

Be Number One with Credit Cards & Services



อีออน...ครบทุกความต้องการของชีวิต





มุ่งสู่ความเป็นหนึ่ง
เพื่อตอบสนอง

ครบทุกความต้องการ

เพื่อความสุขสมบูรณ์ของ
สมาชิกในครอบครัว



Contents

| | | |
|--|---|-----|
| จุดเด่นในรอบปีบัญชี 2546 | FY 2003 Highlights | 2 |
| สารถึงผู้ถือหุ้น | Message to Shareholders | 4 |
| ประวัติคณะกรรมการบริษัท | Board of Directors Profile | 6 |
| โครงสร้างบริษัท | Organization Chart | 14 |
| ลักษณะการประกอบธุรกิจ | Business Nature | 17 |
| การตลาดและภาวะการแข่งขัน | Market and Competition | 25 |
| คำอธิบายและวิเคราะห์ ฐานะการเงินและผลการดำเนินงาน | Management Discussion and Analysis | 34 |
| ปัจจัยความเสี่ยง | Risk Factors | 40 |
| รายงานจากคณะกรรมการตรวจสอบ | Report of Audit Committee | 44 |
| รายงานของผู้สอบบัญชีรับอนุญาต | Report of the Independent Certified Public Accountants | 46 |
| งบการเงินและหมายเหตุ ประกอบงบการเงิน | Financial Statements and Notes to the Financial Statements | 48 |
| โครงสร้างการถือหุ้นการจัดการ | Shareholders and Management | 88 |
| รายการระหว่างกัน | Related Party Transaction | 96 |
| ข้อมูลองค์กร | Company Profile | 102 |
| บุคคลอ้างอิง | Reference | 102 |
| สาขา | Branch Network | 104 |

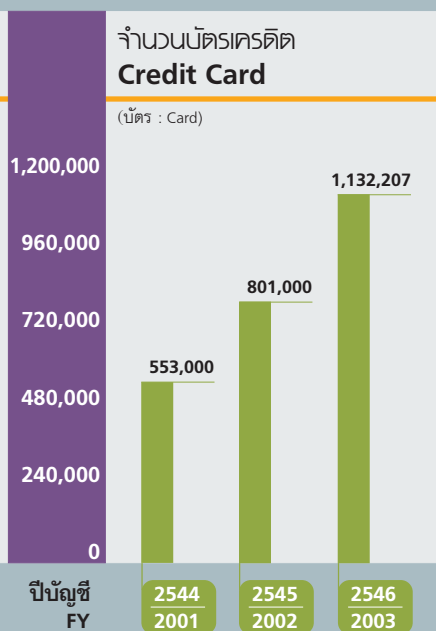
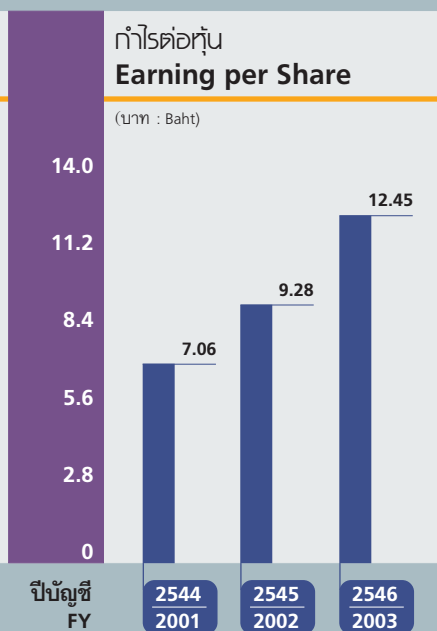
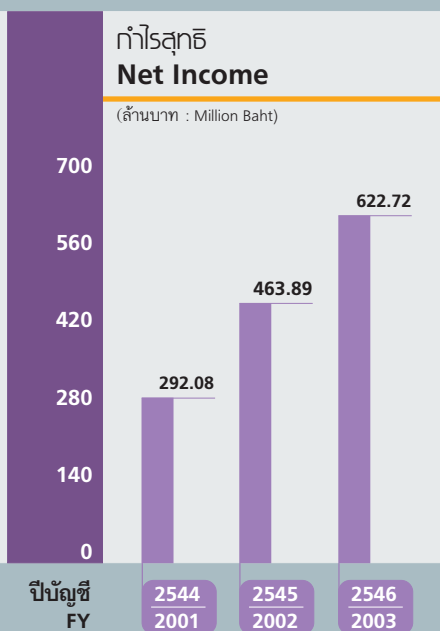
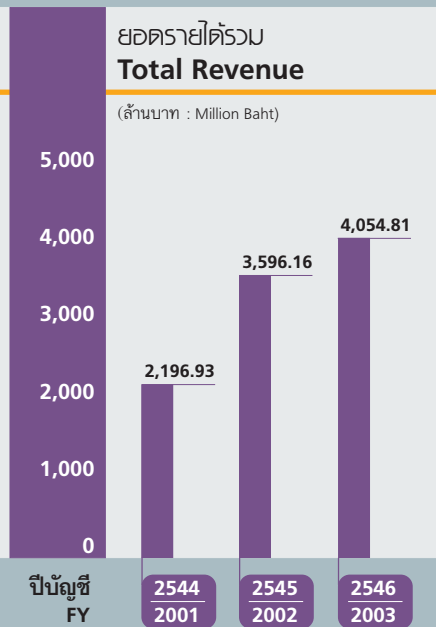
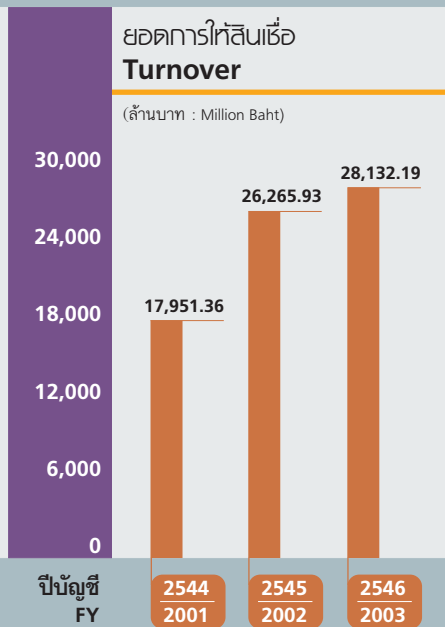
FY 2003 Highlights

| | |
|---|--|
| ฐานลูกค้า | Customers Base |
| สมาชิกที่ใช้บริการสินเชื่อกว่า 1.2 ล้านรายการ บัตรเครดิต 1,132,207 บัตร | Now, the Company has more than 1.2 million ID base customers The accumulative total number of credit cards issued counts 1,132,207 cards. |
| เครือข่ายสาขาและร้านค้า | Members and Branches Network |
| สาขา 54 แห่ง ทั่วประเทศ จุดให้บริการสินเชื่อเช่าซื้อ 184 แห่ง เครื่องเบิกและชำระเงินสดอัตโนมัติ 235 เครื่อง ร้านค้ากว่า 6,961 แห่ง | 54 branches nationwide. 184 hire purchase service counters. 235 ATMs 6,961 stores throughout the country. |

| ปีบัญชี | Fiscal Year | 2544/2001 | 2545/2002 | 2546/2003 |
|---------------------------|------------------------------|-----------|-----------|-----------|
| ยอดการให้สินเชื่อ | Turnover | 17,951.36 | 26,265.93 | 28,132.19 |
| ยอดรายได้ | Revenue | 2,196.93 | 3,596.16 | 4,054.81 |
| กำไรสุทธิ | Net Income | 292.08 | 463.89 | 622.72 |
| ส่วนของผู้ถือหุ้น | Shareholders' Equity | 1,168.11 | 1,507.00 | 1,961.49 |
| สินทรัพย์รวม | Total Assets | 9,982.87 | 14,352.66 | 14,899.67 |
| หน่วยต่อหุ้น (บาท) | Per Share Data (Baht) | | | |
| มูลค่าหุ้นที่ตราได้ | Par Value | 5 | 5 | 5 |
| กำไรสุทธิต่อหุ้น | Earning per Share (EPS) | 7.06 | 9.28 | 12.45 |
| อัตราผลตอบแทนสินทรัพย์รวม | Return on Assets (ROA) | 3.84% | 3.81% | 4.26% |
| อัตราผลตอบแทนผู้ถือหุ้น | Return on Equity (ROE) | 37.78% | 34.68% | 35.91% |

หมายเหตุ : รอบระยะเวลาบัญชีของบริษัทฯ สิ้นสุดวันที่ 20 กุมภาพันธ์ ของทุกปี กำไรต่อหุ้นคำนวณโดยการปรับมูลค่าหุ้นเป็น 5 บาท

Note : All financial indicators are for the term ending in February 20 of each year. EPS calculated by par value of 5 baht per share.



Message to Shareholders



นายมาซาโอะ มิซึโน *กรรมการผู้จัดการ*
Mr. Masao Mizuno *Managing Director*

During the early period of fiscal year ending February 20, 2004, Thai economy was influenced by the outbreak of Iraqi War and spread of SARS epidemic. In addition to these factors, enforcement of the authority restriction on credit card business in terms of income of user of service and interest rate caused certain level of impact to the business environment. At the same time the competition became more and more harsh as more and more new competitors joined the business circle.

Under these situations, during the fiscal year ended February 20, 2004, AEON Thana Sinsap (Thailand) Public Company Limited (the "Company") saw expansion of cardholders base up to 1.13 Million cards, which has made the Company as Number One in terms of number of credit card issuance.

The Company, in addition to existing international cards such as MasterCard and JCB Card, launched issuing VISA Card during the year.

The Company made best efforts to expand its dealers network of motorcycle and computer related products.

We have also achieved 1.94 Million active customer accounts, expanded to network of 54 branches, 6,961 dealer network and 235 ATMs which shall enable more speedy and convenient service to customers.

In order to strengthening financial structure of the Company, aiming to increase capital adequacy ratio and to reduce portion of interest-bearing debt, the Company has implemented Asset Backed Securities for the first time as the private sector in Thailand. National rating of "AAA" was given by Fitch Ratings (Thailand) Limited.

By these efforts, the Company has generated revenue of THB 4,055 million (a 13% increase compared to previous Fiscal Year), net profit of THB 623 Million (a 34% increase), or THB 12.45 per share for the fiscal year.

The Company has declared a dividend of THB 2.10 per share and then interim dividend of THB 1.80 per share, totaling of THB 3.90 per share dividend for the Fiscal Year 2003. Dividend pay out ratio was 31.30 %.

Embracing AEON's "Customer First" philosophy, the Company is determined to grow and provide better service to our customers in the year ahead. For this aim, the Company shall implement measures as below.

- To further expand the business network and scope of business of the Company.
- To increase number of credit card holders to meet the target of 1.8 Million.
- To enhance financial position and focus on low cost operation of the Company.

Because direct evaluation by shareholders and investors throughout the world is essential in this era, We will dedicate ourselves to continue working in order to attain fiscal transparency and global standard management system, which we believe, to contribute the benefit to our shareholders, and our customers in the long run.

Board of Directors Profile

MR. YOSHIKI MORI*

| | |
|--|--|
| Position | > Chairman of the Board |
| Age | > 53 |
| Education Background | > Bachelor Degree in Economics, Nanzan University, Japan |
| Shareholding Percentage | > 0.60% |
| Working Experience for the last 5 years | |
| 1996 - present | > Chairman AEON Thana Sinsap (Thailand) Public Company Limited / Retail Finance |
| 2003 - present | > Director AEON Company Limited / Retail |
| 1990 - present | > President NCS Kosan Company Limited / Insurance Agency |
| 1990 - present | > Chairman AEON Credit Service (Asia) Company Limited / Retail Finance |
| 1981 - present | > President AEON Credit Service Company Limited / Retail Finance |

MR. MASAO MIZUNO*

| | |
|--|---|
| Position | > Vice Chairman of the Board and Managing Director |
| Age | > 45 |
| Education Background | > Bachelor Degree in Law, Aichi Gakuin University, Japan > Directors Certificate Thai Institute of Directors Association |
| Shareholding Percentage | > 0.60% |
| Working Experience for the last 5 years | |
| 1992 - present | > Managing Director AEON Thana Sinsap (Thailand) Public Company Limited / Retail Finance |
| 2001 - present | > Director ACS Capital Corporation Limited / Retail Finance |
| 1998 - 2001 | > CEO ACS Capital Corporation Limited / Retail Finance |

MR. MIKIO SUEDA*

| | |
|--|--|
| Position | > Director |
| Age | > 48 |
| Education Background | > Bachelor Degree in Commerce, Kansai University, Japan |
| Shareholding Percentage | > 0.21% |
| Working Experience for the last 5 years | |
| 1999 - present | > Director AEON Thana Sinsap (Thailand) Public Company Limited / Retail Finance |
| 2000 - present | > Director ACS Capital Corporation Limited / Retail Finance |

Remark : * Authorized Directors are Mr. Yoshiki Mori or Mr. Masao Mizuno or Mr. Mikio Sueda with the Company's seal.

MR. MITSUHIKO YASHIRO

| | |
|--|---|
| Position | > Director |
| Age | > 45 |
| Education Background | > Diploma in Computer Science, Tokyo Science and Engineering College, Japan |
| Shareholding Percentage | > 0.08% |
| Working Experience for the last 5 years | |
| 2001 - present | > Director AEON Thana Sinsap (Thailand) Public Company Limited / Retail Finance |
| 1994 - 2001 | > Asst. General Manager AEON Thana Sinsap (Thailand) Public Company Limited / Retail Finance |

MRS. SUPORN WATTANAVEKIN

| | |
|--|---|
| Position | > Director |
| Age | > 40 |
| Education Background | > Master Degree in Business Administration NIDA > Director Diploma Thai Institute of Directors Association |
| Shareholding Percentage | > 0.10% |
| Working Experience for the last 5 years | |
| 2000 - present | > Director AEON Thana Sinsap (Thailand) Public Company Limited / Retail Finance |
| 1998 - 2000 | > Managing Director ACS Capital Corporation Limited / Retail Finance |

MR. APICHA NANTATERM

| | |
|--|--|
| Position | > Director |
| Age | > 49 |
| Education Background | > Master in Computer Science, Atlanta University, U.S.A. |
| Shareholding Percentage | > 0.04% |
| Working Experience for the last 5 years | |
| 2001 - present | > Director AEON Thana Sinsap (Thailand) Public Company Limited / Retail Finance |
| 1998 - 2001 | > Vice President AEON Thana Sinsap (Thailand) Public Company Limited / Retail Finance |

MR. CHATCHAVAL JIARAVANON

| | |
|--|---|
| Position | > Director |
| Age | > 42 |
| Education Background | > Bachelor of Science in Business Administration University of Southern California, U.S.A. |
| Shareholding Percentage | > 6.00% |
| Working Experience for the last 5 years | |
| 2000 - present | > Director AEON Thana Sinsap (Thailand) Public Company Limited / Retail Finance |
| 2002 - present | > Director Syrus Securities Company Limited / Securities Business |
| 2000 - present | > President and CEO Telecom Holding Company Limited / Holding Company |
| 2000 - present | > Independent Director Cal-Comp Electronics (Thailand) Public Company Limited / Electronic parts Manufacturing |
| 2003 - present | > CEO Asia Infor-net Company Limited / Internet Company |
| 1999 - present | > CEO Asia Multimedia Company Limited / Multimedia |
| 1993 - present | > Director True Corporation Public Company Limited / Telecommunication |
| 2002 - present | > Director Government Savings Bank / Banking Business |

MR. TATSUYA SAITO

| | |
|--|--|
| Position | > Director |
| Age | > 42 |
| Education Background | > Bachelor Degree of Economy, Osaka-Gakuin University, Japan |
| Shareholding Percentage | > - |
| Working Experience for the last 5 years | |
| 2003 - present | > Director AEON Thana Sinsap (Thailand) Public Company Limited / Retail Finance |
| 2002 - present | > Director AEON Credit Service Company Limited / Retail Finance |

MR. KAZUhide KAMITANI

| | |
|--|--|
| Position | > Director |
| Age | > 47 |
| 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 | > Managing Director AEON Credit Service Company Limited / Retail Finance |
| 2002 - present | > Director AEON Credit Service (Asia) Company Limited / Retail Finance |
| 1994 - 2002 | > Director AEON Credit Service Company Limited / Retail Finance |
| 1990 - 2002 | > Managing Director AEON Credit Service (Asia) Company Limited / Retail Finance |

MR. NOPPUN MUANGKOTE

| | |
|--|---|
| Position | > Chairman of Audit Committee |
| Age | > 56 |
| Education Background | > Master Degree in Law, New York University, U.S.A. |
| Shareholding Percentage | > 0.052% |
| Working Experience for the last 5 years | |
| 2001 - present | > Chairman of Audit Committee AEON Thana Sinsap (Thailand) Public Company Limited / Retail Finance |
| 2001 - present | > Independent Director and Audit Committee Amata Corporation Plc. / Property Development |
| 1994 - present | > Director Siam - Jusco Company Limited / Retail |
| 1993 - present | > Director AEON Thana Sinsap (Thailand) Public Company Limited / Retail Finance |
| 1981 - present | > Director International Business Lawyers Company Limited / Legal Consulting |

