698,250</u>	<u>14,184,900</u>	<u>12,698,250</u>	<u>14,184,900</u>
TOTAL LIABILITIES	<u>24,267,610</u>	<u>24,110,462</u>	<u>24,391,044</u>	<u>24,118,587</u>

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (CONTINUED)

AS AT AUGUST 20, 2007 AND FEBRUARY 20, 2007

BAHT : '000

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	“Unaudited”		“Unaudited”	
	As at	As at	As at	As at
	August 20,	February 20,	August 20,	February 20,
	2007	2007	2007	2007
LIABILITIES AND SHAREHOLDERS' EQUITY				
(CONTINUED)				
SHAREHOLDERS' EQUITY				
SHARE CAPITAL				
Authorized share capital				
250,000,000 ordinary shares of				
Baht 1 each	250,000	250,000	250,000	250,000
Issued and paid-up share capital				
250,000,000 ordinary shares of				
Baht 1 each, fully paid	250,000	250,000	250,000	250,000
PREMIUM ON ORDINARY SHARE CAPITAL	478,000	478,000	478,000	478,000
RETAINED EARNINGS				
Appropriated				
Legal reserve	25,000	25,000	25,000	25,000
Reserve for business expansion	2,450,000	1,850,000	2,450,000	1,850,000
Unappropriated	1,113,972	1,328,167	1,113,964	1,328,167
Total Company's shareholders' equity	4,316,972	3,931,167	4,316,964	3,931,167
MINORITY INTEREST	59	30	-	-
TOTAL SHAREHOLDERS' EQUITY	4,317,031	3,931,197	4,316,964	3,931,167
TOTAL LIABILITIES AND				
SHAREHOLDERS' EQUITY				
	28,584,641	28,041,659	28,708,008	28,049,754

See notes to the interim financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE QUARTERS ENDED AUGUST 20, 2007 AND 2006

“UNAUDITED”

BAHT : '000

	CONSOLIDATED		SEPARATE		
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
	2007	2006	2007	2006	
REVENUES					
Credit card income	840,216	758,522	714,397	658,412	
Loans income	856,323	669,973	856,323	669,973	
Hire purchase income	347,694	286,189	347,694	286,189	
Factoring income	296	740	296	740	
Other income					
Bad debt recovery	122,440	74,981	117,162	74,895	
Gain on sale of assets	139	33,505	139	33,505	
Gain on sale of investments	53,861	19,817	53,861	19,817	
Others	37,077	64,450	36,820	64,249	
	<u>213,517</u>	<u>192,753</u>	<u>207,982</u>	<u>192,466</u>	
Total Revenues	<u>2,258,046</u>	<u>1,908,177</u>	<u>2,126,692</u>	<u>1,807,780</u>	
EXPENSES					
Operating and administrative expenses	825,351	686,090	812,439	677,556	
Bad debts and doubtful accounts	644,288	567,242	594,196	526,487	
Interest expenses and other funding costs	362,578	305,900	313,572	272,419	
Total Expenses	<u>1,832,217</u>	<u>1,559,232</u>	<u>1,720,207</u>	<u>1,476,462</u>	
INCOME BEFORE INCOME TAX	425,829	348,945	406,485	331,318	
INCOME TAX	<u>128,079</u>	<u>68,736</u>	<u>108,769</u>	<u>51,109</u>	
INCOME AFTER INCOME TAX	297,750	280,209	297,716	280,209	
MINORITY INTERESTS IN NET					
INCOME OF SUBSIDIARIES	<u>(30)</u>	<u>-</u>	<u>-</u>	<u>-</u>	
NET INCOME	<u><u>297,720</u></u>	<u><u>280,209</u></u>	<u><u>297,716</u></u>	<u><u>280,209</u></u>	
BASIC EARNINGS PER SHARE	BAHT	1.19	1.12	1.19	1.12
WEIGHTED AVERAGE NUMBER					
OF ORDINARY SHARES	SHARES	250,000,000	250,000,000	250,000,000	250,000,000

See notes to the interim financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE SIX-MONTH PERIODS ENDED AUGUST 20, 2007 AND 2006

“UNAUDITED”

BAHT : '000

	CONSOLIDATED		SEPARATE		
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
	2007	2006	2007	2006	
REVENUES					
Credit card income	1,655,171	1,489,725	1,427,948	1,311,493	
Loans income	1,686,684	1,286,287	1,686,684	1,286,287	
Hire purchase income	708,689	604,011	708,689	604,011	
Factoring income	670	1,270	670	1,270	
Other income					
Bad debt recovery	230,274	137,366	221,249	137,280	
Gain on sale of assets	216	33,505	216	33,505	
Gain on sale of investments	53,861	19,817	53,861	19,817	
Others	59,489	82,381	59,232	82,180	
	<u>343,840</u>	<u>273,069</u>	<u>334,558</u>	<u>272,782</u>	
Total Revenues	<u>4,395,054</u>	<u>3,654,362</u>	<u>4,158,549</u>	<u>3,475,843</u>	
EXPENSES					
Operating and administrative expenses	1,612,897	1,355,571	1,592,090	1,345,504	
Bad debts and doubtful accounts	1,258,967	1,018,316	1,147,760	957,644	
Interest expenses and other funding costs	709,498	579,178	628,102	513,308	
Total Expenses	<u>3,581,362</u>	<u>2,953,065</u>	<u>3,367,952</u>	<u>2,816,456</u>	
INCOME BEFORE INCOME TAX	813,692	701,297	790,597	659,387	
INCOME TAX	<u>232,870</u>	<u>168,460</u>	<u>209,813</u>	<u>126,565</u>	
INCOME AFTER INCOME TAX	580,822	532,837	580,784	532,822	
MINORITY INTERESTS IN NET					
INCOME OF SUBSIDIARIES	<u>(30)</u>	<u>(15)</u>	<u>-</u>	<u>-</u>	
NET INCOME	<u>580,792</u>	<u>532,822</u>	<u>580,784</u>	<u>532,822</u>	
BASIC EARNINGS PER SHARE	BAHT	2.32	2.13	2.32	2.13
WEIGHTED AVERAGE NUMBER					
OF ORDINARY SHARES	SHARES	250,000,000	250,000,000	250,000,000	250,000,000

See notes to the interim financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE SIX-MONTH PERIODS ENDED AUGUST 20, 2007 AND 2006
 "UNAUDITED"

BAHT : '000

	CONSOLIDATED FINANCIAL STATEMENTS						
	Issued and Paid-up Share Capital	Premium on Ordinary Shares	Appropriated Legal Reserve	Retained Earnings Reserve for Business Expansion	Unappropriated Retained Earnings	Minority Interest	Total
Beginning balance, February 21, 2006	250,000	478,000	25,000	1,300,000	1,156,170	30	3,209,200
Net income	-	-	-	-	532,822	-	532,822
Reserve for business expansion (Note 12)	-	-	-	550,000	(550,000)	-	-
Dividend (Note 12)	-	-	-	-	(179,988)	-	(179,988)
Minority interest							
Net income	-	-	-	-	-	15	15
Dividend	-	-	-	-	-	(15)	(15)
Ending balance, August 20, 2006	<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>1,850,000</u>	<u>959,004</u>	<u>30</u>	<u>3,562,034</u>

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE SIX-MONTH PERIODS ENDED AUGUST 20, 2007 AND 2006
“UNAUDITED”

BAHT : '000

	CONSOLIDATED FINANCIAL STATEMENTS						Total
	Issued and Paid-up Share Capital	Premium on Ordinary Shares	Appropriated Legal Reserve	Retained Earnings Reserve for Business Expansion	Unappropriated Retained Earnings	Minority Interest	
Beginning balance, February 21, 2007	250,000	478,000	25,000	1,850,000	1,328,167	30	3,931,197
Net income	-	-	-	-	580,792	-	580,792
Reserve for business expansion (Note 12)	-	-	-	600,000	(600,000)	-	-
Dividend (Note 12)	-	-	-	-	(194,987)	-	(194,987)
Minority interest							
Issued and paid up share capital - subsidiary	-	-	-	-	-	29	29
Ending balance, August 20, 2007	<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>2,450,000</u>	<u>1,113,972</u>	<u>59</u>	<u>4,317,031</u>

See notes to the interim financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIODS ENDED AUGUST 20, 2007 AND 2006
“UNAUDITED”

BAHT : '000

	SEPARATE FINANCIAL STATEMENTS					Total
	Issued and Paid-up Share Capital	Premium on Ordinary Shares	Appropriated Legal Reserve	Retained Earnings Reserve for Business Expansion	Unappropriated Retained Earnings	
Beginning balance, February 21, 2006	250,000	478,000	25,000	1,300,000	1,156,170	3,209,170
Net income	-	-	-	-	532,822	532,822
Reserve for business expansion (Note 12)	-	-	-	550,000	(550,000)	-
Dividend (Note 12)	-	-	-	-	(179,988)	(179,988)
Ending balance, August 20, 2006	<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>1,850,000</u>	<u>959,004</u>	<u>3,562,004</u>
Beginning balance, February 21, 2007	250,000	478,000	25,000	1,850,000	1,328,167	3,931,167
Net income	-	-	-	-	580,784	580,784
Reserve for business expansion (Note 12)	-	-	-	600,000	(600,000)	-
Dividend (Note 12)	-	-	-	-	(194,987)	(194,987)
Ending balance, August 20, 2007	<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>2,450,000</u>	<u>1,113,964</u>	<u>4,316,964</u>

See notes to the interim financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIODS ENDED AUGUST 20, 2007 AND 2006

“UNAUDITED”

BAHT : '000

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2007	2006	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	580,792	532,822	580,784	532,822
Items to reconcile net income to net cash flows				
from operating activities				
Depreciation	62,542	90,782	62,542	90,782
Bad debts and allowance for doubtful accounts	1,258,968	1,018,316	1,147,761	957,644
Amortization of costs of software	91,733	83,299	91,733	83,299
Amortization of other assets	15,077	12,711	15,077	12,711
Amortization of deferred interest on long-term				
bill of exchange	36,964	57,662	36,964	57,662
Amortization of premium on forward exchange	7,268	10,743	7,268	10,743
Gain on sale of assets	(216)	(33,504)	(216)	(33,504)
Gain on sale of investment	(53,861)	-	(53,861)	-
Share of profit from investment in subsidiary				
using the equity method (Note 13)	-	-	-	(53,335)
Minority interest in net income of subsidiaries	30	15	-	-
Income from operations before changes in				
operating assets and liabilities	1,999,297	1,772,846	1,888,052	1,658,824
Operating assets (increase) decrease				
Accounts receivable	(11,371,619)	(13,019,558)	(11,200,395)	(12,839,210)
Other current assets	(62,145)	(58,691)	(111,762)	(23,420)
Other non-current assets	(12,215)	(31,735)	(12,211)	(31,735)
Operating liabilities increase (decrease)				
Accounts payable	29,218	269,461	29,218	269,461
Factoring payables	(137)	818	(137)	818
Other current liabilities	(302,154)	180,419	(301,247)	13,465
Net cash used in operating activities	<u>(9,719,755)</u>	<u>(10,886,440)</u>	<u>(9,708,482)</u>	<u>(10,951,797)</u>

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE SIX-MONTH PERIODS ENDED AUGUST 20, 2007 AND 2006

“UNAUDITED”

BAHT : '000

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2007	2006	2007	2006
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash payments for investment in costs of software	(153,364)	(278,376)	(153,364)	(278,376)
Cash payments for fixed assets acquisition	(139,257)	(86,903)	(139,257)	(86,903)
Cash proceeds from sales of fixed assets	430	74,593	430	74,593
Cash payment for investment in subsidiary	-	-	(10)	-
Net cash used in investing activities	<u>(292,191)</u>	<u>(290,686)</u>	<u>(292,201)</u>	<u>(290,686)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash proceeds from sale of hire-purchase receivables under securitization	2,221,023	2,463,473	2,221,023	2,463,473
Cash proceeds from sale of credit card receivables under securitization	7,892,368	6,655,980	7,892,368	6,655,980
Increase in short-term loans from financial institutions	565,915	1,143,820	565,915	1,143,820
Increase in long-term loans	3,200,000	1,788,100	3,200,000	1,788,100
Cash payments for long-term loans	(3,452,855)	(557,586)	(3,452,855)	(557,586)
Dividend payment	(179,553)	(179,988)	(179,553)	(179,988)
Net cash provided by financing activities	<u>10,246,898</u>	<u>11,313,799</u>	<u>10,246,898</u>	<u>11,313,799</u>
Net increase in cash and cash equivalents	234,952	136,673	246,215	71,316
Cash and cash equivalents as at February 21,	<u>731,883</u>	<u>569,055</u>	<u>661,795</u>	<u>569,015</u>
Cash and cash equivalents as at August 20,	<u><u>966,835</u></u>	<u><u>705,728</u></u>	<u><u>908,010</u></u>	<u><u>640,331</u></u>

See notes to the interim financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTERS AND SIX-MONTH PERIODS ENDED AUGUST 20, 2007 AND 2006
“Unaudited”

1. GENERAL INFORMATION

The Company was registered as a limited company under the Civil and Commercial Code on September 18, 1992 and registered to be Public Company Limited with the Ministry of Commerce on August 7, 2001. The Company’s office is located at 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.

Eternal 3 Special Purpose Vehicle Company Limited and Eternal 4 Special Purpose Vehicle Company Limited are subsidiaries of the Company which were incorporated under the Civil and Commercial Code of Thailand, and under the Securitization law. The 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 and June 21, 2007, respectively.