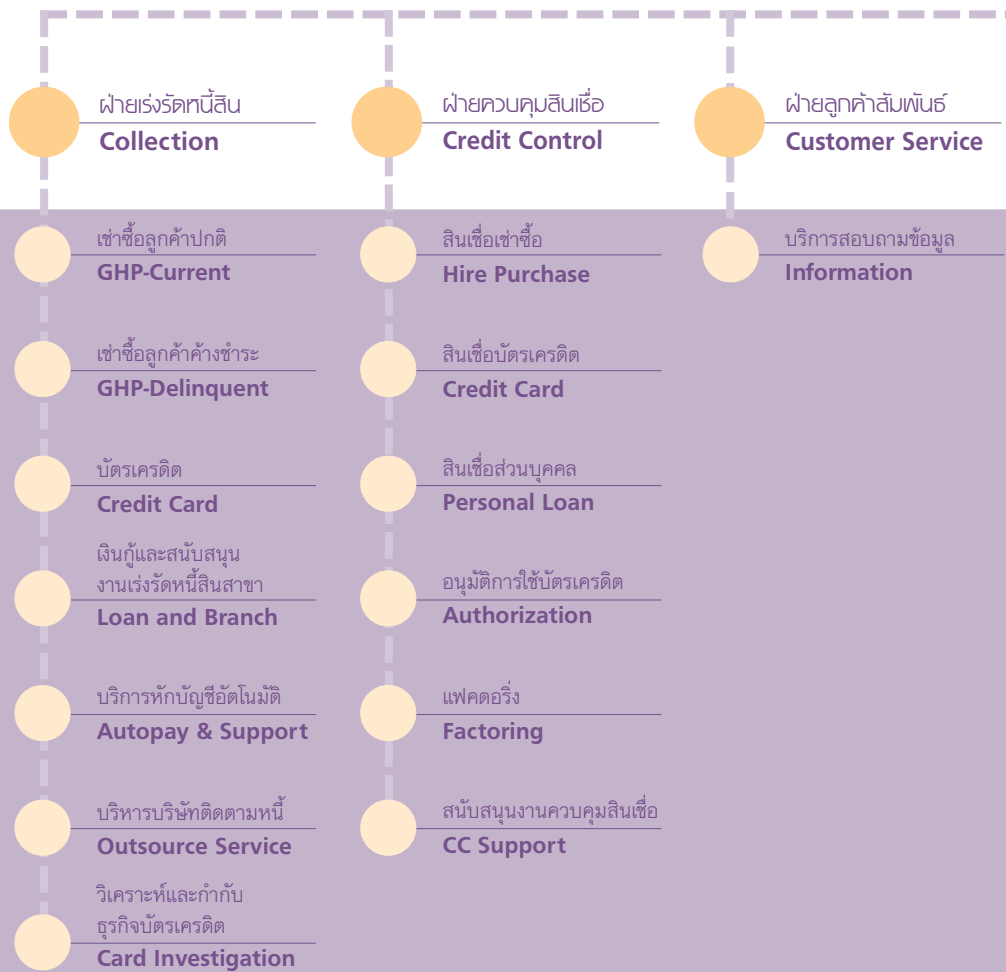
MR. DEJ BULSUK

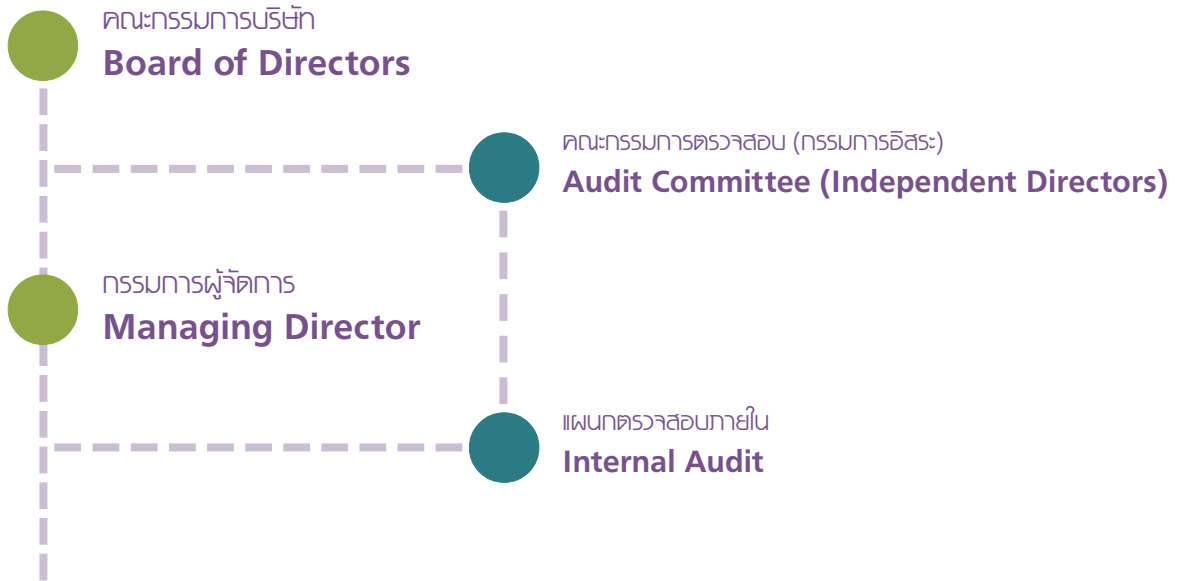
| | |
|--|--|
| Position | > Audit Committee Member |
| Age | > 53 |
| Education Background | > Bachelor in Business Administration Thammasat University |
| Shareholding Percentage | > - |
| Working Experience for the last 5 years | |
| 2001 - present | > Audit Committee Member AEON Thana Sinsap (Thailand) Public Company Limited / Retail Finance |
| 1984 - present | > President McThai Company Limited / Food |

MR. SHUNICHI KOBAYASHI

| | |
|--|--|
| Position | > Audit Committee Member |
| Age | > 61 |
| Education Background | > Diploma in Language, Kanda Foreign Language Institute Japan |
| Shareholding Percentage | > 0.04% |
| Working Experience for the last 5 years | |
| 2001 - present | > Audit Committee Member AEON Thana Sinsap (Thailand) Public Company Limited / Retail Finance |
| 1991 - present | > President International Administration (Thailand) Company Limited / Accounting and Legal Consulting |

Organization Chart





ฝ่ายการตลาด
Marketing

ฝ่ายสารสนเทศ
MIS

ฝ่ายการบัญชีและการเงิน
Accounting & Finance

ฝ่ายการจัดการทั่วไป
General Affairs

เช่าซื้อ
Hire Purchase

พัฒนาระบบ
System Development

บัญชี
Accounting

บุคคล
Personnel

บัตรเครดิต
Credit Card

System Administration

การเงิน
Finance

ธุรการ
Administration

ส่งเสริมการตลาด
Promotion

IT & CRM

ควบคุมการชำระเงิน
Payment Control

สนับสนุนงานการจัดการ
Business Support

พัฒนาธุรกิจ
Business Development

นักลงทุนสัมพันธ์
Investor Relations

บริหารสำนักงานสาขา
Branch Support

สาขาในกรุงเทพฯ
BKK Branches

จัดการทั่วไป
MKT Admin

สาขาต่างจังหวัด
Provincial Branches



มุ่งสู่ความเป็นหนึ่ง
ด้วย **เครือข่าย** พร้อมตอบสนอง
ความต้องการด้านบริการ ระดับสากล

T CARD 8



Business Nature

ความเป็นมา

บริษัท อีออน ธนลินทรัพย์ (ไทยแลนด์) จำกัด (มหาชน) จัดทะเบียนก่อตั้งเป็นบริษัทจำกัด เมื่อวันที่ 18 กันยายน 2535 โดยบริษัท อีออน เครดิต เซอร์วิส จำกัด ประเทศญี่ปุ่น ปัจจุบัน บริษัทฯ มีทุนจดทะเบียนที่ชำระแล้วทั้งสิ้น 250 ล้านบาท

บริษัท อีออน เครดิต เซอร์วิส จำกัด ผู้ถือหุ้นรายใหญ่ของบริษัทฯ ได้เริ่มก่อตั้งขึ้นครั้งแรกในประเทศญี่ปุ่น เพื่อประกอบธุรกิจในการให้บริการทางการเงินต่าง ๆ รวมถึงการบริการบัตรเครดิต บริการสินเชื่อเช่าซื้อ บริการสินเชื่อส่วนบุคคล และบริการอื่นๆ จากความสำเร็จในการดำเนินธุรกิจในประเทศญี่ปุ่น บริษัทฯ จึงเริ่มขยายธุรกิจไปยังประเทศต่างๆ ในภูมิภาคเอเชีย ได้แก่ ประเทศฮ่องกง ไทย มาเลเซีย ไต้หวัน และจีน (เซินเจิ้น) ตามลำดับ โดยมีสำนักงานใหญ่ตั้งอยู่ที่ญี่ปุ่น และเป็นบริษัทจดทะเบียนในตลาดหุ้นโตเกียว และบริษัท อีออน เครดิต เซอร์วิส (เอเชีย) ที่ประเทศฮ่องกง ก็เป็นบริษัทจดทะเบียนในตลาดหลักทรัพย์ฮ่องกงเช่นกัน การเข้าจดทะเบียนในตลาดหลักทรัพย์แห่งประเทศไทยของบริษัท อีออน ธนลินทรัพย์ (ไทยแลนด์) จำกัด (มหาชน) ถือเป็นบริษัทที่สามในเครือของอีออน เครดิต เซอร์วิส ที่ประเทศญี่ปุ่น (AEON Credit Japan) ที่ได้รับการอนุมัติเข้าเป็นบริษัทจดทะเบียนในตลาดหลักทรัพย์ โดยใช้ชื่อหลักทรัพย์ว่า AEONTS

BACKGROUND

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

AEON Credit Japan, the major shareholder of the Company, was incorporated in Japan to 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 and China (Shenzhen) respectively. AEON Credit Japan listed 1st section on the Tokyo Stock Exchange and AEON Credit Service (Asia) Co., Ltd. in Hong Kong is also listed on the Hong Kong Stock Exchange.

The listing of the Company on the Stock Exchange of Thailand, with its security named "AEONTS" makes it the third listed company in AEON Credit group company approved to list as a public company.

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 generates most revenue for the company in the past year is the hire purchase business, representing around 45% of total revenues. The credit card business, a high growth business, represents around 27% of total revenues.

The Company has accumulative number of approved credit approximately 1.94 million, and total number of credit card issued counts 1,132,207 cards and 54 branches nationwide of which 18 branches are located in Bangkok and its surrounding provinces and 36 branches in other provinces. Moreover there are 184 service counters located in department stores and discount superstores such as Tesco-Lotus, Makro Carrefour and Big C, and 235 ATMs have been installed in Bangkok and surrounding provinces for customer convenience.

REVENUES STRUCTURE

| Business Category | Fiscal Year 2001 | | | Fiscal Year 2002 | | | Fiscal Year 2003 | | |
|-------------------|-----------------------------|--------|-----------------------|-----------------------------|--------|-----------------------|-----------------------------|--------|-----------------------|
| | Amount (million baht) | % | Growth rate (%) | Amount (million baht) | % | Growth rate (%) | Amount (million baht) | % | Growth rate (%) |
| 1. Hire Purchase | 1,166.98 | 53.12 | 69.81 | 1,713.61 | 47.65 | 46.84 | 1,807.92 | 44.59 | 5.50 |
| 2. Credit Card | 635.25 | 28.92 | 181.27 | 1,077.54 | 29.96 | 69.62 | 1,105.77 | 27.27 | 2.62 |
| 3. Personal Loan | 330.26 | 15.03 | 113.15 | 723.64 | 20.12 | 119.11 | 917.94 | 22.64 | 26.85 |
| 4. Factoring | 20.73 | 0.94 | (12.90) | 17.86 | 0.50 | (13.84) | 9.82 | 0.24 | (45.02) |
| 5. Others | 43.71 | 1.99 | (20.16) | 63.51 | 1.77 | 45.30 | 213.36 | 5.26 | 235.94 |
| Total | 2,196.93 | 100.00 | 91.61 | 3,596.16 | 100.00 | 63.69 | 4,054.81 | 100.00 | 12.75 |

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

: The Company's accounting period ends on February 20 of each year.

BUSINESS GOAL

Under the corporate policy; "Life supporting enterprise dedicated to improve the future and trust of customers", 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 more credit cards in cooperation with large retailers, so as to increase the credit card holder base to 1.8 million holders within February 2005. Extend the service network through implementation of plans to increase the number of ATMs installed nationwide up to 265 machines, from the current number of 235 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 60 branches around the country.

NATURE OF EACH BUSINESS LINE

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 6,961 member stores, including The Mall, Jusco, Tesco-Lotus, Makro, Carrefour, Big C, and others. The products that the Company provides hire purchase services can be divided into the 8 categories as follows:

1. Electrical appliances such as television, stereo, video, refrigerator, washing machine, and air conditioner.
2. Home furnishings such as furniture and sanitary ware.
3. Office equipment such as computer, printer, fax machine, and photocopier.
4. Sports equipment such as golf club, and exercise machine.
5. Musical instruments such as piano, guitar and drum.



6. Mobile phones
7. Car accessories such as alloy wheel, tire, and roof.
8. Motorcycle

The revenues of the Company from provision of hire purchase services consist of the hire purchase interest and late charges.

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 235 ATMs which are installed in Bangkok and provincial area.

The Company currently offers two types of credit card:

1. Domestic Credit Cards which can be divided into two types;
 - a. The AEON Card is a card which the Company issues to customers for purchasing products

from The Mall, Jusco, Tesco-Lotus, Tang Hua Seng, Big C, and other member stores accepting the AEON Card.

b. The Affinity Card is a card issued in cooperation with various stores, and cardholders will also receive special benefits from the store such as The Mall Card, Jusco Card, Tang Hua Seng Card and Saha Group Card.

2. International Credit Cards consist of AEON MasterCard, AEON VISA Card, and AEON JCB Card. Cardholders can use these cards to purchase products and services from the 260,000 outlets around the country and the more than 52 million outlets around the world, which have the MasterCard and VISA sign and the 35,000 outlets nationwide and 11 million outlets worldwide that have the JCB sign. Holders of these credit cards can also use the cash advance service from the Company's ATMs and use the more than 6,700 ATMs around the country and 850,000 ATMs around the world, in the CIRRUS and PLUS Network.

The Company's revenues from its credit card business consist of interest, credit revolving fees, late payment charges, and other fees such as annual fees, cash advance fees, and payments from the dealer outlets.



Personal Loan Business

This business consists of providing loans to customers who need money for various purposes such as education, car insurance, and travel. The personal loan credit applicant can submit an application form directly at any of the Company's 54 branches, or send the application form and reference documents by mail, or through the internet.

The revenues from the personal loan business consist of loan interest, minimum payment fee, handling fee and penalty fee.

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 which the Company provides 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.



มุ่งสู่ความเป็นหนึ่ง
เพื่อเพิ่มความสะดวก สบายของชีวิต
ให้**สามารถผ่อนชำระได้**
หลากหลาย



Market and Competition

การตลาดและภาวะการแข่งขัน

จากคุณสมบัติเบื้องต้นของลูกค้าสินเชื่อรายย่อยของบริษัทฯ ที่ต้องมีอายุตั้งแต่ 20 ปีขึ้นไป มีรายได้ประจำ และมีอาชีพการงานที่มั่นคงนั้น จากสถิติพบว่า จำนวนประชากรที่มีอายุตั้งแต่ 20 ปี ถึง 40 ปี มีถึงกว่า 40 ล้านคน หรือคิดเป็นร้อยละ 67.07 ของจำนวนประชากรทั้งหมดของประเทศ ดังนั้น บริษัทฯ จึงมีช่องทางในการขยายตลาดออกไปได้อีกเป็นจำนวนมากในอนาคต เมื่อพิจารณาภาวะการแข่งขันของธุรกิจแต่ละสายของบริษัทฯ พบว่า

ธุรกิจสินเชื่อเช่าซื้อ

ปัจจุบัน บริษัทฯ เป็นผู้ประกอบการชั้นนำรายแรกที่ให้บริการสินเชื่อเช่าซื้อในลักษณะดังกล่าว ส่วนมีผู้ประกอบการรายอื่นที่ถือเป็นคู่แข่งของบริษัทฯ ได้แก่ บริษัท จีอี แคปปิตอล (ประเทศไทย) จำกัด บริษัท สยาม เอแอนด์ซี จำกัด และบริษัท เซทเทเลม (ประเทศไทย) จำกัด บริษัท ซิงเกอร์ (ประเทศไทย) จำกัด และบริษัท ไมต้า แอสเซท จำกัด

ธุรกิจบัตรเครดิต

ธุรกิจสินเชื่อบัตรเครดิตมีคู่แข่งที่สำคัญ คือ ธนาคารพาณิชย์ และบริษัทการเงินอื่นๆ อาทิ บริษัท จีอี แคปปิตอล (ประเทศไทย) จำกัด และบริษัท อเมริกัน เอ็กซ์เพรส (ไทย) จำกัด เป็นต้น

MARKET AND COMPETITION

The basic qualification of financing service to customers are the age of 20 years old or older, 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, and therefore, there is a lot of opportunity for the growth of the Company's services in the Thai market in the future. Looking at the competitive environment for each of the Company's business lines, we can see the following:

Hire Purchase Business

The Company is currently a leader of hire purchase service provider. Its main competitors are GE Capital (Thailand) Co., Ltd., Siam A & C Co., Ltd., Cetelem (Thailand) Co., Ltd., Singer (Thailand) Public Co., Ltd. And Mida Asset Co., Ltd..