2. BASIS FOR PREPARATION OF THE INTERIM FINANCIAL STATEMENTS

- 2.1 The interim consolidated financial statements and separate financial statements for the quarters and six-month periods ended August 20, 2007 and 2006, are prepared by the management of the Company and are unaudited. However, in the opinion of the Company, all adjustments necessary for a fair presentation have been reflected therein.
- 2.2 The interim consolidated and separate financial statements have been prepared in accordance with the regulations of the Stock Exchange of Thailand dated January 22, 2001, regarding the basis, conditions and procedures for the preparation and submission of financial statements and reports for the financial position and results of operations of listed companies B.E. 2544 (2001).

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

The consolidated and separate balance sheets as at February 20, 2007, presented herein, have been derived from the financial statements of the Company for the year then ended which have been audited.

The consolidated financial statements for the quarters and six-month periods ended August 20, 2007 and 2006 included the accounts of the Company, Eternal 3 Special Purpose Vehicle Company Limited and Eternal 4 Special Purpose Vehicle Company Limited (“the subsidiaries”) which the Company has holding of 26% in their equity since December 21, 2005 and February 22, 2007 in accordance with the approved conditions required by the Office of the Securities and Exchange Commission of Thailand. Significant transactions and balance between the Company and the subsidiaries have been eliminated (see Note 14).

- 2.3 The results of operations for the quarter and six-month period ended August 20, 2007 are not necessarily indicative of the operating results anticipated for the full year.
- 2.4 These interim financial statements are prepared in accordance with Accounting Standard No. 41 “Interim Financial Statements”, with the Company choosing to present condensed interim financial statements. Therefore, certain financial information which is normally included in financial statements prepared in accordance with generally accepted accounting principles, but which is not required for interim reporting purposes, has been omitted. In addition, the interim financial statements should be read in conjunction with the audited financial statements for the year ended February 20, 2007.
- 2.5 The preparation of financial statements in conformity with generally accepted accounting principles also required management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reported period. Actual results may differ from those estimates.

3. CHANGE IN ACCOUNTING POLICY

Change in accounting policy in respect of investments in subsidiaries

For the quarter and six-month period ended August 20, 2007, the Company has changed its accounting policy in respect of investments in subsidiaries from the equity method to the cost method for the separate financial statements, to be in compliance with the Notification of Federation of Accounting Professions. The change in accounting policy was applied prospectively from February 21, 2007 since the effect of such change is not material to the financial statements for the year ended February 20, 2007.

4. SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

- 4.1 Cash paid for interest and income tax for the six-month periods ended August 20, are as follows:

	Baht : '000			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2007	2006	2007	2006
Interest	952,310	529,529	873,911	422,570
Income tax	193,806	184,790	165,522	180,336

4.2 Non-cash items for purchase of equipment and cost of software for the six-month periods ended August 20, are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2007	2006	2007	2006
Purchase of equipment				
Liabilities recorded - brought forward	634	2,250	634	2,250
Purchase of equipment and deposits for equipment	<u>162,006</u>	<u>94,852</u>	<u>162,006</u>	<u>94,852</u>
	162,640	97,102	162,640	97,102
<u>Less</u> Cash payments for purchase				
of equipment and deposit for equipment	<u>(139,257)</u>	<u>(86,903)</u>	<u>(139,257)</u>	<u>(86,903)</u>
Liabilities recorded - carried forward	<u>23,383</u>	<u>10,199</u>	<u>23,383</u>	<u>10,199</u>
Investment in cost of software				
Liabilities recorded - brought forward	11,592	39,613	11,592	39,613
Investment in cost of software and deposits	<u>158,834</u>	<u>249,672</u>	<u>158,834</u>	<u>249,672</u>
for software	170,426	289,285	170,426	289,285
<u>Less</u> Cash payments for investment in cost of				
software and deposit for cost of software	<u>(153,364)</u>	<u>(278,376)</u>	<u>(153,364)</u>	<u>(278,376)</u>
Liabilities recorded - carried forward	<u>17,062</u>	<u>10,909</u>	<u>17,062</u>	<u>10,909</u>

4.3 Other non-cash items

4.3.1 During the six-month periods ended August 20, 2007 and 2006, non-cash item relating to sale of credit card receivables are as follows:

- The Company sold credit card receivables which partial repayment was settled by the Seller Participation Account of Baht 81,428,324 and Baht 627,210,641, respectively instead of cash receipt.

4.3.2 Non-cash item of dividend received for the six-month periods ended August 20, 2007 and 2006, the Company recorded dividend receivable from Special Purpose Vehicles amounting to Baht 111,584,235 and Baht 76,648,613, respectively.

5. ACCOUNTS RECEIVABLE - NET

5.1 Accounts receivable - net consist of:

Baht : '000

	CONSOLIDATED FINANCIAL STATEMENTS					
	As at August 20, 2007			As at February 20, 2007		
	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	4,038,278	1,144,215	5,182,493	3,791,418	1,227,254	5,018,672
<u>Less</u> Unearned financing income	(534,569)	(106,984)	(641,553)	(569,184)	(141,434)	(710,618)
	<u>3,503,709</u>	<u>1,037,231</u>	<u>4,540,940</u>	<u>3,222,234</u>	<u>1,085,820</u>	<u>4,308,054</u>
<u>Less</u> Allowance for doubtful accounts	(127,883)	-	(127,883)	(141,640)	-	(141,640)
Hire-purchase and accrued interest receivable - net	<u>3,375,826</u>	<u>1,037,231</u>	<u>4,413,057</u>	<u>3,080,594</u>	<u>1,085,820</u>	<u>4,166,414</u>
Loans receivable						
Loans and accrued interest receivable	13,493,530	224,390	13,717,920	11,925,121	192,543	12,117,664
<u>Less</u> Allowance for doubtful accounts	(376,364)	-	(376,364)	(358,570)	-	(358,570)
Loans and accrued interest receivable - net	<u>13,117,166</u>	<u>224,390</u>	<u>13,341,556</u>	<u>11,566,551</u>	<u>192,543</u>	<u>11,759,094</u>
Credit card receivable						
Credit card and accrued interest receivable	5,542,267	-	5,542,267	8,149,777	-	8,149,777
<u>Less</u> Allowance for doubtful accounts	(197,568)	-	(197,568)	(222,558)	-	(222,558)
Credit card and accrued interest receivable - net	<u>5,344,699</u>	<u>-</u>	<u>5,344,699</u>	<u>7,927,219</u>	<u>-</u>	<u>7,927,219</u>
Factoring receivable						
Factoring and accrued interest receivable	12,651	-	12,651	13,701	-	13,701
<u>Less</u> Deferred income	(11)	-	(11)	(21)	-	(21)
Factoring and accrued interest receivable - net	<u>12,640</u>	<u>-</u>	<u>12,640</u>	<u>13,680</u>	<u>-</u>	<u>13,680</u>
Total accounts receivable - net	<u>21,850,331</u>	<u>1,261,621</u>	<u>23,111,952</u>	<u>22,588,044</u>	<u>1,278,363</u>	<u>23,866,407</u>

Baht : '000

	SEPARATE FINANCIAL STATEMENTS					
	As at August 20, 2007			As at February 20, 2007		
	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	4,038,278	1,144,215	5,182,493	3,791,418	1,227,254	5,018,672
<u>Less</u> Unearned financing income	(534,569)	(106,984)	(641,553)	(569,184)	(141,434)	(710,618)
	3,503,709	1,037,231	4,540,940	3,222,234	1,085,820	4,308,054
<u>Less</u> Allowance for doubtful accounts	(127,883)	-	(127,883)	(141,640)	-	(141,640)
Hire-purchase and accrued interest receivable - net	3,375,826	1,037,231	4,413,057	3,080,594	1,085,820	4,166,414
Loans receivable						
Loans and accrued interest receivable	13,493,530	224,390	13,717,920	11,925,121	192,543	12,117,664
<u>Less</u> Allowance for doubtful accounts	(376,364)	-	(376,364)	(358,570)	-	(358,570)
Loans and accrued interest receivable - net	13,117,166	224,390	13,341,556	11,566,551	192,543	11,759,094
Credit card receivable						
Credit card and accrued interest receivable	5,099,563	-	5,099,563	7,686,119	-	7,686,119
<u>Less</u> Allowance for doubtful accounts	(151,065)	-	(151,065)	(166,866)	-	(166,866)
Credit card and accrued interest receivable - net	4,948,498	-	4,948,498	7,519,253	-	7,519,253
Factoring receivable						
Factoring and accrued interest receivable	12,651	-	12,651	13,701	-	13,701
<u>Less</u> Deferred income	(11)	-	(11)	(21)	-	(21)
Factoring and accrued interest receivable - net	12,640	-	12,640	13,680	-	13,680
Total accounts receivable - net	21,454,130	1,261,621	22,715,751	22,180,078	1,278,363	23,458,441

5.2 Quality of assets

Accounts receivable are classified by aging as follows:

Baht : '000

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at August 20, 2007	As at February 20, 2007	As at August 20, 2007	As at February 20, 2007
Less than 3 months	23,181,352	23,936,805	22,785,151	23,528,840
3 months and up	632,415	652,370	585,912	596,677
Total	23,813,767	24,589,175	23,371,063	24,125,517
<u>Less</u> Allowance for doubtful accounts	(701,815)	(722,768)	(655,312)	(667,076)
<u>Accounts</u> receivable - net (included non-current portion)	23,111,952	23,866,407	22,715,751	23,458,441

5.3 Transfers of financial assets

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

Details of aforementioned sales of receivables are summarized as follows:

		ESPV*	ECC**	ESPT***	ETERNAL 4****
Selling date		February 17, 2004	February 16, 2005	February 6, 2006	June 25, 2007
Type of transferred receivables		Hire Purchase Receivable	Credit Card Receivable	Credit Card Receivable	Credit Card Receivable
Revolving period		February 2004 - August 2007 (approximately)	February 2005 - January 2010 (approximately)	February 2006 - January 2011 (approximately)	June 2007 - May 2012 (approximately)
Initial sales of receivables					
Sales price - net book value of initial receivables	Baht	1,999,999,755	2,956,800,085	2,782,514,549	3,038,017,234
Proceeds from transfer of the right of receivables	Baht	1,482,499,755	2,000,000,000	2,280,000,000	2,205,000,000
Subordinated lendings (see Note 8)	Baht	517,500,000	816,000,000	370,000,000	744,000,000
Minimum seller participation - pari passu with debentures (see Note 7)	Baht	-	140,800,000	132,500,000	88,470,000
Number of contracts		306,192	213,872	181,389	178,751
Average principal amount outstanding	Baht	6,532	13,825	15,340	16,996
Average principal amount as at the time of origination	Baht	8,542	-	-	-
Interest rate		-	18% p.a.	18% p.a.	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)

**** Eternal 4 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 receivable
3. an option to repurchase the defaulted receivables
4. an option to repurchase, subject to the applicable law, all remaining Purchased Receivables from the ESPV if the cost of servicing the Purchased Receivables exceeds the benefits for doing so (Clean-up call)
5. an option to repurchase, subject to the applicable law, all remaining Purchased Receivables from the ESPV as a result of a change in Thai tax law after the Closing Date which would make the seller having to indemnify the ESPV against certain tax liabilities.

(2) Eternal Credit Card Special Purpose Vehicle Company Limited (ECC), Eternal 3 Special Purpose Vehicle Company Limited (ESPT) and Eternal 4 Special Purpose Vehicle Company Limited (Eternal 4)

During the 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.

For the quarters and six-month periods ended August 20, 2007 and 2006, the transfer of financial assets relating to securitization transaction is summarized as follows:

	Million Baht			
	August 20, 2007		August 20, 2006	
	For the quarter	For the six-month	For the quarter	For the six-month
Sales of eligible receivables (at book value)				
- Hire-purchase receivable (ESPV)	1,077	2,221	1,189	2,463
- Credit card receivable (ECC)	1,109	2,262	1,725	3,516
- Credit card receivable (ESPT)	1,178	2,418	1,543	3,140
- Credit card receivable (Eternal 4)	1,007	1,007	-	-
	<u>4,371</u>	<u>7,908</u>	<u>4,457</u>	<u>9,119</u>
Cash collection on behalf of Special Purpose Vehicles (SPV)				
- Hire-purchase receivable (ESPV)	1,220	2,451	1,274	2,651
- Credit card receivable (ECC)	1,335	2,691	1,752	3,453
- Credit card receivable (ESPT)	1,396	2,796	1,522	2,974
- Credit card receivable (Eternal 4)	1,053	1,053	-	-
	<u>5,004</u>	<u>8,991</u>	<u>4,548</u>	<u>9,078</u>
Servicing fee income from SPV				
- Hire-purchase receivable (ESPV)	31	60	30	59
- Credit card receivable (ECC)	44	88	58	110
- Credit card receivable (ESPT)	44	88	47	88
- Credit card receivable (Eternal 4)	30	30	-	-
	<u>149</u>	<u>266</u>	<u>135</u>	<u>257</u>
Repurchase of defaulted receivable	-	-	-	-