Credit Card Services

For credit card services, our main competitors are commercial banks and other financial institutions such as GE Capital (Thailand) Co., Ltd. and American Express (Thailand) Co., Ltd..

Personal Loans

Our main competitors in this business are commercial banks and other financial institutions such as GE Capital (Thailand) Co., Ltd., Siam A & C Co., Ltd. and Citibank. 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 in order to expand its service coverage area, and has set up a network of ATMs for the convenience of approved personal loan customers.

COMPETITIVE STRATEGY

The Company's competitive strategies consist of:

1. Utilization of Customers' Database After gathering and storing customer information, the Company establishes and classifies a customer 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 increased the speed which it provides financial services to its customers through the use of up-to-date technology, with The Electric Debit Capture Terminal speeding up the processing of applications customer credit. The Company launched the Express Card for more efficiency of credit service because the record of loan and payment history will be recorded into this card. Consequently, the loan is quickly approved. Express Card Member can also withdraw cash through our ATMs, and credit approval and payment information services are offered through the Internet at <http://www.aeonthailand.com>.

3. Variety of Products and Services

Increasing the range of new products or services is aim to maximize its ability to meet customer needs. By adding new products, the Company can offer customers the wider opportunity to purchase a variety of products by hire purchase service such as electrical appliances, musical instruments, mobile phones, car accessories and motorcycles. The Company has also broadened the range of its personal loan services to cover educational loans, car insurance loans, medical loan and wedding loan among others in the credit card business, the Company is adding more and more stores to the list of those which it jointly issues credit cards with.

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 by customers on a daily basis. Also, with respect to member stores' expansion for credit card, the Company is extending its member store network by affiliation with international credit card brand beyond domestic use.

5. Nationwide Network

The Company locates branches and service counters throughout the country as an expansion of the network in order to respond requests from 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 establishment of "more convenient" and "easier accessible" network for the Company's credit card service by installing 235 ATMs nationwide.

DISTRIBUTION CHANNELS

The Company will increase 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.aeonthailand.com>.

2. Member Stores and Merchants

There are currently more than 6,961 member stores offering hire purchase services throughout the country. Domestic and foreign AEON credit card holders can also purchase products from shops that post the MasterCard sign the VISA sign and the JCB sign.

3. Service Network

The Company has 54 branches nationwide of which 18 are located in Bangkok and its surrounding provinces, and 36 are located in the including 184 service counters and 235 ATMs in locations throughout Bangkok and surrounding provinces 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, radio commercials, bus stop ads and the internet. Throughout the fiscal year 2003, the Company has participated in a variety of sales and promotion activities, both on its own and in cooperation with product manufacturers. These have included setting up service counters to accept customer credit applications, prize draws and sweepstakes. As a result of these activities, the Company was able to promote and introduce its services and build brand recognition.

DEBT MANAGEMENT, POLICY ON PROVISIONS FOR DOUBTFUL DEBT

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 to 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 job in order to insure that the debt management is efficiently and promptly done.

Customer's Payment

The customer's statements, calculated by the Company, need to be paid not exceed than the 2nd of the month later by cash on every branch of the Company, commercial bank's counter, Counter Service, Pay Point Service, Pay at Post, Post-dated cheque as well as bank account deduction. For hire purchase service, customers must repay in monthly installments over periods of 6 to 36 months, depending upon the value of the product. The average hire purchase period is around 12 months.

Policy on Provision for Doubtful Debt

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 more than three unpaid installments, and write-off the balances of which are uncollectible, such as debtors with six consecutive unpaid installments outstanding balances. The Company writes off debt four times a year to correspond with the audited and reviewed of the financial statements by the auditor. When it compared the proportion of non-performing debt to the total commercial debt balance, the Company found that less than 2.5%.

RESEARCH AND DEVELOPMENT OF PRODUCT AND SERVICE

The Company is continuously researching and developing new products and services in order to increase customer convenience with a full range of new choices, as well as improving the efficiency of the Company's operation, to further reduce operating costs. In the fiscal year 2003, the Company cooperated with VISA International to issue new AEON VISA credit card. The AEON VISA cardholders can use services through VISA network and withdraw cash from all ATMs of PLUS network. To add more value to the Company's ATMs, the Company joined with VISA to be a member of PLUS network. The other VISA credit cards with PLUS sign can withdraw money from the Company's ATMs. The Company also receives interchange fee income from VISA international for those transactions.

IMPROVEMENT OF CONVENIENCE AND OPERATIONAL EFFICIENCY

The Company has used an on-line computer system to collect data from each branch to centralize at the head office. This enables the Company to provide a fast convenient service at all branches. For support more customers by reducing transaction time and cost, the Company enhanced an operation to simplify and facilitate customers who made payment through the Company's ATMs.

The Company also increased security by implemented 3DES (Data Encryption Standard) method for a highest standard security that recommended by MasterCard.

The Company implemented the system to control all fax documents sent from our dealers and installed all documents as image to computers. The judgment staff can verify the documents easier, faster and paper less. This system has supervisors to monitor and control all documents during judgment with the efficiency time.

The Company increased the number of Electric Data Capture terminal up to 290 machines in order to fasten the application procedure within a few second for the Company's cardholders along Thailand.

To be standardized of the Company services center in Thailand, the Company merged all operation to centralize in one operation center. At the beginning, the Company finished in the Southern area. The operation such as judgment, collection and customer service was centralized at one province. The Company implemented PBX to route calls from other provinces to locate at one center, which reduced customer telephone expenses and the Company's operating cost as well.

Management Discussion and Analysis

AEON Thana Sinsap (Thailand) Public Company Limited has already submitted the audited financial statements for the fiscal year 2003 ended February 20, 2004. Due to the full year operating results, the company increased revenue and controlled operating expense that result of net profit of 622.72 million baht, which increased 158.83 million baht, or 34.24% more than the last year operation

SUMMARY OF OPERATION RESULTS

Revenue

In FY 2003, the Company's revenue has shown an upward trend as the Company's total revenue was Baht 4,054.81 million, increased from Baht 3,596.16 million in FY 2002 which was equivalent to 12.75 % growth. This revenue increased due to the expansion of operation network, increased number of credit cards, and efficiency of debt management. The Company opened 3 new branches: 1 branches in Bangkok and 2 branches in provinces as well as installed 49 new ATMs. The Company also started issuing an AEON VISA credit card in FY 2003. By these utilities, the Company could extend customer database and enabled customers to use loans conveniently. The Company's revenue can be classified as follows:

Hire Purchase

Hire purchase turnover comprised of 45.82 % of total turnover and is a major service contributed revenue to the Company, which accounted for 44.59 % of the total revenues. In the FY 2003, the Company had hire purchase income of Baht 1,807.92 million, up Baht 94.31 million or 5.50 % from the previous year. The slightly growth of hire purchase income was a result of a slow consumer spending due to a concern of Iraq war and SARS outbreak in the first quarter of FY 2003. However the consumer spending had returned to normal situation in the second half of FY 2003. The Company also has a policy to continuously increase the number of dealers, which is the major distribution channel of hire purchase business. As of February 20, 2004, the number of total dealers was 6,961, increased 1,417 dealers or expanded by 25.56 % from the previous year.

Credit Card

Credit card turnover represented 38.37 % of total turnover and the credit card turnover increased 25.27 % YoY. Its income has a growth rate of 2.62 % increased from Baht 1,077.54 million in FY 2002 to Baht 1,105.77 million in FY 2003. This was a result of the credit card interest has been capped by Bank of Thailand at 18% per year since January 2003. However, the revenue from credit card can be compensated by the increase of credit cards spending turnover, which generated more credit card fees income. The Company put emphasis on credit card business in the provincial area and increased new credit cardholders from 801,000 cards in FY 2002 to 1,132,207 at the end of the FY 2003, or up 41.32 %.

Personal Loan

In the fiscal year 2003, the Company installed more ATMs in provincial area to let loan customers receive cash immediatly. That generated income of Baht 917.94 million, which has a growth of 26.85% from last year. The loan turnover comprised of 12.62 % of total turnover. Major incomes from personal loan are interest received, minimum payment fee and handling charge.

Factoring

Currently, the Company provides this service only to the suppliers of Makro, Tesco-Lotus, Big C and JUSCO department store. In FY 2003, the factoring income stood at Baht 9.82 million or equivalent only 0.24 % of total revenues. The major factoring income contributed to interest received.

Other Incomes

Apart from all major income from each type of credit services, the Company also has other incomes such as the bad debt recovery of Baht 108.29 million or 50.75 % of total other incomes. The others were the gain from sales of fixed assets Baht 53.76 million, interest from bank, service fees, counter payment service fee which start January 2004 and others Baht 51.31 million. In FY 2003, the Company had other income totally of Baht 213.36 million accounted for 5.26 % of the total revenues.

Expenses

The Company's expenses, which consist of operating, and administrative expenses, bad debt and allowance for doubtful debt and interest expense. In FY 2003, the Company had total expenses of Baht 3,222.97 million, up Baht 293.93 million, or 10.03 %. This result is correlated to the revenue growth which increased 12.75% YoY; all details are shown as follows:

Operating and Administrative Expenses

Operating and administration expenses are the major expense of the Company, which is accounted for 42.05% of the total revenues. In FY 2003, the Company's operating and administration expenses were Baht 1,705.17 million, up only 4.87 % from last year. The Company had implement an effective operating cost reduction plan in the FY 2003 such as reduction of telephone expenses and bank charge expense for payment made at the bank counters.

Bad Debt and Allowance for doubtful Debt

The Company posted bad debt and allowance for doubtful debt of Baht 1,048.78 million, or 25.87 % of total revenues in the FY 2003. The Company has set up 100% provision for bad debt for delinquency 3 customers. In FY 2003 the Company had bad debt written-off at Baht 1,018.40 million.

Interest Expense

The Company's major source of funds are loans from financial institutions, issuing bill of exchange and debentures. During the fiscal year 2003, the Company has slightly increased its borrowing that because the Company has started the securitization as a new source of fund. Therefore, the Company's borrowing increased only Baht 95.77 million from FY 2002 to Baht 12,310.70 million in the FY 2003. Moreover, market interest rate had been reduced frequently in the FY 2003, so that the Company had the interest expense of Baht 469.02 million, slightly decreased from Baht 470.38 million in FY 2002 or down 0.29 %.

Net Profit

The Company's profit before income tax has continually increased. In FY 2003, the profit before income tax was Baht 831.83 million, an increase of 24.69 % from FY 2002. The Company has the net profit of Baht 622.72 million, in the FY 2003, increased 34.24 % or representing net profit margin of 15.36 %, increased from 12.90% net profit margin of the FY2002.

FINANCIAL STATUS

Total Assets

The Company's total assets increased from Baht 14,352.66 million in FY 2002 to Baht 14,899.67 million in FY 2003 despite the fact that the net off-balance assets of Baht 1,482.50 million by securitization. The Company also bought 49 ATMs and set up new branches. Currently, as of the end of FY 2003, the Company has totally 235 ATMs and 54 branches.

Accounts Receivable

As at February 20, 2004, the Company's accounts receivable was Baht 13,120.19 million, slightly increased from Baht 13,109.41 million in FY 2002, which can be separated in according to Company's type of business as follows: hire purchase receivables was Baht 4,950.93 million, credit card receivables was Baht 5,417.56 million, loan receivables was Baht 2,668.20 million, and factoring receivables was Baht 83.50 million.

In February 2004, the Company has sold Baht 1,999.99 million hire purchase receivables to Eternal Special Purpose Vehicle Co., Ltd. (SPV) (detail are shown in Note to the Financial Statements No. 6.3).

As of February 20, 2004, the Company has set aside allowance for doubtful debt in the amount of Baht 350.17 million which was equivalent to 2.67 % of the total accounts receivable. It can be seen that total allowance for doubtful debt can cover all the 3 months overdue and upwards accounts receivable. The Company has the policy to set aside a full provision for debtors who has 3-month overdue and upwards and it will write off bad debts when the debtors have 6-month overdue and upwards.

Liabilities

As of February 20, 2004, the Company had total liabilities in the amount of Baht 12,938.18 million increased from Baht 12,845.66 million in FY 2002, or slightly up only 0.72 %. This was a result of a decrease in short-term loans of Baht 1,015.11 million, long-term loans of Baht 490.92 million and increased the current portion of long-term loans Baht 1,601.80 million. During FY 2003, the Company raised fund of Baht 1,482.50 million from selling Hire purchase receivables to Eternal SPV Co., Ltd. under securitization plan, partially of such proceed was paid to borrowing in the FY 2003.

As of February 20, 2004 debt to equity ratio of the Company was 6.60 times reducing from 8.52 as of February 20, 2003.

Shareholders' Equity

The Company's performance has continually been successful as proven in the increase of net profit every year due to the growth of retail business in Thailand. In FY 2003, the Company recorded a net profit of baht 622.72 million. On July 10, 2003 the Company paid final dividend of the fiscal year 2002 of Baht 80 million and October 20, 2003 paid baht 88 million for interim dividend payment of the fiscal year 2003. That made the Company's shareholders' equity increased to Baht 1,961.49 million, Equity ratio was 13.16% and Return on Equity was 35.91% at the end of FY 2003.

Risk Factors

The risk 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 in long-term loan with THB fixed rate over the loan period and to hedge against the risk of interest rate fluctuation in which it enter into an interest rate swap contract for THB floating rate and enter 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). 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, 2004, the Company has short-term liabilities which includes current portion of long-term loan, in the amount of JPY 6,920 million equivalent to the amount of Baht 2,497.09 million. In addition, the Company also has long-term loan in the amount of JPY5,500 million equivalent to the amount of Baht 2,003.95 million and US\$8 million equivalent to Baht 333.04 million.

In order to hedge its exposure to foreign exchange rate risks, the Company entered into forward foreign exchange contract for all its short term foreign currency loan included interest at JPY 4,220 million and entered into cross currency swap contract for long-term foreign currency loan included current portion at total amount of JPY 8,200 million and USD 8 million. 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, 2004, the Company's net receivables stood at Baht 12,770.03 million and its working capital was raised by borrowing with the amount of Baht 11,310.70 million. In July 2002, the Company issued 3 year term unsubordinated and unsecured debentures at the amount of Baht 1,000 million due in 2005. 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 from 13 banks including 7 foreign bank's branches and 6 local banks. The Company does not rely on any creditor's fund for more than 30 percent of the total loans during the past period.

During FY 2003, the Company issued a three years Bill of Exchange at total amount of Baht 1,200 million. To strengthen more, the Company entered into the contract with financial institutions for committed revolving credit facility of Baht 700 million and JPY 1,000 million.

In February 2004, the Company raised fund of Baht 1,482.50 million through securitization by selling Hire purchase receivables to Eternal Special Purpose Vehicle Co., Ltd. (ESPV) which established under Securitization Law and the Company held 26% of its share capital. (Details are shown in Note to Financial Statements No. 6.3).

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 increasing Banks' Credit limit, 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 introduces 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. And the access from internal staff of system department is available only for the computers for development and if any access to the primary one, the staff are required to input another password. The risk from system failure can be covered by duplicated system which if the host computer fails to work, counterpart temporarily substitutes to give no adverse affect to the operation.

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 per annum and the qualification of the credit cardholders. 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 ETERNAL SPECIAL PURPOSE VEHICLE COMPANY LIMITED UNDER THE SECURITIZATION PLAN

On February 17, 2004, the Company entered into the Receivables Sale Agreement with Eternal Special Purpose Vehicle Company Limited (ESPV), which was 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, non-recourse hire purchase receivables at the amount of 1,999.99 million baht to ESPV and has an option to buy back those excess defaulted receivables from ESPV (details see Note to financial statements No. 6.3) However, 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 of failure shall constitute a trigger event. Such situation will not occur as long as the Company has a good debt management.