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

	As at August 20, 2007	Million Baht As at February 20, 2007
Hire-purchase receivable (included accrued interest) - ESPV		
Less than 3 months	1,911	1,983
3 months and up	<u>30</u>	<u>34</u>
	1,941	2,017
<u>Less</u> Allowance for doubtful accounts	<u>(30)</u>	<u>(34)</u>
	<u>1,911</u>	<u>1,983</u>
Credit card receivables (included accrued interest) - ECC		
Less than 3 months	2,842	3,085
3 months and up	<u>49</u>	<u>49</u>
	2,891	3,134
<u>Less</u> Allowance for doubtful accounts	<u>(49)</u>	<u>(49)</u>
	<u>2,842</u>	<u>3,085</u>
Credit card receivables (included accrued interest) - ESPT		
Less than 3 months	2,874	3,058
3 months and up	<u>47</u>	<u>56</u>
	2,921	3,114
<u>Less</u> Allowance for doubtful accounts	<u>(47)</u>	<u>(56)</u>
	<u>2,874</u>	<u>3,058</u>
Credit card receivables (included accrued interest) - Eternal 4		
Less than 3 months	3,121	-
3 months and up	<u>-</u>	<u>-</u>
	3,121	-
<u>Less</u> Allowance for doubtful accounts	<u>-</u>	<u>-</u>
	<u>3,121</u>	<u>-</u>
Total	<u>10,748</u>	<u>8,126</u>

6. OTHER LONG-TERM INVESTMENTS

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

6.1 Long-term investments in related parties consist of:

	Baht : '000			
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	As at August 20, 2007		As at February 20, 2007	
	% of Ownership	Cost	% of Ownership	Cost
Aeon (Thailand) Co., Ltd.* (340,000 shares of Baht 100 each, Baht 25 called up)	8.50	8,500	8.50	8,500
ACS Credit Management Company Limited (550 shares of Yen 100,000 each, par value of Yen 50,000, fully paid)	4.60	20,614	4.60	20,614
AEON Credit Service (M) Berhad (1,800,000 shares of RM 0.5 each, par value of RM 0.5, fully paid)	1.84	9,829	1.84	9,829
		<u>38,943</u>		<u>38,943</u>
<u>Less</u> Allowance for impairment of assets		<u>(8,500)</u>		<u>(8,500)</u>
		<u>30,443</u>		<u>30,443</u>

6.2 Long-term investments in other companies consist of:

	Baht : '000			
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	As at August 20, 2007		As at February 20, 2007	
	% of Ownership	Cost	% of Ownership	Cost
Eternal SPV Company Limited	26.00	10	26.00	10
Eternal Credit Card SPV Company Limited	26.00	10	26.00	10
Others	-	1	-	2
		<u>21</u>		<u>22</u>

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

7. PARTICIPATION IN SPECIAL PURPOSE VEHICLE FOR SECURITIZATION

Participation in Special Purpose Vehicles for securitization as at August 20, 2007 and February 20, 2007 are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	August 20, 2007	February 20, 2007	August 20, 2007	February 20, 2007
Eternal Credit Card Special Purpose Vehicle Company Limited	305,970	267,162	305,970	267,162
Eternal 3 Special Purpose Vehicle Company Limited	-	-	260,033	457,223
Eternal 4 Special Purpose Vehicle Company Limited	-	-	239,810	-
Total	<u>305,970</u>	<u>267,162</u>	<u>805,813</u>	<u>724,385</u>

The Company entered into Credit Card Sales and Purchase Agreements with Eternal Credit Card Special Purpose Vehicle Company Limited (ECC), Eternal 3 Special Purpose Vehicle Company Limited (ESPT) and Eternal 4 Special Purpose Vehicle Company Limited (Eternal 4) under securitization projects. The Company received partial payments from ECC, ESPT and Eternal 4 with seller participation account under securitization project of Baht 140,800,085, Baht 132,514,549 and Baht 89,017,233, respectively, which is non-subordinated and rank in order of priority pari passu with payments of principal in respect of the debentures. The aggregate seller participation account will increase from partial payments of such companies for purchase of Future Receivables and Additional Receivable when such companies' net cash flow generated by the Purchased Receivables is insufficient. Participation account would be reduced in order to repurchase ineligible receivables and receive the excess cash from such companies. However, the Company has to retain such Participation Minimum Amount of Baht 140,800,000, Baht 132,500,000 and Baht 88,470,000, respectively, of which such amount will be repaid by cash approximately within 2010, 2011 and 2012, respectively, or when this project ends (see Note 5.3).

8. SUBORDINATED LENDING

Subordinated lending entered with Special Purpose Vehicles are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	August 20, 2007	February 20, 2007	August 20, 2007	February 20, 2007
Subordinated lending				
Eternal Special Purpose Vehicle Company Limited (ESPV)	517,500	517,500	517,500	517,500
Eternal Credit Card Special Purpose Vehicle Company Limited (ECC)	816,000	816,000	816,000	816,000
Eternal 3 Special Purpose Vehicle Company Limited (ESPT)	370,000	370,000	370,000	370,000
Eternal 4 Special Purpose Vehicle Company Limited (Eternal 4)	744,000	-	744,000	-
Total	<u>2,447,500</u>	<u>1,703,500</u>	<u>2,447,500</u>	<u>1,703,500</u>

- On February 17, 2004, the Company entered into subordinated bridging loan agreement with Eternal Special Purpose Vehicle Company Limited (ESPV) amounting to Baht 517,500,000 for the purpose of partial payment of the Initial Receivables from ESPV under the provision of the Receivable Sale Agreement. The interest is paid on the monthly basis at the rate of 5% per annum. Such bridging loan was refinanced to be subordinated term loan in May 2004 in accordance with such Bridging Loan Agreement. The term loan is due in the year 2010 and the interest is paid on the monthly basis at the rate of 12% per annum (see Note 5.3).
- 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 5.3).
- 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 5.3).
- On June 25, 2007, the Company entered into subordinated loan agreement with Eternal 4 Special Purpose Vehicle Company Limited (Eternal 4) amounting to Baht 744,000,000 for the purpose of partial payment of the Initial Credit Card Receivables from Eternal 4 under the provision of the Receivable Sale Agreement. The interest is paid on the monthly basis at the rate of 15% per annum. Such bridging loan shall be refinanced to be subordinated term loan in September 2007 in accordance with such Bridging Loan Agreement. The term loan is due in the year 2012 and the interest is paid on the monthly basis at the rate of 15% per annum (see Note 5.3).

9. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

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

As at August 20, 2007

	(Unit in Thousand)	
	CONSOLIDATED AND SEPARATE	
	FINANCIAL STATEMENTS	
	Foreign Currency	Baht Equivalent
Loan in Yen currency (BOT rate)	600,000	185,355
Loan in Baht currency		<u>2,850,000</u>
Total short-term loans from financial institutions		<u>3,035,355</u>

As at February 20, 2007

	(Unit in Thousand)	
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	Foreign currency	Baht Equivalent
Loan in Yen currency (BOT rate)	1,000,000	301,183
Loan in USD currency (BOT rate)	24,000	859,618
Loan in Baht currency		<u>1,270,000</u>
Total short-term loans from financial institutions		<u>2,430,801</u>

As at August 20, 2007 and February 20, 2007, the Company managed risk that might be occurred from insufficient working capital by entering into the Facility Agreement with financial institutions for committed revolving credit facilities amounting to Baht 1,070 million (see Note 17.1).

10. LONG-TERM LOANS

As at August 20, 2007 and February 20, 2007, the Company entered into long-term loan agreements and issued bills of exchange in Baht and foreign currencies as follows:

	(Unit in Thousand)			
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	As at August 20, 2007		As at February 20, 2007	
	Foreign Currencies	Baht Equivalent	Foreign Currencies	Baht Equivalent
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%	3,000,000	926,778	3,000,000	903,549
● 1.51%	-	-	1,000,000	301,183
● 1.57%	-	-	1,200,000	361,420
● ZTIBOR 6M + 0.90%	1,500,000	463,389	3,000,000	903,549
		<u>1,390,167</u>		<u>2,469,701</u>
- Bill of exchange in Baht currency				
Interest rate at (p.a.)				
● 3.90%		-		1,064,945
● 4.10% - 4.16%		653,033		1,643,673
● 4.25%		250,000		250,000
		<u>903,033</u>		<u>2,958,618</u>
		<u>2,293,200</u>		<u>5,428,319</u>
Repayable within fiscal year ending February 20, 2009				
- Loan in Yen currency (BOT rate)				
Interest rate at (p.a.)				
● ZTIBOR 6M + 0.90%	1,500,000	463,389	1,500,000	451,775
● JPY-LIBOR 6M + 0.4%	5,000,000	1,544,630	5,000,000	1,505,915
● 1.25%	1,000,000	308,926	1,000,000	301,183
● JPY-BBA-LIBOR + 0.40%	1,000,000	308,926	1,000,000	301,183
● 1.75%	1,500,000	463,389	1,500,000	451,774
		<u>3,089,260</u>		<u>3,011,830</u>
				.../14

(Unit in Thousand)

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	As at August 20, 2007		As at February 20, 2007	
	Foreign Currencies	Baht Equivalent	Foreign Currencies	Baht Equivalent
- Loan in Baht currency				
Interest rate at (p.a.)				
• THBFIX 6M + 0.80%		500,000		500,000
• THBFIX 6M + 0.75%		600,000		600,000
• THBFIX 6M + 0.50%		400,000		400,000
• 5.80%		450,000		450,000
		<u>1,950,000</u>		<u>1,950,000</u>
		<u>5,039,260</u>		<u>4,961,830</u>
Repayable within fiscal year ending February 20, 2010				
- Loan in Yen Currency (BOT Rate)				
Interest rate at (p.a.)				
• 2.00%	1,500,000	463,389	1,500,000	451,775
• JPY-LIBOR 6M + 0.40%	6,000,000	1,853,556	6,000,000	1,807,098
		<u>2,316,945</u>		<u>2,258,873</u>
- Loan in Baht currency				
Interest rate at (p.a.)				
• THBFIX 6M + 0.40%		500,000		500,000
• THBFIX 6M + 0.75%		1,000,000		1,000,000
• THBFIX 6M + 0.80%		370,000		370,000
• THBFIX 6M + 0.60%		1,000,000		1,000,000
		<u>2,870,000</u>		<u>2,870,000</u>
- Bill of exchange in Baht currency				
Interest rate at (p.a.)				
• 4.30%		700,000		700,000
		<u>700,000</u>		<u>700,000</u>
		<u>5,886,945</u>		<u>5,828,873</u>
Repayable within fiscal year ending February 20, 2011				
- Loan in Yen Currency (BOT Rate)				
Interest rate at (p.a.)				
• JPY-BBA-LIBOR + 0.54%	3,000,000	926,778	3,000,000	903,549
		<u>926,778</u>		<u>903,549</u>
- Loan in Baht currency				
Interest rate at (p.a.)				
• 6M THBFIX + 0.64%		300,000		300,000
• 4.595%		1,500,000		-
• 4.75%		300,000		-
		<u>2,100,000</u>		<u>300,000</u>
		<u>3,026,778</u>		<u>1,203,549</u>

(Unit in Thousand)

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	As at August 20, 2007		As at February 20, 2007	
	Foreign Currencies	Baht Equivalent	Foreign Currencies	Baht Equivalent
Repayable within fiscal year ending February 20, 2012				
- Loan in Baht currency				
Interest rate at (p.a.)				
• 6M THBFIX + 0.414%		500,000		-
		<u>500,000</u>		<u>-</u>
Repayable within fiscal year ending February 20, 2013				
- Loan in Baht currency				
Interest rate at (p.a.)				
• 6M THBFIX + 0.45%		400,000		-
• 6M THBFIX + 0.60%		500,000		-
		<u>900,000</u>		<u>-</u>
Total		17,646,183		17,422,571
<u>Less</u> Current portion of long-term loans		<u>(5,560,145)</u>		<u>(5,428,319)</u>
Total long-term loans		<u>12,086,038</u>		<u>11,994,252</u>

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

As at August 20, 2007

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

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 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

11. LONG-TERM DEBENTURES

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

							Baht : '000	
							CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
							As at	As at
Issue date	Maturity date	No. of units	Amount (Baht)	Interest rate (%)	Term of interest payment	August 20, 2007	February 20, 2007	
30/06/05	30/06/08	500,000	500,000,000	4.45	Semi-annual	500,000	500,000	
15/07/05	15/07/08	520,000	520,000,000	4.77	Semi-annual	520,000	520,000	
15/07/05	15/07/10	300,000	300,000,000	4.94	Semi-annual	300,000	300,000	
Total						1,320,000	1,320,000	
<u>Less</u> Current portion of long-term debentures						(1,020,000)	-	
Total						300,000	1,320,000	

On February 6, 2006 and June 25, 2007, Eternal 3 Special Purpose Vehicle Co., Ltd. and Eternal 4 Special Purpose Vehicle Co., Ltd., the Company's subsidiaries, issued the debentures of Baht 2,280,000,000 and Baht 2,205,000,000, respectively, under the Securitization projects. Cash flow from a pool of credit card receivables will be used to make payments under the Debentures. Interest on the Debentures will be payable monthly commencing on March 10, 2006 and August 10, 2007, respectively.

As at August 20, 2007 and February 20, 2007, the subsidiaries' debentures are classified as follows:

Debenture Classes	Maturity date	Amount (Baht)	Interest rate (%)	Baht : '000 2007
Eternal 3 Special Purpose Vehicle Co, Ltd.				
Class A-1	February 10, 2009	1,500,000,000	5.73	1,500,000
Class A-2	February 10, 2011	500,000,000	5.88	500,000
Class B	Amortizing basis following February 10, 2011	120,000,000	6.13	120,000
Class C	Amortizing basis following February 10, 2011	160,000,000	6.33	160,000
				<u>2,280,000</u>
Eternal 4 Special Purpose Vehicle Co, Ltd.				
Class A-1	June 10, 2010	1,500,000,000	4.39	1,500,000
Class A-2	June 10, 2012	500,000,000	4.76	500,000
Class B	Amortizing basis following June 10, 2012	205,000,000	4.76	205,000
				<u>2,205,000</u>
				<u>4,485,000</u>

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

12. SHAREHOLDERS' EQUITY

At the Annual General Meeting of shareholders held on June 15, 2006, the shareholders had the resolutions 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.