9. RISK FROM CONTROLLING OF THE MAJOR SHAREHOLDER

Currently, AEON group is a major shareholder of the Company holding 31,560,000 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.

Report from Audit Committee

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, compliance with the Best Practice Guidelines for Audit Committee of the Stock Exchange of Thailand.

During the fiscal year 2003, Audit Committee held 4 meetings. The major issues concerned with the adequacy and sufficiency of internal control systems in several aspects i.e. organization and environment, risk management, control on operation of the administration, information technology and data communication, and follow up system including transparency of related party transactions, compliance with securities and exchange, regulations of the Stock Exchange of Thailand and the laws relating to the Company's business. Furthermore, Audit committee coordinated with the external auditor and management for reviewing the correctness, accounting policies and disclosure information of the Company's quarterly financial statements as well as the annual financial statements.

Audit committee inferred that the Company arranged the adequacy and sufficiency of internal control system. Together, the Company complied with securities and exchange, regulations of the Stock Exchange of Thailand and the laws relating to the Company's business. In addition, the Company's financial statements were presented correctly and completely disclosed in accordance with the generally accepted accounting principles.

Audit committee has recommended to the Board of Directors to nominate the Company's auditor based on qualification, business knowledge and audit fee. Audit committee has proposed, Mr.Pernsak 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 2004.



(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 accompanying balance sheet of AEON Thana Sinsap (Thailand) Public Company Limited as at February 20, 2004, and the related statements of income, changes in shareholders' equity and cash flows for the year 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 audit. The Company's financial statements for the year ended February 20, 2003 were audited by another auditor of the same firm, whose report thereon dated March 26, 2003 expressed an unqualified opinion.

We conducted our audit 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 audit provides a reasonable basis for our opinion.

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of AEON Thana Sinsap (Thailand) Public Company Limited as at February 20, 2004, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.



Permsak Jerajakwattana

Certified Public Accountant (Thailand)

Registration No. 3427

DELOITTE TOUCHE TOHMATSU JAIYOS

BANGKOK

March 29, 2004

Balance Sheets

บริษัท อีออน ธนสินทรัพย์ (ไทยแลนด์) จำกัด (มหาชน)
AEON Thana Sinsap (Thailand) Public Company Limited

ณ วันที่ 20 กุมภาพันธ์
As at February 20,

| | | (หน่วย : บาท) 2547 / 2004 | (Unit : Baht) 2546 / 2003 |
|--|--|------------------------------|------------------------------|
| สินทรัพย์ | ASSETS | | |
| สินทรัพย์หมุนเวียน | CURRENT ASSETS | | |
| เงินสดและรายการเทียบเท่าเงินสด | Cash and cash equivalents | 669,285,852 | 547,639,760 |
| เงินฝากประจำที่ใช้เป็นหลักประกัน (หมายเหตุข้อ 5) | Fixed deposit used as collateral (Note 5) | 30,782,510 | 34,154,418 |
| ลูกหนี้การค้า | Accounts receivable | 13,120,193,176 | 13,109,414,041 |
| หัก ค่าเผื่อหนี้สงสัยจะสูญ | <u>Less</u> Allowance for doubtful accounts | (350,167,884) | (319,787,065) |
| ลูกหนี้การค้า - สุทธิ (หมายเหตุข้อ 6) | Accounts receivable - net (Note 6) | 12,770,025,292 | 12,789,626,976 |
| เงินให้กู้ยืมระยะสั้น (หมายเหตุข้อ 7) | Short-term lending (Note 7) | 517,500,000 | - |
| สินทรัพย์หมุนเวียนอื่น | Other current assets | | |
| ลูกหนี้อื่น | Other accounts receivable | 135,926,693 | 143,963,295 |
| ภาษีมูลค่าเพิ่มรอเรียกคืน | Value-added-tax refundable | 27,031,277 | 18,985,626 |
| ส่วนเกินจากสัญญาซื้อขาย เงินตราต่างประเทศล่วงหน้า | Premium on forward exchange contracts | 9,879,048 | 30,771,715 |
| อื่น ๆ | Others | 25,102,605 | 27,825,504 |
| | | 197,939,623 | 221,546,140 |
| รวมสินทรัพย์หมุนเวียน | Total Current Assets | 14,185,533,277 | 13,592,967,294 |
| สินทรัพย์ไม่หมุนเวียน | NON-CURRENT ASSETS | | |
| เงินลงทุนระยะยาว | Long-term investments | | |
| บริษัทที่เกี่ยวข้องกัน (หมายเหตุข้อ 8.1) | Related company (Note 8.1) | - | - |
| บริษัทอื่น (หมายเหตุข้อ 8.2) | Other companies (Note 8.2) | 461,385 | 450,985 |
| | | 461,385 | 450,985 |
| อุปกรณ์ - สุทธิ (หมายเหตุข้อ 9) | Equipment - net (Note 9) | 404,442,028 | 548,426,262 |
| สินทรัพย์ไม่มีตัวตน (หมายเหตุข้อ 10) | Intangible assets (Note 10) | 226,657,520 | 132,128,649 |
| สินทรัพย์ไม่หมุนเวียนอื่น (หมายเหตุข้อ 11) | Other non-current assets (Note 11) | 82,576,114 | 78,687,253 |
| รวมสินทรัพย์ไม่หมุนเวียน | Total Non-Current Assets | 714,137,047 | 759,693,149 |
| รวมสินทรัพย์ | TOTAL ASSETS | 14,899,670,324 | 14,352,660,443 |

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

Balance Sheets (Continued)

บริษัท อีออน ธนสินทรัพย์ (ไทยแลนด์) จำกัด (มหาชน)
AEON Thana Sinsap (Thailand) Public Company Limited

ณ วันที่ 20 กุมภาพันธ์
As at February 20,

| | (หน่วย : บาท) 2547 / 2004 | (Unit : Baht) 2546 / 2003 |
|---|--|------------------------------|
| หนี้สินและส่วนของผู้ถือหุ้น | LIABILITIES AND SHAREHOLDERS' EQUITY | |
| หนี้สินหมุนเวียน | CURRENT LIABILITIES | |
| เงินกู้ยืมระยะสั้นจากสถาบันการเงิน (หมายเหตุข้อ 12) | Short-term loans from financial institutions (Note 12) | 4,629,348,000 |
| หนี้สินระยะยาวที่ครบกำหนดชำระภายในหนึ่งปี (หมายเหตุข้อ 13) | Current portion of long-term loans (Note 13) | 1,257,896,315 |
| เจ้าหนี้การค้า | Accounts payable | 260,800,287 |
| เจ้าหนี้จากการซื้อสิทธิเรียกร้อง | Factoring payables | 29,888,857 |
| หนี้สินหมุนเวียนอื่น | Other current liabilities | |
| ภาษีเงินได้นิติบุคคลค้างจ่าย | Accrued income tax | 104,055,180 |
| ดอกเบี้ยค้างจ่าย | Accrued interest expense | 87,976,475 |
| ค่าใช้จ่ายค้างจ่ายอื่น | Accrued expenses - others | 74,916,988 |
| เจ้าหนี้อื่น | Accounts payable - others | 45,226,721 |
| อื่น ๆ | Others | 27,869,556 |
| | | 340,044,920 |
| รวมหนี้สินหมุนเวียน | Total Current Liabilities | 6,517,978,379 |
| หนี้สินไม่หมุนเวียน | NON-CURRENT LIABILITIES | |
| เงินกู้ยืมระยะยาว (หมายเหตุข้อ 13) | Long-term loans (Note 13) | 5,327,685,437 |
| หุ้นกู้ระยะยาว (หมายเหตุข้อ 14) | Long-term debentures (Note 14) | 1,000,000,000 |
| รวมหนี้สินไม่หมุนเวียน | Total Non-Current Liabilities | 6,327,685,437 |
| รวมหนี้สิน | TOTAL LIABILITIES | 12,845,663,816 |
| ส่วนของผู้ถือหุ้น | SHAREHOLDERS' EQUITY | |
| ทุนเรือนหุ้น | SHARE CAPITAL | |
| ทุนจดทะเบียน | Authorized share capital | |
| หุ้นสามัญ 50,000,000 หุ้น มูลค่าหุ้นละ 5 บาท | 50,000,000 ordinary shares of Baht 5 each | 250,000,000 |
| ทุนที่ออกและชำระแล้ว | Issued and paid-up share capital | |
| หุ้นสามัญ 50,000,000 หุ้น มูลค่าหุ้นละ 5 บาท ชำระครบแล้ว | 50,000,000 ordinary shares of Baht 5 each, fully paid | 250,000,000 |
| ส่วนเกินมูลค่าหุ้นสามัญ | PREMIUM ON ORDINARY SHARE CAPITAL | 478,000,000 |
| กำไรสะสม | RETAINED EARNINGS | |
| จัดสรรแล้ว | Appropriated | |
| สำรองตามกฎหมาย (หมายเหตุข้อ 16) | Legal reserve (Note 16) | 25,000,000 |
| สำรองเพื่อการขยายกิจการ | Reserve for business expansion | 240,000,000 |
| ยังไม่ได้จัดสรร | Unappropriated | 513,996,627 |
| | | 778,996,627 |
| รวมส่วนของผู้ถือหุ้น | TOTAL SHAREHOLDERS' EQUITY | 1,506,996,627 |
| รวมหนี้สินและส่วนของผู้ถือหุ้น | TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 14,352,660,443 |

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

Statements of Income

บริษัท อีออน ธนสินทรัพย์ (ไทยแลนด์) จำกัด (มหาชน)
AEON Thana Sinsap (Thailand) Public Company Limited

สำหรับปีสิ้นสุดวันที่ 20 กุมภาพันธ์
For the Years ended February 20,

| | | (หน่วย : บาท) 2547 / 2004 | (Unit : Baht) 2546 / 2003 |
|--|---|------------------------------|------------------------------|
| รายได้ | REVENUES | | |
| รายได้จากการให้เช่าซื้อ | Hire purchase income | 1,807,919,597 | 1,713,609,383 |
| รายได้จากบัตรเครดิต | Credit card income | 1,105,768,790 | 1,077,543,174 |
| รายได้จากการให้กู้ยืม | Loans income | 917,944,175 | 723,635,522 |
| รายได้จากการซื้อสิทธิเรียกร้อง | Factoring income | 9,819,081 | 17,859,928 |
| รายได้อื่น | Other income | | |
| หนี้สูญรับคืน | Bad debt recovery | 108,288,965 | 58,722,790 |
| กำไรจากการขายสินทรัพย์ | Gain on sale of fixed assets | 53,758,873 | 175,233 |
| อื่น ๆ | Others | 51,308,730 | 4,614,391 |
| | | 213,356,568 | 63,512,414 |
| รวมรายได้ | Total Revenues | 4,054,808,211 | 3,596,160,421 |
| ค่าใช้จ่าย | EXPENSES | | |
| ค่าใช้จ่ายในการดำเนินงานและการบริหาร | Operating and administrative expenses | 1,705,173,692 | 1,626,029,166 |
| หนี้สูญและหนี้สงสัยจะสูญ | Bad debts and doubtful accounts | 1,048,777,200 | 832,633,695 |
| ดอกเบี้ยจ่ายและต้นทุนทางการเงินอื่น | Interest expenses and other funding costs | 469,023,277 | 470,383,555 |
| รวมค่าใช้จ่าย | Total Expenses | 3,222,974,169 | 2,929,046,416 |
| กำไรก่อนหักภาษีเงินได้ | INCOME BEFORE INCOME TAX | 831,834,042 | 667,114,005 |
| ภาษีเงินได้ | INCOME TAX | (209,119,033) | (203,224,150) |
| กำไรสุทธิ | NET INCOME | 622,715,009 | 463,889,855 |
| กำไรต่อหุ้นชั้นพื้นฐาน (บาท) | BASIC EARNINGS PER SHARE (BAHT) | 12.45 | 9.28 |
| จำนวนหุ้นสามัญเฉลี่ยถ่วงน้ำหนัก (หุ้น) | WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES (SHARES) | 50,000,000 | 50,000,000 |

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

งบแสดงการเปลี่ยนแปลงส่วนของผู้ถือหุ้น

Statements of Changes in Shareholders' Equity

บริษัท อีออน ธนสินทรัพย์ (ไทยแลนด์) จำกัด (มหาชน)
AEON Thana Sinsap (Thailand) Public Company Limited

สำหรับปีสิ้นสุดวันที่ 20 กุมภาพันธ์
For the Years ended February 20,

| | ทุนเรือนหุ้น ที่ออกและ ชำระแล้ว | ส่วนเกิน มูลค่าหุ้น สามัญ | กำไรสะสม ตามกฎหมาย สำรองตาม กฎหมาย | กำไรสะสมจัดสรรแล้ว สำรองเพื่อ การขยายกิจการ | กำไรสะสม ยังมิจัดสรร | รวม |
|--------------------------------------|---------------------------------------|---|---|---|--|---------------|
| | Issued and Paid-up | Premium on Ordinary Share Capital | Appropriated Legal Reserve Shares | Retained Earnings Reserve for Business | Unappropriated Retained Earnings | Total |
| ยอดคงเหลือต้นงวด | | | | | | |
| ณ วันที่ 21 กุมภาพันธ์ 2545 | 250,000,000 | 478,000,000 | 11,000,000 | 110,250,000 | 318,856,772 | 1,168,106,772 |
| กำไรสุทธิ | - | - | - | - | 463,889,855 | 463,889,855 |
| การจัดสรรกำไรของปีก่อน | | | | | | |
| สำรองตามกฎหมาย | - | - | 14,000,000 | - | (14,000,000) | - |
| สำรองเพื่อการขยายกิจการ | - | - | - | 129,750,000 | (129,750,000) | - |
| เงินปันผล (หมายเหตุข้อ 15) | - | - | - | - | (50,000,000) | (50,000,000) |
| การจัดสรรกำไรของปีปัจจุบัน | - | - | - | - | (50,000,000) | (50,000,000) |
| เงินปันผลระหว่างกาล (หมายเหตุข้อ 15) | - | - | - | - | (75,000,000) | (75,000,000) |
| ยอดคงเหลือปลายงวด | | | | | | |
| ณ วันที่ 20 กุมภาพันธ์ 2546 | 250,000,000 | 478,000,000 | 25,000,000 | 240,000,000 | 513,996,627 | 1,506,996,627 |
| ยอดคงเหลือต้นงวด | | | | | | |
| ณ วันที่ 21 กุมภาพันธ์ 2546 | 250,000,000 | 478,000,000 | 25,000,000 | 240,000,000 | 513,996,627 | 1,506,996,627 |
| กำไรสุทธิ | - | - | - | - | 622,715,009 | 622,715,009 |
| การจัดสรรกำไรของปีก่อน | | | | | | |
| สำรองเพื่อการขยายกิจการ | - | - | - | 250,000,000 | (250,000,000) | - |
| เงินปันผล (หมายเหตุข้อ 15) | - | - | - | - | (80,000,000) | (80,000,000) |
| การจัดสรรกำไรของปีปัจจุบัน | - | - | - | - | (88,225,380) | (88,225,380) |
| เงินปันผลระหว่างกาล (หมายเหตุข้อ 15) | - | - | - | - | (88,225,380) | (88,225,380) |
| ยอดคงเหลือปลายงวด | | | | | | |
| ณ วันที่ 20 กุมภาพันธ์ 2547 | 250,000,000 | 478,000,000 | 25,000,000 | 490,000,000 | 718,486,256 | 1,961,486,256 |

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

Statements of Cash Flows

บริษัท อีออน ธนสินทรัพย์ (ไทยแลนด์) จำกัด (มหาชน)
AEON Thana Sinsap (Thailand) Public Company Limited

สำหรับปีสิ้นสุดวันที่ 20 กุมภาพันธ์
For the Years ended February 20,

| | | (หน่วย : บาท) 2547 / 2004 | (Unit : Baht) 2546 / 2003 |
|--|--|------------------------------|------------------------------|
| กระแสเงินสดจากกิจกรรมดำเนินงาน | CASH FLOWS FROM OPERATING ACTIVITIES | | |
| กำไรสุทธิ | Net income | 622,715,009 | 463,889,855 |
| รายการปรับปรุงเพื่อกระทบยอดกำไรสุทธิ เป็นเงินสดสุทธิจากกิจกรรมดำเนินงาน | Items to reconcile net income to net cash flows from operating activities | | |
| ค่าเสื่อมราคา | Depreciation | 169,848,828 | 170,265,179 |
| ค่าเผื่อหนี้สงสัยจะสูญ และหนี้สูญ | Bad debts and allowance for doubtful accounts | 1,048,777,200 | 832,633,694 |
| ค่าตัดจำหน่ายสินทรัพย์อื่นและ ค่าธรรมเนียมเพดานอัตราดอกเบี้ยเงินกู้ | Amortization of other assets and interest rate cap fee | 51,689,540 | 33,730,886 |
| ค่าตัดจำหน่ายดอกเบี้ย ตัวแลกเปลี่ยนระยะยาว | Amortization of deferred interest on long-term bill of exchange | 44,188,571 | 29,829,120 |
| ค่าตัดจำหน่ายส่วนเกินจากสัญญา ซื้อขายเงินตราต่างประเทศล่วงหน้า | Amortization of premium on forward contracts | 41,871,616 | 3,615,293 |
| กำไรจากการขายสินทรัพย์ถาวร | Gain on sales of fixed assets | (53,710,464) | (175,233) |
| กำไรจากการดำเนินงานก่อนการเปลี่ยนแปลง ในสินทรัพย์ และหนี้สินดำเนินงาน | Income from operations before changes in operating assets and liabilities | 1,925,380,300 | 1,533,788,794 |
| สินทรัพย์ดำเนินงาน (เพิ่มขึ้น) ลดลง | Operating assets (increase) decrease | | |
| เงินฝากประจำที่ใช้เป็นหลักประกัน | Fixed deposit used as collateral | 3,445,058 | 173,172 |
| ลูกหนี้การค้า | Accounts receivable | (3,029,175,270) | (4,845,159,030) |
| สินทรัพย์หมุนเวียนอื่น | Other current assets | 31,430,771 | (46,160,262) |
| สินทรัพย์ไม่หมุนเวียนอื่น | Other non-current assets | (649,513) | (45,980,445) |
| หนี้สินดำเนินงานเพิ่มขึ้น (ลดลง) | Operating liabilities increase (decrease) | | |
| เจ้าหนี้การค้า | Accounts payable | (15,429,632) | (113,676) |
| เจ้าหนี้จากการซื้อสิทธิเรียกร้อง | Factoring payables | (12,647,279) | (2,466,918) |
| หนี้สินหมุนเวียนอื่น | Other current liabilities | 17,288,787 | 36,048,514 |
| เงินสดสุทธิใช้ในกิจกรรมดำเนินงาน | Net cash used in operating activities | (1,080,356,778) | (3,369,869,851) |

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

งบกระแสเงินสด (ต่อ)

Statements of Cash Flows (Continued)

บริษัท อีออน ธนลินทรัพย์ (ไทยแลนด์) จำกัด (มหาชน)
AEON Thana Sinsap (Thailand) Public Company Limited

สำหรับปีสิ้นสุดวันที่ 20 กุมภาพันธ์
For the Years ended February 20,

| | | (หน่วย : บาท) 2547 / 2004 | (Unit : Baht) 2546 / 2003 |
|---|--|------------------------------|------------------------------|
| กระแสเงินสดจากกิจกรรมลงทุน | CASH FLOWS FROM INVESTING ACTIVITIES | | |
| เงินสดจ่ายเพื่อการลงทุน ในต้นทุนซอฟต์แวร์ | Cash payments for investment in cost of software | (173,220,058) | (66,390,366) |
| เงินสดจ่ายเพื่อซื้อสินทรัพย์ถาวร | Cash payments for fixed assets acquisition | (135,538,475) | (283,615,197) |
| เงินสดจ่ายเพื่อลงทุน ในบริษัทอื่น | Cash payment for investments in other companies | (10,400) | - |
| เงินสดรับจากการขายเงินลงทุน ในบริษัทอื่น | Proceeds from sales of investments in other companies | - | 161,615 |
| เงินสดรับจากการขายสินทรัพย์ถาวร | Proceeds from sales of fixed assets | 196,740,857 | 514,019 |
| เงินสดสุทธิใช้ไปในกิจกรรมลงทุน | Net cash used in investing activities | (112,028,076) | (349,329,929) |
| กระแสเงินสดจากกิจกรรมจัดหาเงิน | CASH FLOWS FROM FINANCING ACTIVITIES | | |
| เงินสดรับจากการจำหน่ายสิทธิเรียกร้อง ในลูกหนี้เช่าซื้อภายใต้การแปลงสินทรัพย์ เป็นหลักทรัพย์ (หมายเหตุข้อ 4.2.2) | Proceeds from sales of hire-purchase receivables under securitization (Note 4.2.2) | 1,482,499,755 | - |
| เงินกู้ยืมจากสถาบันการเงินลดลง | Decrease in loans from financial institutions | (1,066,931,715) | (463,327,800) |
| เงินกู้ยืมระยะยาวเพิ่มขึ้น | Increase in long-term loans | 2,324,557,601 | 3,425,006,317 |
| หุ้นกู้ระยะยาวเพิ่มขึ้น | Increase in long-term debentures | - | 1,000,000,000 |
| จ่ายชำระคืนเงินกู้ยืมระยะยาว | Cash payment for long-term loans | (1,257,869,315) | - |
| เงินปันผลจ่าย | Dividend payments | (168,225,380) | (125,000,000) |
| เงินสดสุทธิได้มาจากกิจกรรมจัดหาเงิน | Net cash provided by financing activities | 1,314,030,946 | 3,836,678,517 |
| เงินสดและรายการเทียบเท่าเงินสดเพิ่มขึ้นสุทธิ | Net increase in cash and cash equivalents | 121,646,092 | 117,478,737 |
| เงินสดและรายการเทียบเท่าเงินสด ณ วันต้นปี | Cash and cash equivalents at beginning of the years | 547,639,760 | 430,161,023 |
| เงินสดและรายการเทียบเท่าเงินสด ณ วันสิ้นปี | Cash and cash equivalents at the end of the years | 669,285,852 | 547,639,760 |

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

Note to the Financial Statements

AEON Thana Sinsap (Thailand) Public Company Limited

For the Years ended February 20, 2004 and 2003

1. THE OPERATIONS OF THE COMPANY

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

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:

| | 2004 | 2003 |
|--------------------------------|-------|-------|
| Number of branches | 54 | 51 |
| Number of employees | 2,574 | 2,432 |
| Staffs expenses (Million Baht) | 464.0 | 416.7 |

Aeon Credit Service Company Limited, Japan and ACS Capital Corporation Limited are currently major shareholders with 27.6 % and 19.2%, respectively.

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 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 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.

2.4 Securitization transaction

Since there are no Thai accounting standards in dealing with securitization transaction. The Company applied the US Accounting Standards, namely Financial Accounting Standard Board (FASB) Statement No. 140 "Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities" as a guideline for accounting for securitizations and other transfers of financial assets, same as its parent company in Japan.

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.

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

2.5 Long-term investments

Long-term investments in other securities are classified as securities for general investment and stated at cost. In case of impairment of securities, the resultant loss will be recognized to 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 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 hire-purchase, personal loans, credit card and other fee income are recognized on an accrual basis except the penalty fee arising from defaulted debts is recognized as income as follows:

- Before February 21, 2003, penalty fee arising from defaulted debts is recognized on a cash basis.
- Since February 21, 2003, penalty fee arising from defaulted debts is recognized on an accrual basis (see Note 3).

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 amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

3. CHANGE IN ACCOUNTING POLICIES

During the year ended February 20, 2004, the Company has changed accounting policy in respect of recognition of penalty fee arising on defaulted debts from a cash basis to an accrual basis. The change in accounting policy was applied prospectively from February 21, 2003 since the amount of any resulting adjustment that relates to prior periods cannot be reasonably determined. Such change resulted in the increase in net income for the year ended February 20, 2004 of approximately Baht 21.25 million.

4. SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

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

| | 2004 | 2003 |
|------------|-------------|-------------|
| | Baht | Baht |
| Interest | 384,211,488 | 357,620,534 |
| Income tax | 199,246,663 | 182,020,384 |

4.2 Non-cash items

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

| | 2004 | 2003 |
|--|---------------|---------------|
| | Baht | Baht |
| Purchase of equipment | | |
| Liabilities recorded - brought forward | 3,369,868 | - |
| Purchase of equipment and deposits for equipments | 145,867,081 | 286,985,065 |
| | 149,236,949 | 286,985,065 |
| <u>Less</u> Cash payment for purchase of equipment and deposit for equipment | (135,538,475) | (283,615,197) |
| Liabilities recorded - carry forward | 13,698,474 | 3,369,868 |
| Investment in cost of software | | |
| Liabilities recorded - brought forward | 2,789,186 | - |
| Investment in cost of software and deposits for cost of software | 170,430,872 | 69,179,552 |
| | 173,220,058 | 69,179,552 |
| <u>Less</u> Cash payment for investment in cost of software and deposit for cost of software | (173,220,058) | (66,390,366) |
| Liabilities recorded - carry forward | - | 2,789,186 |

4.2.2 As at February 19, 2004, the Company sold hire-purchase receivables which partial payment was received by entering into short-term lending instead of cash received a follows:

| | |
|---|---------------|
| Sales of hire-purchase receivables | 1,999,999,755 |
| <u>Less</u> Payment by entering into short-term lending | 517,500,000 |
| Proceeds from sales of hire-purchase receivables under securitization | 1,482,499,755 |

4.3 For the year ended February 20, 2004, cash flows from securitization transaction is summarized as follows:

| | Baht |
|--|---------------|
| Cash proceeds from initial receivables transfer to Eternal Special Purpose vehicle Company Limited (ESPV) | 1,482,499,755 |
| Cash collection on initial receivables sold to ESPV under servicing agreement | 7,906,015 |
| Cash proceeds from collections reinvested in revolving period securitization | - |
| Cash payment on purchase of defaulted receivables | - |

5. FIXED DEPOSIT USED AS COLLATERAL

As at February 20, 2004 and 2003, fixed deposit of Baht 30,782,510 and Baht 34,154,418, respectively, were pledged as collateral with one of credit card service providers.

6. ACCOUNTS RECEIVABLE - NET

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

| | 2004 | 2003 |
|---|----------------|----------------|
| | Baht | Baht |
| 6.1.1 Hire-purchase receivable | | |
| Hire-purchase and accrued interest receivable | 5,410,272,479 | 7,566,694,148 |
| <u>Less</u> Unearned financing income | (459,339,383) | (564,743,953) |
| | 4,950,933,096 | 7,001,950,195 |
| <u>Less</u> Allowance for doubtful accounts | (166,258,774) | (158,666,530) |
| Hire-purchase and accrued interest receivable - net | 4,784,674,322 | 6,843,283,665 |
| 6.1.2 Loans receivable | | |
| Loans and accrued interest receivable | 2,668,196,888 | 2,299,540,348 |
| <u>Less</u> Allowance for doubtful accounts | (115,843,129) | (60,573,276) |
| Loans and accrued interest receivable - net | 2,552,353,759 | 2,238,967,072 |
| 6.1.3 Credit card receivable | | |
| Credit card and accrued interest receivable | 5,417,559,895 | 3,653,649,084 |
| <u>Less</u> Allowance for doubtful accounts | (68,065,981) | (100,547,259) |
| Credit card and accrued interest receivable - net | 5,349,493,914 | 3,553,101,825 |
| 6.1.4 Factoring receivable | | |
| Factoring and accrued interest receivable | 83,681,340 | 154,594,320 |
| <u>Less</u> Deferred income | (178,043) | (319,906) |
| Factoring and accrued interest receivable - net | 83,503,297 | 154,274,414 |
| Total accounts receivable - net | 12,770,025,292 | 12,789,626,976 |

6.2 Quality of assets

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

| | 2004 | | 2003 | |
|---------------------------------|--------------------|----------------|--------------------|----------------|
| | Number of accounts | Amount Baht | Number of accounts | Amount Baht |
| Less than 3 months | 1,655,720 | 12,823,032,613 | 1,976,964 | 12,822,153,829 |
| 3 months - less than 12 months | 35,839 | 297,160,563 | 44,276 | 287,260,212 |
| Total | 1,691,559 | 13,120,193,176 | 2,021,240 | 13,109,414,041 |
| Allowance for doubtful accounts | | 350,167,884 | | 319,787,065 |

6.3 Transfers of financial assets

On February 17, 2004, the Company entered into the Receivables Sale Agreement with Eternal Special Purpose Vehicle Company Limited (ESPV), which was incorporated under the Civil and Commercial Code of Thailand to be a special purpose vehicle under the Securitization Law, under securitization plan which was approved by the Office of the Securities and Exchange Commission dated February 9, 2004, to sell an amount of revolving, non-recourse hire purchase receivables. The total Initial Receivables of Baht 1,999,999,755 was sold to the ESPV at the net book value as at February 8, 2004. The Company transferred the rights to the ESPV and received amount of Baht 1,482,499,755 from the ESPV on February 19, 2004. The remaining balance of the purchase price for the Initial Receivables of Baht 517,500,000, is paid by the ESPV to the Company from the proceeds of the subordinated Bridging Loan Agreement (see Note 7). In addition, the ESPV also appointed the Company to act as the servicer which is responsible for collecting payments from its obligor under the Receivables Sale Agreement and Servicing Agreement.

The remaining term of the receivables sold initially ranges from 3 to 23 months and the nominal interest rate ranges from 0 to 24 percent per annum. Information in respect of the initial receivables sold to the ESPV on February 19, 2004 is summarized as follows:

| | | |
|---|------|------------------|
| Aggregate principal amount outstanding as at February 8, 2004 | Baht | 1,999,999,755 |
| Number of contracts | | 306,192 |
| Average principal amount outstanding | Baht | 6,532 |
| Average principal amount as at the time of origination | Baht | 8,542 |
| Weighted average nominal interest rate | | 12.04% per annum |
| Weighted average originate term to maturity | | 11.87 months |
| Weighted average remaining term to maturity | | 9.45 months |

The Company believes that the fair value of Initial Receivables sold is approximate its net book value because of the relatively short period of time from the origination date to transaction date. In addition, the Company does not recognize the fair value of servicing assets because the amount is immaterial. 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 fair values.

During the revolving period under securitization, the ESPV will apply collections received from purchased 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 revolving period commences on February 19, 2004 and ends on August 10, 2007, approximately.

The Company has an option and have 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.

The key financial information of ESPV as of February 20, 2004 and for the period ended February 20, 2004 (unaudited) is summarized as follows:

| | Million Baht |
|----------------------------|---------------------|
| Total assets | 2,017.54 |
| Total liabilities | 2,017.50 |
| Total shareholders' equity | 0.04 |
| Total income | - |
| Total expense | - |
| Net income | - |

As at February 20, 2004, the total principal amount outstanding of initial receivables sold to ESPV managed by the Company is Baht 1,993.07 million and classified as current. There are no credit losses incurred resulting from such initial receivables for the year ended February 20, 2004.

7. SHORT-TERM LENDING

Short-term lending represented the subordinated bridging loan of Baht 517,500,000 to ESPV for the purpose of partial payment of the Initial Receivables under the provision of the Receivable Sale Agreement (see Note 6.3). The interest is paid on the monthly basis at the rate of 5% per annum. The bridging loan will be refinanced to be Term loan in May 2004 in accordance with the Bridging Loan Agreement.

8. LONG-TERM INVESTMENTS

As at February 20, long-term investments consist of the following:

8.1 Long-term investment in a related company as at February 20, consists of:

| | 2004 | | 2003 | |
|---|----------------|-------------|----------------|-------------|
| | % 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 |
| <u>Less</u> Allowance for impairment of assets | | (8,500,000) | | (8,500,000) |
| | | - | | - |

8.2 Long-term investment in other companies as at February 20, consist of:

| | 2004 | | 2003 | |
|--------------------------------|----------------|-----------|----------------|-----------|
| | % of Ownership | Cost Baht | % of Ownership | Cost Baht |
| Hello Discount Company Limited | 3.00 | 450,000 | 3.00 | 450,000 |
| Eternal SPV Company Limited | 26.00 | 10,400 | - | - |
| Others | - | 985 | - | 985 |
| | | 461,385 | | 450,985 |

9. EQUIPMENT-NET

Equipment-net consist of the following:

| | Balance as at February 20, 2003 Baht | Additions Sold Baht | Disposals/ Baht | Balance as at February 20, 2004 Baht |
|----------------------------------|---|---------------------------|--------------------|---|
| Cost: | | | | |
| Furniture and office equipment | 855,989,262 | 168,894,987 | (243,487,029) | 781,397,220 |
| Vehicles | 11,020,108 | - | - | 11,020,108 |
| Total | 867,009,370 | 168,894,987 | (243,487,029) | 792,417,328 |
| Accumulated depreciation: | | | | |
| Furniture and office equipment | (312,719,553) | (167,938,706) | 100,456,636 | (380,201,623) |
| Vehicles | (5,863,555) | (1,910,122) | - | (7,773,677) |
| Total | (318,583,108) | (169,848,828) | 100,456,636 | (387,975,300) |
| Total equipment - net | 548,426,262 | | | 404,442,028 |

| | 2004 Baht | 2003 Baht |
|----------------------------|--------------|--------------|
| Depreciation for the years | 169,848,828 | 170,265,179 |

As at February 20, 2004 and 2003, the gross carrying amounts of fully depreciated assets still in use are Baht 53.1 million and Baht 34.4 million, respectively.