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

- The appropriation of the net income of Baht 600,000,000 as a reserve for business expansion.
- The declaration of final dividends for the fiscal year 2006 at the rate of Baht 0.78 per share amounting to Baht 195,000,000. The aforementioned shareholders included 16,000 shares of foreign shareholders who had no right to receive dividend in accordance with regulation of Thailand Securities Depository thus the Company paid dividend to shareholders amounting to Baht 194,987,520 on June 28, 2007.

13. REVENUES RELATING TO SECURITIZATION TRANSACTION

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

For the quarters and six-month periods ended August 20, 2007 and 2006, the details of revenues from securitization transaction consist of the following:

Baht : '000				
CONSOLIDATED FINANCIAL STATEMENTS				
2007				
2006				
	For the quarter	For the six-month period	For the quarter	For the six-month period
Hire Purchase Income				
Interest income from subordinated				
Lending (see Note 8)	15,653	30,795	15,653	30,795
Dividend from investment in Special				
Purpose Vehicles	13,707	24,978	22,525	55,967
Servicing income	30,246	59,507	30,246	59,507
Total	<u>59,606</u>	<u>115,280</u>	<u>68,424</u>	<u>146,269</u>
Credit Card Income				
Interest income from subordinated lending				
(see Note 8)	30,852	60,697	44,841	88,219
Revenue from seller participation in Special				
Purpose Vehicle (see Notes 5.3 and 7)	4,111	8,071	42,829	81,214
Dividend from investment in Special				
Purpose Vehicles (see Notes 5.3)	8,575	23,319	8,446	35,738
Share of profits from investment in Special				
Purpose Vehicle using the equity method	-	-	17,088	53,335
Servicing income	43,833	87,659	104,549	197,761
Total	<u>87,371</u>	<u>179,746</u>	<u>217,753</u>	<u>456,267</u>
	<u>146,977</u>	<u>295,026</u>	<u>286,177</u>	<u>602,536</u>

Baht:'000				
SEPARATE FINANCIAL STATEMENTS				
2007				
2006				
	For the quarter	For the six-month period	For the quarter	For the six-month period
Hire Purchase Income				
Interest income from subordinated				
Lending (see Note 8)	15,653	30,795	15,653	30,795
Dividend from investment in Special				
Purpose Vehicles	13,707	24,978	22,525	55,967
Servicing income	30,246	59,507	30,246	59,507
Total	<u>59,606</u>	<u>115,280</u>	<u>68,424</u>	<u>146,269</u>

	Baht:'000			
	SEPARATE FINANCIAL STATEMENTS			
	2007		2006	
	For the quarter	For the six-month period	For the quarter	For the six-month period
Credit Card Income				
Interest income from subordinated lending (see Note 8)	61,963	105,341	44,841	88,219
Revenue from seller participation in Special Purpose Vehicle (see Notes 5.3 and 7)	8,898	14,407	42,829	81,214
Dividend from investment in Special Purpose Vehicles (see Notes 5.3)	62,331	87,046	8,446	35,738
Share of profits from investment in Special Purpose Vehicle using the equity method	-	-	17,088	53,335
Servicing income	118,578	206,209	104,549	197,761
Total	<u>251,770</u>	<u>413,003</u>	<u>217,753</u>	<u>456,267</u>
	<u>311,376</u>	<u>528,283</u>	<u>286,177</u>	<u>602,536</u>

14. TRANSACTIONS WITH RELATED PARTIES

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

14.1 Investments in subsidiaries

	Related parties	Relationship	Paid-up Capital Baht	% Ownership	Baht : '000			
					SEPARATE FINANCIAL STATEMENTS			
					As at August 20, 2007		As at February 20, 2007	
					Cost	Dividend Received	Cost	Dividend Received
Other current assets								
Eternal 3 Special Purpose Vehicle Company Limited	Subsidiary	40,000	26.0%	10	31,667	10	80,309	
Eternal 4 Special Purpose Vehicle Company Limited	Subsidiary	40,000	26.0%	10	32,060	-	-	
				<u>20</u>	<u>63,727</u>	<u>10</u>	<u>80,309</u>	

14.2 Business transaction with related parties

14.2.1 Balances with related parties

		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at		As at	
Related parties	Relationship	August 20, 2007	February 20, 2007	August 20, 2007	February 20, 2007
Other current assets					
Eternal 3 Special Purpose Vehicle Company Limited	Subsidiary	-	-	18,995	28,914
Eternal 4 Special Purpose Vehicle Company Limited	Subsidiary	-	-	59,536	-
Aeon Credit Service Company Limited	Major shareholder	2	222	2	222
ACS Capital Corporation Limited	Shareholder and three common directors	447	353	447	353
Aeon (Thailand) Co., Ltd.*	Holding shares and two common directors	4,014	3,798	4,014	3,798
ACS Insurance Broker (Thailand) Co., Ltd.	Three common directors	15	68	15	68
ACS Servicing (Thailand) Co., Ltd.	One common director	128	-	128	-
Other assets					
Aeon (Thailand) Co., Ltd.*	Holding shares and two common directors	191	191	191	191
Participation in Special Purpose Vehicle for Securitization					
Eternal 3 Special Purpose Vehicle Company Limited	Subsidiary	-	-	260,033	457,222
Eternal 4 Special Purpose Vehicle Company Limited	Subsidiary	-	-	239,810	-
Subordinated lending					
Eternal 3 Special Purpose Vehicle Company Limited	Subsidiary	-	-	370,000	370,000
Eternal 4 Special Purpose Vehicle Company Limited	Subsidiary	-	-	744,000	-
Account payable					
Aeon (Thailand) Co., Ltd.*	Holding shares and two common directors	1,807	1,904	1,807	1,904
ACS Insurance Broker (Thailand) Co., Ltd.	Three common directors	48,781	45,189	48,781	45,189
ACS Life Insurance Broker (Thailand) Co., Ltd.	Three common directors	24,813	-	24,813	-
Other current liabilities					
Eternal 3 Special Purpose Vehicle Company Limited	Subsidiary	-	-	39,368	43,076
Eternal 4 Special Purpose Vehicle Company Limited	Subsidiary	-	-	118,110	-
Aeon Credit Service Company Limited	Major shareholder	1,183	1,363	1,183	1,363
ACS Insurance Broker (Thailand) Co., Ltd.	Three common directors	2,541	3,453	2,541	3,453
ACS Servicing (Thailand) Co., Ltd.	One common director	2,845	-	2,845	-
Jay Mart Public Company Limited	One common director	678	583	678	583

Baht : '000

14.2.2 Transactions with related parties

Baht : '000

		CONSOLIDATED FINANCIAL STATEMENTS			
		August 20, 2007		August 20, 2006	
Related parties	Relationship	For the quarters	For the Six-month	For the quarters	For the Six-month
Credit card income					
Aeon (Thailand) Co., Ltd*	Holding shares and two common directors	112	221	125	276
Other income					
ACS Capital Corporation Limited	Share holder and three common directors	4,200	8,400	2,250	4,500
ACS Life Insurance Broker (Thailand) Co., Ltd.	Three common directors	450	900	-	-
ACS Servicing (Thailand) Co., Ltd.	One common director	300	400	-	-
ACS Insurance Broker (Thailand) Co., Ltd.	Three common directors	2,609	5,295	5,872	11,117
ACS Credit Management Company Limited	Holding shares one common director	-	852	-	-
AEON Credit Service (M) Sdn.Bhd.	Holding shares one common director	564	564	-	-
Operating expenses					
Aeon (Thailand) Co., Ltd*	Holding shares and two common directors	581	966	473	777
ACS Capital Corporation Limited	Shareholder and three common directors	4,085	8,221	4,134	7,303
Jay Mart Public Company Limited	One common director	2,461	4,827	1,916	3,617
ACS Servicing (Thailand) Company Limited	One common director	6,327	6,923	-	-

		Baht : '000			
		SEPARATE			
		FINANCIAL STATEMENTS			
		August 20, 2007		August 20, 2006	
Related parties	Relationship	For the quarters	For the Six-month	For the quarters	For the Six-month
Credit card income					
Aeon (Thailand) Co., Ltd.*	Holding shares and two common directors	112	221	125	276
Revenue relating to securitization transaction					
Eternal 3 Special Purpose Vehicle Company Limited	Subsidiary	82,691	151,435	84,696	180,662
Eternal 4 Special Purpose Vehicle Company Limited	Subsidiary	81,707	81,707	-	-
Other income					
ACS Capital Corporation Limited	Share holder and three common directors	4,200	8,400	2,250	4,500
ACS Life Insurance Broker (Thailand) Co., Ltd.	Three common directors	450	900	-	-
ACS Servicing (Thailand) Co., Ltd.	One common director	300	400	-	-
ACS Insurance Broker (Thailand) Co., Ltd.	Three common directors	2,609	5,295	5,872	11,117
ACS Credit Management Company Limited	Holding shares one common director	-	852	-	-
AEON Credit Service (M) Sdn.Bhd.	Holding shares one common director	564	564	-	-
Operating expenses					
Aeon (Thailand) Co., Ltd.*	Holding shares and two common directors	581	966	473	777
ACS Capital Corporation Limited	Shareholder and three common directors	4,085	8,221	4,134	7,303
Jay Mart Public Company Limited	One common director	2,461	4,827	1,916	3,617
ACS Servicing (Thailand) Company Limited	One common director	6,327	6,923	-	-

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

- For the quarter and six-month period ended August 20, 2007, other income includes the management and operating fee charged to ACS Capital Corporation Limited, ACS Insurance Broker (Thailand) Co., Ltd., ACS Life Insurance Broker (Thailand) Co., Ltd. and ACS Servicing (Thailand) Co., Ltd. at the rates of Baht 550,000 per month, Baht 300,000 per month, Baht 100,000 per month and Baht 50,000 per month, respectively and for the computer fee at the rates of Baht 700,000 per month, Baht 150,000 per month, Baht 50,000 per month and Baht 50,000 per month, respectively, and for marketing support fee at the rate of Baht 100,000 per month and the marketing research fee at the rate of Baht 50,000 per month, charged to ACS Capital Corporation Limited. Revenues relating to securitization transactions are determined by the Company and the related parties in accordance with securitization project (see Notes 5.3 and 13).
- For the quarter and six-month period ended August 20, 2006, other income includes the management and operating fee charged to ACS Capital Corporation Limited and ACS Insurance Broker (Thailand) Co., Ltd. at the rates of Baht 700,000 per month and 900,000 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 parties in accordance with securitization project (see Notes 5.3 and 13).
- Pricing policy is determined by the Company and the related parties based on the cost plus basis.

15. 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.

16. FINANCIAL INSTRUMENTS DISCLOSURE

16.1 Forward exchange contracts and currency and interest rate swap contracts

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

As at August 20, 2007					
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS					
	Currency	Amount	Average Rate	Spot rate at balance sheet date	The remaining period (days)
Forward purchase contracts	Yen	600,000,000	0.3399	0.308926	9

As at February 20, 2007					
CONSOLIDATED AND SEPARATE 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

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 10.

16.2 Fair value of financial assets and liabilities

As at August 20, 2007 and February 20, 2007, the carrying values of the financial assets and liabilities, which are different from the fair values, were as follows:

Baht : '000				
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
	As at August 20, 2007		As at February 20, 2007	
	Carrying value	Fair value	Carrying value	Fair value
Long-term loan bearing				
fixed interest rate	5,088,737	5,416,091	5,975,953	6,907,924
Long-term debenture bearing				
fixed interest rate	1,320,000	1,330,334	1,320,000	1,305,769

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

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

As at August 20, 2007 and February 20, 2007, if the Company terminated the forward foreign exchange contracts, it has to pay approximately Baht 23.0 million and Baht 42.3 million, respectively, to the counterparties.

As at August 20, 2007 and February 20, 2007, if the Company terminated the cross currency and interest rate swap contracts agreement, it has to pay approximately Baht 1,367.8 million and Baht 1,562.2 million, respectively, to the counterparties.

17. OTHER MATTERS

- 17.1 As at August 20, 2007 and February 20, 2007, the Company has the Facility Agreement with financial institutions for committed revolving credit facilities for general corporate funding requirements. The details are as follows:

	Baht : '000
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
As at August 20, 2007	Revolving credit facilities
May 14, 2007 - May 12, 2008	700,000
August 21, 2007 - August 21, 2008	<u>370,000</u>
	<u><u>1,070,000</u></u>
	Baht : '000
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
As at February 20, 2007	Revolving credit facilities
May 15, 2006 - May 16, 2007	700,000
August 21, 2006 - August 21, 2007	<u>370,000</u>
	<u><u>1,070,000</u></u>

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

- 17.2 As at August 20, 2007 and February 20, 2007, the Company has bank's letter of guarantees issued to suppliers for guarantee payment of Baht 7,500,000.
- 17.3 As at August 20, 2007 and February 20, 2007, the Company has unused overdraft facilities with various banks totaling Baht 85,000,000.

18. APPROVAL OF FINANCIAL STATEMENTS

The interim financial statements have been approved for issue by an authorized director of the Company on September 17, 2007.