10. INTANGIBLE ASSETS

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

| | 2004 Baht | 2003 Baht |
|--------------------------------------|--------------|--------------|
| Cost of software | 325,152,517 | 182,670,046 |
| <u>Less</u> Accumulated amortization | (98,494,997) | (50,541,397) |
| Cost of software - net | 226,657,520 | 132,128,649 |
| Amortization for the years | 47,953,600 | 27,736,361 |

11. OTHER NON-CURRENT ASSETS

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

| | 2004 Baht | 2003 Baht |
|----------|--------------|--------------|
| Deposits | 80,235,785 | 74,681,778 |
| Others | 2,340,329 | 4,005,475 |
| Total | 82,576,114 | 78,687,253 |

12. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

As at February 20, 2004 and 2003, the Company borrowed short-term loans from financial institutions in Baht and foreign currencies. The Company has entered into forward exchange contracts for its short-term loans and related interest denominated in foreign currencies. The details are as follows:

As at February 20, 2004

| | Foreign currency | Baht Equivalent |
|--|---------------------|--------------------|
| Foreign currency loans | | |
| BOT rate | | |
| - Loan in Yen currency | 4,220,000,000 | 1,549,892,060 |
| <u>Add</u> Payables per forward exchange contracts | | 14,699,940 |
| <u>Less</u> Receivables per forward exchange contracts | | (351,900) |
| | | 1,564,240,100 |
| Loan in Baht currency | | 2,050,000,000 |
| Total short-term loans from financial institutions | | 3,614,240,100 |

As at February 20, 2003

| | Foreign currency | Baht Equivalent |
|--|---------------------|--------------------|
| Foreign currency loans | | |
| BOT rate | | |
| - Loan in Yen currency | 7,770,000,000 | 2,828,715,120 |
| <u>Add</u> Payables per forward exchange contracts | | 4,236,000 |
| <u>Less</u> Receivables per forward exchange contracts | | (43,603,120) |
| | | 2,789,348,000 |
| Loan in Baht currency | | 1,840,000,000 |
| Total short-term loans from financial institutions | | 4,629,348,000 |

As at February 20, 2004 and 2003, the Company managed risk that might occur from insufficient working capital by entering into the Facility Agreement with financial institutions for committed revolving credit facilities of Baht 700 million and JPY 1,000 million (see Note 22.1).

13. LONG-TERM LOANS

As at February 20, 2004 and 2003, the Company entered into long-term loan agreements with the foreign banks in Baht and foreign currencies as follows:

| | As at February 20, 2004 | | As at February 20, 2003 | |
|--|-------------------------|--------------------|-------------------------|--------------------|
| | Foreign currency | Baht Equivalent | Foreign currency | Baht Equivalent |
| Repayable within fiscal year ending February 20, 2004 | | | | |
| - Loan in Yen currency (BOT rate) | | | | |
| Interest rate at (p.a.) | | | | |
| • JPY-TIBOR-TIBM +0.875% | - | - | Yen 1,000,000,000 | 364,056,000 |
| • 1.555% | - | - | Yen 1,000,000,000 | 364,056,000 |
| <u>Add</u> Payables per currency swap contracts | | - | | 30,944,000 |
| <u>Less</u> Receivables per currency swap contracts | | | | (1,159,685) |
| | | - | | 757,896,315 |
| - Loan in Baht currency | | - | | 500,000,000 |
| | | - | | 1,257,896,315 |
| Repayable within fiscal year ending February 20, 2005 | | | | |
| - Loan in Yen currency (BOT rate) | | | | |
| Interest rate at (p.a.) | | | | |
| • 1.30% | Yen 1,500,000,000 | 550,909,500 | Yen 1,500,000,000 | 546,084,000 |
| • 1.15% | Yen 1,200,000,000 | 440,727,600 | Yen 1,200,000,000 | 436,867,200 |
| <u>Add</u> Payables per currency swap contracts | | - | | 1,732,800 |
| <u>Less</u> Receivables per currency swap contracts | | (58,787,100) | | (51,834,000) |
| | | 932,850,000 | | 932,850,000 |

| | As at February 20, 2004 | | As at February 20, 2003 | |
|--|-------------------------|--------------------|-------------------------|--------------------|
| | Foreign currency | Baht Equivalent | Foreign currency | Baht Equivalent |
| - Loan in Baht currency | | | | |
| Interest rate at (p.a.) | | | | |
| • THE REUTERS P. THBFIX+1% | | 440,000,000 | | 440,000,000 |
| • 6.05% | | 500,000,000 | | 500,000,000 |
| | | 940,000,000 | | 940,000,000 |
| - Bill of exchange in Baht currency | | | | |
| Interest rate at (p.a.) | | | | |
| • 4.21% | | 91,986,235 | | 94,683,070 |
| • 3.25% - 3.35% | | 894,859,759 | | 895,729,663 |
| | | 986,845,994 | | 990,412,733 |
| | | 2,859,695,994 | | 2,863,262,733 |
| Repayable within fiscal year ending February 20, 2006 | | | | |
| - Loan in Yen currency (BOT rate) | | | | |
| Interest rate at (p.a.) | | | | |
| • 1.27% | Yen 1,500,000,000 | 550,909,500 | Yen 1,500,000,000 | 546,084,000 |
| • 1.07% | Yen 1,500,000,000 | 550,909,500 | Yen 1,500,000,000 | 546,084,000 |
| <u>Less</u> Receivables per currency swap contracts | | (24,469,000) | | (14,818,000) |
| | | 1,077,350,000 | | 1,077,350,000 |
| - Bill of exchange in Baht currency | | | | |
| Interest rate at (p.a.) | | | | |
| • 4.49% - 4.71% | | 473,551,488 | | 452,160,575 |
| • 4.02% - 4.10% | | 678,245,703 | | 663,005,168 |
| • 3.35% - 3.5576% | | 281,714,961 | | 271,906,961 |
| | | 1,433,512,152 | | 1,387,072,704 |
| | | 2,510,862,152 | | 2,464,422,704 |
| 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 | 314,028,000 | | - |
| <u>Add</u> Payables per currency swap contracts | | 19,012,000 | | - |
| | | 333,040,000 | | - |
| - Loan in Yen currency (BOT rate) | | | | |
| Interest rate at (p.a.) | | | | |
| • 1.17% | Yen 1,000,000,000 | 367,273,000 | | - |
| • ZTIBOR 6 M+ 0.90% | Yen 1,500,000,000 | 550,909,500 | | - |
| <u>Add</u> Payables per currency swap contracts | | 8,417,500 | | - |
| | | 926,600,000 | | - |
| | | 1,259,640,000 | | - |

| | As at February 20, 2004 | | As at February 20, 2003 | |
|--|-------------------------|--------------------|-------------------------|--------------------|
| | Foreign currency | Baht Equivalent | Foreign currency | Baht Equivalent |
| Repayable within fiscal year ending February 20, 2008 | | | | |
| - Bill of exchange in Baht currency | | | | |
| Interest rate at (p.a.) | | | | |
| • 4.10% | | 1,066,260,464 | | - |
| | | 1,066,260,464 | | - |
| Total | | 7,696,458,610 | | 6,585,581,752 |
| <u>Less</u> Current portion of long-term loans | | (2,859,695,994) | | (1,257,896,315) |
| Total long-term loans | | 4,836,762,616 | | 5,327,685,437 |

Receivables and payables per swap contracts and long-term loans are made with the same banks.

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, 2004

| Principal to be received | Interest rate to be received | Principal to be paid (Baht) | Interest rate to be paid | Period |
|-----------------------------|---------------------------------|-----------------------------------|-----------------------------|---------------------------|
| JPY 1,200,000,000 | 1.15% | 438,600,000 | 7.71% | Aug 8, 2001-Aug 6, 2004 |
| JPY 1,500,000,000 | 1.30% | 494,250,000 | 5.30% | Feb 15, 2002-Feb 15, 2005 |
| JPY 1,500,000,000 | 1.07% | 539,000,000 | 4.64% | Sep 2, 2002-Sep 2, 2005 |
| JPY 1,082,056,283 | 1.27% | 388,350,000 | 3.88% | Jan 10, 2003-Jan 11, 2006 |
| JPY 278,629,145 | 1.27% | 100,000,000 | 3.88% | Jan 10, 2003-Jan 11, 2006 |
| JPY 139,314,572 | 1.27% | 50,000,000 | 3.65% | Jan 17, 2003-Jan 11, 2006 |
| JPY 1,500,000,000 | ZTIBOR 6M + 0.9% | 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 |
| USD 8,000,000 | USD-LIBOR-BBA+0.85% | 333,040,000 | 3.10% | Jul 21, 2003-Jul 21, 2006 |
| THB 440,000,000 | THE REUTERS P. THBFIX+1% | 440,000,000 | 6.40% | Mar 30, 2001-Mar 19, 2004 |

As at February 20, 2003

| 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 | JPY-TIBOR-TIBM + 0.875% | 395,000,000 | 7.73% | Nov 28, 2000-Nov 20, 2003 |
| JPY 1,000,000,000 | 1.555% | 362,896,315 | 6.85% | Feb 16, 2001-Feb 13, 2004 |
| JPY 1,200,000,000 | 1.15% | 438,600,000 | 7.71% | Aug 8, 2001-Aug 6, 2004 |
| JPY 1,500,000,000 | 1.30% | 494,250,000 | 5.30% | Feb 15, 2002-Feb 15, 2005 |
| JPY 1,500,000,000 | 1.07% | 539,000,000 | 4.64% | Sep 2, 2002 Sep 2, 2005 |
| JPY 1,360,685,428 | 1.27% | 488,350,000 | 3.88% | Jan 10, 2003-Jan 11, 2006 |
| JPY 139,314,572 | 1.27% | 50,000,000 | 3.65% | Jan 17, 2003-Jan 11, 2006 |
| THB 440,000,000 | THE REUTERS P. THBFIX+1% | 440,000,000 | 6.40% | Mar 30, 2001-Mar 19, 2004 |

In addition, in order to manage risk from fluctuation in floating interest rate of loans in Baht currency, the Company has entered into interest rate cap contract for certain loans in Baht currency which in case the floating rate is higher than 7%, the bank has to pay the excess over 7% in Baht to the Company. Such agreement was terminated on July 21, 2003.

The Company did not continue such interest rate cap contract because all long-term loans were hedged by entering into cross currency and interest rate swaps contracts as mentioned above.

14. LONG-TERM DEBENTURES

On July 18, 2002, the Company issued 3 years term debentures consisting of 1,000,000 units of Baht 1,000 each of unsubordinated and unsecured debentures and totally redeemable on termination date amounting to Baht 1,000 million which were offered to specific investors and institutional investors pursuant to the Notification of the Securities and Exchange Commission.

Such debentures bear interest at the fixed rate of 4.05% per annum throughout the term of debentures, payable on a semi-annual basis commencing from the issuing date until July 18, 2005.

15. DIVIDEND

At the Annual General Meeting of shareholders on June 14, 2002, the shareholders had the resolution to approve the appropriation of the net income and declaration of dividends for the fiscal year 2001 at the rate of Baht 1 per share which were paid to all shareholders amounting to Baht 50,000,000 on July 10, 2002.

On September 26, 2002, the board of directors' meeting passed a resolution to declare interim dividends at the rate of Baht 1.5 per share amounting to Baht 75,000,000 which were paid to all shareholders on October 17, 2002.

At the Annual General Meeting of shareholding held on June 12, 2003, the shareholders had the resolution to approve the declaration of dividends for the fiscal year 2002 at the rate of Baht 1.6 per share which were paid to all shareholders amounting to Baht 80,000,000 on July 10, 2003, in addition to the interim dividends which were paid to all shareholders of the Company at Baht 1.5 per share on October 17, 2002. In addition, the shareholders also approved to appropriate the net income of Baht 250,000,000 as a reserve for business expansion.

On September 26, 2003, the board of directors' meeting passed a resolution to declare interim dividends at the rate of Baht 1.8 per share amounting to Baht 90,000,000. The aforementioned shareholders included 985,900 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 88,225,380 on October 20, 2003.

16. 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.

17. TRANSACTIONS WITH RELATED PARTIES

The accompanying 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 which are as follows:

17.1 Balances with related parties

| Related parties | Relationship | As at February 20, | |
|-------------------------------------|--|--------------------|--------------|
| | | 2004 Baht | 2003 Baht |
| Other current assets | | | |
| Aeon Credit Service Company Limited | Major shareholder | 83,046 | - |
| ACS Capital Corporation Limited | Same directorship | 227,497 | 80,200 |
| Siam-Jusco Company Limited | Mutual holding and one common director | 8,139,748 | 22,502,097 |
| Other assets | | | |
| Siam-Jusco Company Limited | Mutual holding and one common director | 267,000 | 527,950 |
| Account payable | | | |
| Siam-Jusco Company Limited | Mutual holding and one common director | 7,317,266 | 14,581,769 |
| Other current liabilities | | | |
| Aeon Credit Service Company Limited | Major shareholder | 1,496,442 | 1,976,238 |
| ACS Capital Corporation Limited | Same directorship | - | 20,060 |

17.2 Transactions with related parties

| Related parties | Relationship | For the years ended | |
|-------------------------------------|--|---------------------|--------------|
| | | February 20, | |
| | | 2004 Baht | 2003 Baht |
| Credit card income | | | |
| Siam-Jusco Company Limited | Mutual holding and one common director | 3,147,742 | 4,177,365 |
| Other income | | | |
| ACS Capital Corporation Limited | Same directorship | 960,000 | 960,000 |
| Operating expenses | | | |
| Siam-Jusco Company Limited | Mutual holding and one common director | 3,715,618 | 3,606,038 |
| Dividend payment | | | |
| Aeon Credit Service Company Limited | Major shareholder | 46,920,000 | 28,800,000 |
| ACS Capital Corporation Limited | Same directorship | 32,640,000 | 24,000,000 |
| Siam-Jusco Company Limited | Mutual holding and one common director | 14,960,000 | 11,000,000 |

- For the years ended February 20, 2004 and 2003, other income includes the management fee at the rate of Baht 80,000 per month.
- Other transactions are determined by the Company and the related parties concerned on the cost plus basis.

17.3 Long-term agreements

As at February 20, 2004 and 2003, the Company has long-term lease and service agreements with a related party as follows:

As at February 20, 2004

| Related party | Relationship | Remaining period | Remaining expense Baht |
|----------------------------------|--|-------------------|---------------------------|
| Office rental and service | | | |
| Siam-Jusco Company Limited | Mutual holding and one common director | 21/2/04 - 28/2/04 | 104,684 |

As at February 20, 2003

| Related party | Relationship | Remaining period | Remaining expense Baht |
|----------------------------------|--|--------------------|---------------------------|
| Office rental and service | | | |
| Siam-Jusco Company Limited | Mutual holding and one common director | 21/2/03 - 28/02/04 | 1,957,781 |

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, 2004 and 2003, the Company has long-term lease and service agreements as follows:

As at February 20, 2004

| Type | Remaining period | Remaining expenses Baht |
|---------------------------|-------------------------|----------------------------|
| Office rental and Service | 21/02/2004 - 20/02/2005 | 15,676,756 |
| | 21/02/2004 - 20/02/2006 | 27,957,592 |
| | 21/02/2004 - 20/02/2007 | 15,364,343 |
| | 21/02/2006 - 20/02/2008 | 2,590,000 |
| | | 61,588,691 |
| Cash dispensers lease | 21/02/2004 - 20/02/2007 | 189,351,319 |

As at February 20, 2003

| Type | Remaining period | Remaining expenses Baht |
|---------------------------|-------------------------|----------------------------|
| Office rental and Service | 21/02/2003 - 20/02/2004 | 59,132,062 |
| | 21/02/2003 - 20/02/2005 | 39,076,616 |
| | 21/02/2003 - 20/02/2006 | 10,186,798 |
| | | 108,395,476 |
| Cash dispensers lease | 21/02/2003 - 20/02/2004 | 6,048,978 |

19. FINANCIAL INFORMATION BY SEGMENT

The operation of the Company consists of credit for hire purchase, personal loans, credit card and factoring loans. 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 geographic area.

20. FINANCIAL INSTRUMENTS DISCLOSURE

The Company presents and discloses financial instruments in accordance with the Thai Accounting Standard No. 48, 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. 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 has 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 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 11.

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, 2004 and 2003, the Company entered into a various swap currency contracts to hedge long-term loans by details disclosed in Note 13.

As at February 20, 2004 and 2003, 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, 2004

| | Currency | Amount | Average rate | Spot rate at balance sheet date | The remaining period (days) |
|----------------------------|----------|---------------|--------------|---------------------------------|-----------------------------|
| Forward purchase contracts | Yen | 4,220,000,000 | 0.370673 | 0.367273 | 3-366 |
| Forward sold contracts | US\$ | 791,528 | 38.8900 | 38.9781 | 359 |

As at February 20, 2003

| | Currency | Amount | Average rate | Spot rate at balance sheet date | The remaining period (days) |
|----------------------------|----------|---------------|--------------|---------------------------------|-----------------------------|
| Forward purchase contracts | Yen | 7,829,126,290 | 0.35899 | 0.364056 | 8-341 |
| Forward sold contracts | US\$ | 791,528 | 43.1500 | 42.9070 | 358 |

20.5 Estimated fair value of financial instruments

Thai Accounting Standard No. 48, "Financial Instruments Disclosure and Presentation", requires certain fair value disclosures. Considerable judgement 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, loan from financial institutions, accounts payable and factoring payable; the carrying values approximate their fair values due to short period maturity.

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 value of long-term loan and debenture bearing fixed rates of interest is estimated based on the discounted cash flows using average current interest rate over remaining period to maturity.

| | 2004 | | 2003 | |
|--|------------------------|--------------------|------------------------|--------------------|
| | Carrying value Baht | Fair value Baht | Carrying value Baht | Fair value Baht |
| Long-term loan bearing fixed interest rate | 6,403,927,798 | 6,573,233,556 | 4,887,685,437 | 4,984,475,776 |
| Long-term debenture bearing fixed interest rate | 1,000,000,000 | 1,007,431,851 | 1,000,000,000 | 1,023,167,780 |

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, 2004 and 2003, if the Company terminated the forward foreign currency exchange contracts, it has to pay approximately Baht 16.2 million and Baht 43.8 million, respectively, to the counterparties

As at February 20, 2004 and 2003, if the Company terminated the cross currency and interest rate swap contracts agreement, it has to pay approximately Baht 102.8 million and Baht 94.9 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, 2004 and 2003, the Company contributed Baht 3,681,720 and Baht 2,907,930, respectively, to the provident fund and recorded it as expenses.

22. OTHER MATTERS

22.1 As at February 20, 2004 and 2003, the Company has the Facility Agreements with financial institutions for committed revolving credit facilities for general corporate funding requirements. The details are as follows:

As at February 20, 2004

| | Revolving credit facilities | |
|-----------------------------------|-----------------------------|---------------|
| | Currency | Amount |
| May 19, 2003 - May 17, 2004 | Baht | 700,000,000 |
| August 19, 2003 - August 19, 2004 | Yen | 1,000,000,000 |

As at February 20, 2003

| | Revolving credit facilities | |
|-----------------------------------|-----------------------------|---------------|
| | Currency | Amount |
| May 20, 2002 - May 20, 2003 | Baht | 700,000,000 |
| August 19, 2002 - August 19, 2003 | Yen | 1,000,000,000 |

As at February 20, 2004 and 2003, such credit facilities are unused by the Company.

22.2 As at February 20, 2004 and 2003, the Company has commitment with a bank for bank guarantees issued to suppliers for payment guarantee of Baht 9,500,000.

22.3 As at February 20, 2004 and 2003, the Company has unused overdraft facilities with various banks totalling Baht 99,000,000 and Baht 94,000,000, respectively.

23. IMPORTANT AGREEMENTS RELATING TO SECURITIZATION TRANSACTION

23.1 Receivables Sale Agreement

The Company entered into the Receivables Sale Agreement with the ESPV on February 17, 2004. Such agreement sets out the procedures and terms in respect of the sale and purchase of the Initial Receivables on the Closing Date and of additional Offered Receivables on each Purchase Date including the rights, obligations and responsibilities of both parties. 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 Amortisation 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.

23.2 Servicing Agreement

The Company entered into the Servicing Agreement with the ESPV on February 17, 2004. 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 in relation to the Purchased Receivables. 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 appointment of the substitute servicer (back-up servicer).

Shareholders and Management

SHAREHOLDERS

List of major shareholders as at February 20, 2004, can be shown as follows:

| Shareholders | Number of share | % of shareholding in the Company |
|--|-----------------|----------------------------------|
| 1. AEON Credit Service Co., Ltd. / Japan | 13,800,000 | 27.60 |
| 2. ACS Capital Corporation Limited / Thailand | 9,600,000 | 19.20 |
| 3. Thailand Securities Depository Company Limited | 8,446,997 | 16.89 |
| 4. Thailand Securities Depository Company Limited for Depositors | 5,181,200 | 10.36 |
| 5. Siam-Jusco Co., Ltd. / Thailand | 4,400,000 | 8.80 |
| 6. NCS Kosan Co., Ltd. / Japan | 3,760,000 | 7.52 |
| 7. Mr. Chatchaval Jiaravanon | 3,000,000 | 6.00 |
| 8. Mr. Yoshiki Mori | 300,000 | 0.60 |
| 9. Mr. Masao Mizuno | 300,000 | 0.60 |
| 10. Mr.Motoya Okada | 300,000 | 0.60 |

MANAGEMENT

Board of Directors of the Company

Board of Directors of the Company as of February 20, 2004, is composed of 12 directors whose names are listed below:

| Name | Position | Number of Board of Director Meeting In the fiscal year 2003 | | |
|------------------------------|---|--|---------------|-------|
| | | Ordinary Meeting | Extra Meeting | Total |
| 1. Mr.Yoshiki Mori | Chairman of the Board | 2 | - | 2/6 |
| 2. Mr.Masao Mizuno | Vice Chairman and Managing Director | 4 | 2 | 6/6 |
| 3. Mr.Mikio Sueda | Director | 4 | 2 | 6/6 |
| 4. Mr.Mitsuhiko Yashiro | Director | 4 | 2 | 6/6 |
| 5. Ms.Suporn Wattanavekin | Director | 4 | 2 | 6/6 |
| 6. Mr.Apichat Nantaterm | Director | 4 | 2 | 6/6 |
| 7. Mr. Chatchaval Jiaravanon | Director | 3 | 1 | 4/6 |
| 8. Mr.Tatsuya Saito | Director | 2 | - | 2/6 |
| 9. Mr.Kazuhide Kamitani | Director | - | - | 0/6 |
| 10. Mr.Noppun Muangkote | Independent director and Chairman of audit committee member | 4 | 2 | 6/6 |

| | Name | Position | Number of Board of Director Meeting In the fiscal year 2003 | | |
|-----|-----------------------|--|--|---------------|-------|
| | | | Ordinary Meeting | Extra Meeting | Total |
| 11. | Mr.Dej Bulsuk | Independent director and audit committee member | 4 | 2 | 6/6 |
| 12. | Mr.Shunichi Kobayashi | Independent director and audit committee member | 4 | 2 | 6/6 |

Note : The authorized director of the Company is Mr. Yoshiki Mori or Mr. Masao Mizuno or Mr. Mikio Sueda 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 a ordinary partnership or unlimited partner in a limited partnership, not 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.

AUDIT COMMITTEE

| Name - Surname | Position |
|---------------------------|-----------------------------|
| 1. Mr. Noppun Muangkote | Chairman of Audit Committee |
| 2. Mr. Dej Bulsuk | Audit Committee Member |
| 3. Mr. Shunichi Kobayashi | 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.

MANAGEMENT

As of February 20, 2004, the Company has totaling 11 executive officers, whose names are as listed below:

| Name-Surname | Position |
|-------------------------------|--------------------------------------|
| 1. Mr. Masao Mizuno | Managing Director |
| 2. Mr. Mikio Sueda | Director |
| 3. Mr. Mitsuhiro Yashiro | Director |
| 4. Mrs. Suporn Wattanavekin | Director |
| 5. Mr. Apichat Nantaterm | Director |
| 6. Mr. Koji Hamamoto | VP - Collection and Customer Service |
| 7. Ms. Kannika Kursirikul | VP - Accounting Department |
| 8. Mr. Somsak Hempiam | VP - Management Information System |
| 9. Mr. Sakarabhop Dhivarakara | VP - Marketing Department |
| 10. Mr. Satoshi Enoki | VP - Finance Department |
| 11. Mr. Eiichiro Kimura | VP - General Affairs |

Remuneration for the Management

1. Monetary Remuneration

In fiscal year 2003, the Company has totaling 12 directors and 11 Executive officers. The monetary remuneration for fiscal year 2003 commencing from February 21, 2003, and ending on February 20, 2004, can be summarized as follows:

| Types of Remuneration | Remuneration of Directors (million baht) | Remuneration of Executive Officers (million baht) |
|--|---|--|
| Board Allowance | 1.80 | - |
| Salary | - | 24.94 |
| Bonus | 1.52 | 1.29 |
| Contribution added into provident fund | - | 0.22 |
| Total | 3.32 | 26.45 |

Note : The Company has some change of directors and management team after the end of fiscal year 2003.

2. Other remuneration

-None-

CORPORATE GOVERNANCE

After the conversion the Company into a public limited company, the Board of Directors has 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 as follows:

- To present complete and up-to-date information.
- Committees and management responsibilities must be cleared and concise.
- Must follow all the related rules and regulations.
- Support the decision making procedure management.
- Must have meeting regularly, all information must be given before the meeting according to the rules and regulations without any conflict of interest, and must always have a well prepared minutes.
- Follow rules and regulations that has been set by the Securities and Exchange Commission and the Stock Exchange of Thailand.
- All shareholders must be treated equally.

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 Company conducted shareholders' meeting on June 12, 2003 and sent a notification and its agenda and relevant information for consideration 10 days prior to the date of the meeting. In this regard, each agenda was composed of the opinion of the Board of Directors and after the meeting the Company also prepared a minute of the shareholders' meeting for shareholders. At the shareholders' meeting in 2003, there were 8 directors attended the meetings together with Audit Committee members. 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.

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 of 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 regulations of the Stock Exchange of Thailand.

INTERNAL CONTROL

At the meeting of the Audit Committee meeting, No. 1/2004, dated April 20, 2004, 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.

Related Party Transaction

Details of Related Party Transaction

During the FY 2003 ended on February 20, 2004, 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") | Holding 8.8% stake in the Company and the Company also has 8.5% stake in Siam Jusco. Jointly having Mr.Noppun Muankote as director | <p>1. The Company has entered into the rental and service agreements for three branch offices with Siam Jusco, with following details:</p> <ul style="list-style-type: none"> - Rachadapisek Branch Total rental area of 128 square meters, lease term of 3 years from Sep 1, 2000 to Aug 31, 2003, monthly rental and service fee for the first year is Baht 57,024, second year of Baht 62,726 and third year of Baht 68,998. And extend lease term of 6 months from Sep 1, 2003 to Feb 28, 2004, monthly rental and service fee of Baht 68,998 - Rattanatibet Branch Total rental area of 143 square meters, lease term of 3 years from Mar 1, 2001 to Feb 28, 2004, monthly rental and service fee for the first year is Baht 86,515, second year of Baht 95,167 and third year of Baht 104,684. - Laksi Branch Total rental area of 85 square meters, lease term of 3 years from June 1, 2000 to May 31, 2003, monthly rental and service fee for the first year is Baht 25,500, second year of Baht 28,050 and third year of Baht 30,855. And extend lease term of 1 year from July 1, 2003 to June 1, 2004, monthly rental and service fee of Baht 33,940.50 | 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. |

| Person with possibility to cause conflict | Relationship | Nature/ Size of Transaction | Necessity and Reasonableness of Transactions |
|---|---|--|--|
| Siam Jusco Co., Ltd. ("Siam Jusco") | | <p>2. The Company also rents areas in 6 branches of Siam Jusco for installing ATM in which the Company has monthly rental of Baht 21,000 to Baht 120,000.</p> <p>3. The Company operates hire purchase and credit card businesses with Siam Jusco. In FY 2003, the Company had sales volume of hire purchased goods through Siam Jusco in the amount of Baht 216.61 million. The Company also had sales volume through JUSCO card and all types of AEON cards transacted at Siam Jusco in the amount of Baht 251.82 million. In addition, the Company received commission fee from Siam Jusco for credit card business in the amount of Baht 3.15 million.</p> <p>As at February 20, 2004, the Company has accounts payable-Siam Jusco amounted of Baht 7.32 million. Received from customers amounted of Baht 8.14 million.</p> | <p>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.</p> <p>Doing Hire Purchase and Credit Card business through Siam Jusco is considered as the Company's normal business operation. In doing Hire Purchase business with Siam Jusco, 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.</p> |
| ACS Capital Corporation Ltd. ("ACS") | Holding 19.20% stake in the Company and jointly having Mr. Masao Mizuno and Mr. Mikio Sueda as directors. | The Company provides management service to ACS e.g. accounting, general administration, etc. The Company charges ACS a fee in the amount of Baht 80,000 per month. In FY2003 the Company had the revenue from this service in the amount of Baht 960,000. | The Company provides management service to ACS as a result of the restructuring of the shareholding structure and business structure between the Company and ACS. In addition, ACS ceased its business and transferred all of its employees to the Company. Since ACS still |

| Person with possibility to cause conflict | Relationship | Nature/ Size of Transaction | Necessity and Reasonableness of Transactions |
|---|--|--|--|
| ACS Capital Corporation Ltd. ("ACS") | | As at February 20, 2004, the Company has other receivable in the amount of Baht 227,497 | has status as limited company and needs to comply with all regulations governing the limited company such as accounting, general management, arrangement of annual shareholders' meeting, and arrangement of the board of directors' meeting, etc. Hence, the Company has to provide such service to ACS. 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. 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. |
| GA Leasing Corporation Limited ("GA Leasing") | The Company's major shareholder, Mr. Chatchaval Jiaravanon and his spouse, holds 45% of GA Leasing while Mr. Chatchaval Jiaravanon hold 6% in the Company In addition, Mrs. Suporn Wattanavekin, the Company's director, holds another 15 % in GA Leasing. | The Company provides collection service for GA Leasing Corporation Limited as per the agreement dated February 21, 2000. In FY 2003, the Company had revenue from this service in the amount of Baht 65,713.56 As at February 20, 2004, the Company has no outstanding balance with GA Leasing. | The Company provides debt collection service to GA Leasing since GA Leasing, which engaged in hire purchase business, ceased its operation since year 1998. The Company considers that this service can generate more income without creating any additional burden because the Company already has collection team who are ready to provide such a service. The audit committee considered that the fee the Company charges from GA Leasing with the fee charged by other debt collection companies are comparable. From the above reason, the audit committee provided the opinion that this transaction is reasonable and fair. |

Company Profile

| | |
|--|--|
| Company Name | AEON Thana Sinsap (Thailand) Public Company Limited |
| Registration Number | Bor. Mor. Jor. 668 |
| Address | 159 Serm-mit Tower, 1 st - 2 nd Floor, Asoke Road (Sukhumvit 21), Klongtoey-Nua, Wattana, Bangkok 10110 Tel. 0-2665-0123 Fax 0-2260-8426 www.aeon.co.th |
| Business | Hire Purchase, Credit Card, Personal Loan and Factoring Services |
| Number and Type of Shares Issued by the Company | Registered Ordinary shares 50,000,000 shares Ordinary shares paid up 50,000,000 shares Par Value of share 5 baht Total Value 250,000,000 baht |

REFERENCE

| | |
|-----------------------------|--|
| Securities Registrar | Thailand Securities Depository Company Limited The Stock Exchange of Thailand Building, 4 th and 7 th Floor, 62 Ratchadapisek Road, Klongtoey, Bangkok 10110 Tel. 0-2654-5599 |
| Auditor | Deloitte Touche Tohmatsu Jaiyos Company Limited Rajanakarn Building, 25 th 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, 4 th - 5 th Floor, 999 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330 Tel. 0-2656-1721 Ext. 5108 Fax 0-2656-1733-4 |

Branch Network

As of February 20, 2004, the Company has 54 branches altogether, of which 18 branches in Bangkok and the vicinity while the remaining 36 branches in other provinces.

Branch Offices in Bangkok and Its Vicinity (18 branches)

| Branch Name / Branch Manager | Address | Telephone No. | Fax No. Trunk No. |
|--|---|-----------------------------------|-----------------------------|
| 1. Head Office 1,2,9,14 Fl., AEON SPOT | 159 Serm-mit Tower, Asoke Rd, (Sukhumvit 21), Klongtoey Nua, Wattana, Bangkok 10110 | 0-2665-0123 | 0-2260-8426, 0-2661-7826 |
| 2. Jusco Ratchadapisek AEON SPOT | Jusco Ratchadapisek 129 3 rd Fl., Ratchadapisek Rd., Dindaeng, Bangkok 10400 | 0-2248-1940-2, 0-2247-8413-14, | 0-2248-1943 0-2247-8434 |
| 3. Jusco Rattanathibet | Jusco Rattanathibet 2 nd Fl., 68/100 Moo 8 Rattanathibet Rd., Bangkasor, Nonthaburi 11000 | 0-2526-8030-3 0-2526-8031-3 | 0-2526-8030 |
| 4. CP. Tower | C.P. Tower 4 th Fl., 313 Silom Rd., Bangrak, Bangkok 10500 | 0-2238-2132-4 | 0-2638-2928 |
| 5. Tang Hua Seng | Tang Hua Seng Department Store 3 rd Fl., 289 Sirinthorn Rd., Bangbumruh, Banglpad, Bangkok 10700 | 0-2423-2172-4 | 0-2423-2175 |
| 6. Makro Sathorn | Makro Sathorn 2 nd Fl., 1 Narathivat-ratchanakarin Rd., Tungwatdon, Sathorn, Bangkok 10210 | 0-2676-4284-6, 0-2676-9235-9 | 0-2676-4280 |
| 7. Secon Square Srinakarin | 904 Secon Square Shopping Mall Room No.2051 2 nd Fl., Srinakarin Rd., Nongbon Rd., Pravet, Bangkok 10250 | 0-2320-2950-4, 0-2721-8377 | 0-2721-8379 |
| 8. Jusco Laksi | Jusco Laksi 2 nd Fl., 672 Chaengwattana Rd., Klongthanon, Bangkokhen, Bangkok 10210 | 0-2521-9200-3, 0-2970-0707 | 0-2521-9204, 0-2970-0606 |
| 9. Future Park Rangsit | Future Park Rangsit Room No. 101/R 1 st Fl., 161 Moo 2 Phahonyothin Rd., Pachathipat, Tanyabri, Phatumthanee 12130 | 0-2958-6204-8 | 0-2958-6209 |
| 10. Fashion Island AEON SPOT | 5/5-6 Room No.2032 Moo 7 Ram-intra Rd., Kannayao, Bangkok 10230 | 0-2947-5088, 0-2540-6700-6 | 0-2947-5089, 0-2540-6709 |
| 11. AEON SPOT Huamark | Big C Huamark 2001 Room No.G26-28 Ramkhamhaeng Rd., Huamark, Bangkapi, Bangkok 10240 | 0-2314-7341-3, 0-2314-7379 | 0-2314-7343 |
| 12. AEON SPOT Bangna | Lotus Bangna 14/9 Moo 13 Bangna-Trad Rd., Bangkaew, Bangplee, Samutprakarn 10540 | 0-2313-3196-7 | 0-2739-9167 |
| 13. AEON SPOT Thapra | The Mall Thapra 2S-C9 2 nd Fl., 99 Ratchadapisek Rd., Bukkaloo, Thonburi, Bangkok 10600 | 0-2477-9949 | 0-2477-9950 |
| 14. AEON SPOT Rangsit | Lotus Rangsit 392/104 Room No.106 Moo 2 Prachatipat, Tanyaburi, Prathumthani 12130 | 0-2567-4962-3 | 0-2567-0359 |

| Branch Name / Branch Manager | Address | Telephone No. | Fax No. Trunk No. |
|---|---|---------------------------------|-------------------------------|
| 15. AEON SPOT Lotus Bangkokpi | Lotus Bangkokpi 3109 Ladpraw Rd., Klongjan, Bangkokpi, Bangkok 10240 | 0-2374-2823 | 0-2374-2836 |
| 16. AEON SPOT The Mall Bangkokpi | The Mall Bangkokpi 3522 1 st Fl., Room No. 1S-L23 Ladpraw Rd., Klongjan, Bangkokpi, Bangkok 10240 | 0-2374-5165, 0-2704-7640 | 0-2374-5175 |
| 17. AEON SPOT Central Rama II | 128 Moo 6 Room No.329 3 rd Fl., Central Rama II, Rama II Road, Samaedam, Bangkhunthien, Bangkok 10150 | 0-2872-4486 | 0-2872-4487 |
| 18. AEON SPOT Lotus Laksi | 559 Moo 3 Floor 2 Lotus Laksi Anusoawaree, Bangkaen, Bangkok 10220 | 0-2955-7213-4 | 0-2955-7215 |
| Northern Region (9 Branch) | | | |
| 1. Chiang Mai | Central Airport Plaza (Phase II) 2 Mahidol Rd., Haiya Muang Chiang Mai 50100 | 0-5320-2031-2 | 0-5320-2033 |
| 2. Chiang Mai (AIR PORT BUSINESS PARK) | AIR PORT BUSINESS PARK Unit 308-309 90 3 rd Fl., Mahidol Road, Muang, Chiangmai 50000 Operation Branch | 0-5320-3333-6 | 0-5320-3494-5 |
| 3. AEON SPORT Chiangmai Lotus Hangdong | Lotus Hangdong 132 Moo 1 Tumbol Padad, Muang, Chiangmai 50000 | 0-5380-7524-6, 0-5380-7518 | 0-5380-7517 |
| 4. AEON SPORT Chiangmai Lotus Khamthieng | Lotus Khamthieng 19 Talad Khamthieng Road, Tumbol Patan, Muang, Chiangmai 50000 | 0-5387-2845 | 0-5384-2846 |
| 5. Chiang Rai | 89/5-6 Moo 11 Raobwiang Road, Muang, Chiang Rai 57000 | 0-5374-7180-4, 0-5374-7132-6 | 0-5371-8449, 0-5371-8368 |
| 6. Lampang Operation Branch+ AEON SPOT | 238-238/1 Sanambin Rd., Muang, Lampang 52000 | 0-5423-0529-32, | 0-5423-0534 0-5431-4511 |
| 7. Phitsanulok (1) | Lotus Phitsanulok 909 Moo 3 Phitsanulok-Lomsak Rd., Aranyik, Muang, Phitsanulok 65000 | 0-5525-3044-5 | 0-5522-1307 |
| 8. Nakhonsawan | Opposite Fairyland Department Store 4 th Fl., K 37/1 Matulee Rd., Soi Daowadueng, Muang, Nakornsawan 60000 | 0-5623-1382-91, | 0-5623-1849-50 0-5631-1696 |
| 9. Phitsanulok (2) | 34/4-5 (Surasee Complex Tower) Surasee Rd., Naimuang Muang Phitsanulok 65000 | 0-5523-5300 | 0-5523-5311-4 0-5523-5309 |
| Central Region (13 Branch) | | | |
| 1. Saraburi | Ekapap Superstore 1 st Fl., 325 Phahonyothin Rd., Pak-Preaw, Muang, Sraburi 18000 | 0-3623-1751-60 | 0-3623-1761-2 |
| 2. Lopburi | 157, 157/1 Naraimaharat Rd., Talechubsorn, Muang, Lopburi 15000 | 0-3662-7854-7, 0-3662-7870-4 | 0-3662-7858, 0-3642-6967 |

| Branch Name / Branch Manager | Address | Telephone No. | Fax No. Trank No. |
|---|---|---|---|
| 3. Suphanburi | Lotus Suphanburi 293 Moo 5 Supanburi-Chainart Road, Tar-rahath, Muang District, Supanburi 72000 | 0-3550-2660-5 | 0-3550-2666-7 |
| 4. AEON SPOT Ayuthaya | Grand Market Entrance 51/287-290 T.Thanu, Uthai, Phanakornsri Ayuttaya 13000 | 0-3522-9555 | 0-3522-9500 0-3533-6766 |
| 5. Ayuthaya | Lotus Ayuthaya Park Room No. I-46 1 st Fl., Zone 2 126 Moo 3 Asia Rd., Klong-Suanplu, Muang, Ayuthaya 13000 | 0-3522-9174-7, 0-3534-6250-5 | 0-3534-6256, 0-3522-9178 |
| 6. Nakhonpathom Operation Branch + AEON SPOT | 286, 288 Tesa Rd., T.Phrapratone, Muang, Nakornpathom 73000 | 0-3421-3644- 8, 0-3421-3200- 4 | 0-3427-1205-7 |
| 7. Samuthsakorn | 322/90 Ekachai Rd., Tambol Mahachai, Muang, Samuthsakorn 74000 | 0-3441-3153-60 | 0-3441-3151-2 |
| 8. Chonburi (1) | Pacific Park Building Room No. 224 90 Pacific Park 2 nd Fl., Sukumvit Rd., Sriracha, Chonburi 20110 | 0-3832-4372, 0-3832-4270, 0-3832-4260-1, 0-3832-4072 | 0-3832-4475, 0-3832-7470 |
| 9. Chonburi (2) | Near Pacific park 42, 44 Srirachanakorn 3 Rd., Tambon Sriracha, Sriracha, Chonburi 20110 | 0-3877-1556-64, 0-3877-1570-4, 0-3832-7506 | 0-3877-1449 |
| 10. Aeon Sport Pattaya Nua | Lotus Pattaya Nua 1 st Fl., 221/19 Moo 5 Pattaya Nua Rd., Banglamung, Chounburi 20150 | 0-3837-0960-1 | 0-3841-1187 |
| 11. Pethburi | Near Pethcharat Hospital 43/19 Moo 5 Banmoh, Maung, Pethburi 76000 | 0-3242-8888 0-3241-0964 | 0-3241-0969 |
| 12. Rayong | 23/20-21 Moo 3 Nernpra Muang Rayong 21150 | 0-3896-6222 0-3896-6470 | 0-3896-6421 |
| 13. Lotus Rajchaburi | Lotus Rajchaburi, 8/4 Khathathorn Rd., Nan-muang Muang Rajchaburi 70000 | 0-3235-0372-3 | 0-3235-0374 |
| North-Eastern Region (7 Branch) | | | |
| 1. Udonthani Operation Branch + AEON SPOT | 119/13-14 Moo 14 Soi Bangkaojan, Mak-khaeng, Muang, Udonthani 41000 | 0-4220-4780 | 0-4220-4786-7 0-4232-3855 |
| 2. Khonkaen | Opposite Fairyland Plaza, 1 st Fl., 552/5 Namuang Rd., Naimuang, Muang, Khonkaen 40000 | 0-4338-9112-4, 0-4338-9100-2, 0-4338-9231-6 | 0-4338-9115, 0-4338-9105, 0-4338-9097 |
| 3. Ubonratchathani | Sinratchabutr Building Room No. 101 1 st Fl., 47 Ratchbuta Rd., Naimuang, Muang, Ubonratchathani 34000 | 0-4526-2701-2, 0-4526-2802-6 | 0-4524-0702, 0-4525-0698, 0-4526-2984 |
| 4. Nakhonratchasima Operation Branch | 1206/2-4 Mittapap Rd., Naimuang, Muang, Nakornratchasima 30000 | 0-4426-3606-14 | 0-4426-3605 0-4434-2025 |
| 5. Nakhonratchasima | The Mall Department Store Room No.2P-52 1242/2-4 2 nd Fl., Mittapap Rd., Naimuang, Muang, Nakornratchasima 30000 | 0-4425-8382-3, 0-4425-8301 | 0-4428-8303 |

| Branch Name / Branch Manager | Address | Telephone No. | Fax No. Trank No. |
|-----------------------------------|---|--|-----------------------------|
| 6. Surin | 4/1 Sirirat Rd., Naimuang, Muang, Surin 32000 | 0-4453-1691-4, 0-4453-1701-4, 0-4471-3088-91 | 0-4453-1695, 0-4453-1705 |
| 7. Nongkla | Big Jing Department Store Building Room A-03 304 Moo 10 Mittapap Rd., Po-Chai, Muang Kongkla 43000 | 0-4241-3433-4 | 0-4241-3435 |
| Southern Region (7 Branch) | | | |
| 1. Hat Yai | Julladhit Hat Yai Plaza 1 st Fl., 200 Room No.102, 104, 106, 108, 114, 116, Niphatuthit 3, Had Yai, Songkhla 90110 | 0-7427-1000 | 0-7435-5289 |
| 2. Suratthani | Lotus Suratthani 9/1 Moo.3 Lengmuang Rd., Makhamtie, Muang, Suratthani 84000 | 0-7720-5020-3, | 0-7720-5832 |
| 3. Suratthani Operation Branch | 4/33-34 Moo 1 Liengmuang Rd., T. Bangkung, Muang, Suratthani 84000 | 0-7727-7000 | 0-7720-4999 |
| 4. NakhonSithammarat | First City Building 89/10-11 Pattanakarn Koo-Kwang Rd., T. Klang, Muang, Nakornsrihammarat 80000 | 0-7530-4000 | 0-7534-0674-5 |
| 5. Phuket | 41/6 Chanacharoen Rd., Talad Yai, Muang, Phuket 83000 | 0-7636-2000 | 0-7621-1434 |
| 6. Trang | 59/8-9 Tabtieng, Muang, Trang 92000 | 0-7520-5000 | 0-7521-9141 |
| 7. Chumporn | 113/7 Khommarungchumporn Rd., Thatapao, Muang, Chumporn 86000 | 0-7752-9000 | 0-7750-7608 |

*AEON SPOT : *The advanced services of AEON Branch that automatically approved credit and other transactions through the technology on-line systems such as EDC machine CD machine and Cash Repayment Machine.*

Major Group Companies

GENERAL MERCHANDISE STORES (GMS)

ÆON Co., Ltd.

- * **Kyushu JUSCO Co., Ltd.**
- * **Jaya JUSCO Stores Bhd.**
- * **JUSCO Stores (Hong Kong) Co., Ltd.**
- * Ryukyu JUSCO Co., Ltd.
- * Siam JUSCO Co., Ltd.
- * Guangdong JUSCO Teem Stores Co., Ltd.
- * Qingdao Dongtai JUSCO Co., Ltd.
- * Shenzhen JUSCO Friendship Stores Co., Ltd.

SUPERMARKETS

- * **Maxvalu Hokkaido Co., Ltd.**
- * **Maxvalu Tohoku Co., Ltd.**
- * **Maxvalu Chubu Co., Ltd.**
- * **Maxvalu Nishinohon Co., Ltd.**
- * Maxvalu Tokai Co., Ltd.
- * Maxvalu Kyushu Co., Ltd.
- * Hallo Co., Ltd.
- * Nishikyushu Well Mart Co., Ltd.

HOME CENTERS

Home Whde Corp.

CONVENIENCE STORES

- * **Ministop Co., Ltd.**

DEPARTMENT STORES

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

SPECIALTY STORES

- * **The Talbots, Inc.**
- * **Blue Grass Co., Ltd.**
- * **Cox Co., Ltd.**
- * Talbots Japan Co., Ltd.
- * Laura Ashley Japan Co., Ltd.
- * ÆON Forest Co., Ltd.
- * Mega Sports Co., Ltd.
- * Claire's Nippon Co., Ltd.
- * Nustep Co., Ltd.
- * Abilities JUSCO Co., Ltd.
- * Book Bahn Co., Ltd.
- * Petcity Co., Ltd.
- * Kojima Co., Ltd.
- * Mega Petro Co., Ltd.

DRUGSTORES

Kraft Inc.

- Medical Ikkou Co., Ltd.
- Drug Eleven Co., Ltd.
- * Takiya Co., Ltd.
- Welpark Co., Ltd.
- Hac Kimisawa Co., Ltd.**
- Green Cross · Coa Co., Ltd.**
- Iino Co., Ltd.

SC DEVELOPMENT OPERATIONS

Diamond City Co., Ltd.

- * **ÆON Mall Co., Ltd.**
- Diamond Family Co., Ltd.
- LOC Development Co., Ltd.

FINANCIAL SERVICES

- * **ÆON Credit Service Co., Ltd.**
- * **ÆON Credit Service (Asia) Co., Ltd.**
- * **ÆON Thana Sinsap (Thailand) Plc.**
- * AEON Credit Service (M) Sdn. Bhd.
- * AEON Credit Service (Taiwan) Co., Ltd.
- * AEON Credit Card (Taiwan) Co., Ltd.

SERVICES

- * **ÆON Fantasy Co., Ltd.**
- * Jusvel Co., Ltd.
- * Reform Studio Co., Ltd.
- * Zwei Co., Ltd.
- * ÆON Techno Service Co., Ltd.
- * ÆON Cinemas Co., Ltd.
- * Quality Control Center Co., Ltd.

FOOD SERVICES

- * Gourmet D'Or Co., Ltd.
- * Jack Co., Ltd.

FOOD PROCESSING, DISTRIBUTION AND OTHER OPERATIONS

- * Certo Co., Ltd.
- * Food Supply JUSCO Co., Ltd.
- * Aic, Inc.
- Yurin Co., Ltd.
- * Osaka Delica Co., Ltd.
- * Tasmania Feedlot Pty. Ltd.

E-COMMERCE BUSINESS

- * AEON Visty Co., Ltd.

**Consolidated subsidiaries.*

Listed companies are shown in bold.

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



บริษัท อีออน ธนลินทรัพย์ (ไทยแลนด์) จำกัด (มหาชน)

159 อาคารเสริมมิตร ทาวเวอร์ ชั้น 1-2 ถนนอโศก (สุขุมวิท 21) แขวงคลองเตยเหนือ เขตวัฒนา กรุงเทพฯ 10110

โทรศัพท์ 0-2665-0123 โทรสาร 0-2260-8426 www.aeon.co.th

AEON Thana Sinsap (Thailand) Public Company Limited

159 Serm-mit Tower, 1st - 2nd Floor, Asoke Road (Sukhumvit 21), Klongtoey-Nua, Wattana, Bangkok 10110

Tel. 0-2665-0123 Fax 0-2260-8426 www.aeon.co.th