



AEON Credit Service (M) Berhad

(412767-V) (Incorporated in Malaysia)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 20 NOVEMBER 2011

	Note	Unaudited Individual quarter		Unaudited Cumulative quarter	
		3 months ended		9 months ended	
		20.11.2011	20.11.2010	20.11.2011	20.11.2010
		RM'000	RM'000	RM'000	RM'000
Revenue	A15	89,809	68,188	249,994	195,885
Total operating expenses		(50,846)	(42,975)	(146,043)	(125,251)
Other operating income	A15	6,072	4,477	18,134	11,897
Profit from operations		45,035	29,690	122,085	82,531
Finance costs		(11,182)	(8,195)	(30,925)	(23,519)
Profit before taxation		33,853	21,495	91,160	59,012
Taxation	B4	(8,598)	(5,454)	(23,269)	(14,986)
Profit for the period		25,255	16,041	67,891	44,026
Other comprehensive income, net of tax					
Cash flow hedge		(9,246)	358	-16,953	(1,060)
Other comprehensive income for the period, net of tax		(9,246)	358	(16,953)	(1,060)
Total comprehensive income for the period		16,009	16,399	50,938	42,966
Profit attributable to :					
- Equity holders of the Company		25,255	16,041	67,891	44,026
- Minority interests		-	-	-	-
Profit for the period		25,255	16,041	67,891	44,026
Total comprehensive income attributable to :					
- Equity holders of the Company		16,009	16,399	50,938	42,966
- Minority interests		-	-	-	-
Total comprehensive income for the period		16,009	16,399	50,938	42,966
Earnings per share attributable to equity holders of the Company :					
Basic (sen)	B11	21.05	13.37	56.58	36.69
Diluted (sen)	B11	-	-	-	-

The Condensed Income Statement should be read in conjunction with the audited financial statements of the Company for the financial year ended 20 February 2011 and the accompanying notes to the quarterly report attached hereto.



AEON Credit Service (M) Berhad

(412767-V) (Incorporated in Malaysia)

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 20 NOVEMBER 2011

	Note	Unaudited As at 20.11.2011 RM'000	Audited As at 20.02.2011 RM'000
ASSETS			
Non-current assets			
Plant and equipment		25,721	24,137
Investments	A12	2,309	1,797
Deferred tax assets		7,101	-
Financing receivables		516,386	407,377
		551,517	433,311
Current assets			
Financing receivables		885,022	701,127
Other receivables, deposits & prepayments		16,145	35,399
Cash and bank balances		3,635	5,649
		904,802	742,175
TOTAL ASSETS		1,456,319	1,175,486
EQUITIES AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital		60,000	60,000
Reserves		243,815	222,217
		303,815	282,217
Minority interests		-	-
Total equity		303,815	282,217
Non-current liabilities			
Borrowings	B8	802,211	594,742
Deferred tax liabilities		-	1,807
		802,211	596,549
Current liabilities			
Payables & accruals		80,347	55,577
Borrowings	B8	256,581	238,302
Taxation		13,365	2,841
		350,293	296,720
Total liabilities		1,152,504	893,269
TOTAL EQUITIES AND LIABILITIES		1,456,319	1,175,486
		RM	RM
Net assets per share attributable to equity holders of the Company		2.53	2.35

The Condensed Statement of Financial Position should be read in conjunction with the audited financial statements of the Company as at 20 February 2011 and the accompanying notes to the quarterly report attached hereto.



AEON Credit Service (M) Berhad

(412767-V) (Incorporated in Malaysia)

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 20 NOVEMBER 2011

	Attributable to Equity Holders of the Company					Minority Interests RM'000	Unaudited Total Equity RM'000
	Non - distributable			Distributable			
	Share capital RM'000	Share premium RM'000	Hedging reserve RM'000	Retained earnings RM'000	Total RM'000		
At 21 February 2010	60,000	56,147	652	124,434	241,233	-	241,233
Final dividend paid in respect of the financial year ended 20 February 2010				(10,800)	(10,800)	-	(10,800)
Interim dividend paid in respect of the financial year ended 20 February 2011				(10,350)	(10,350)	-	(10,350)
Total comprehensive income for the period	-	-	(1,060)	44,026	42,966	-	42,966
At 20 November 2010	60,000	56,147	(408)	147,310	263,049	-	263,049
At 21 February 2011	60,000	56,147	(643)	166,713	282,217	-	282,217
Final dividend paid in respect of the financial year ended 20 February 2011				(13,500)	(13,500)	-	(13,500)
Interim dividend paid in respect of the financial year ending 20 February 2012				(15,840)	(15,840)	-	(15,840)
Total comprehensive income for the period	-	-	(16,953)	67,891	50,938	-	50,938
At 20 November 2011	60,000	56,147	(17,596)	205,264	303,815	-	303,815

The Condensed Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Company for the financial year ended 20 February 2011 and the accompanying notes to the quarterly report attached hereto.



AEON Credit Service (M) Berhad

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CONDENSED CASH FLOW STATEMENT FOR THE THIRD QUARTER ENDED 20 NOVEMBER 2011

	Unaudited	
	Cumulative quarter ended 20.11.2011	20.11.2010
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	91,160	59,012
Adjustments for:		
Depreciation of plant and equipment	6,609	7,697
Finance costs	30,925	23,519
Gain on disposal of plant and equipment	-	3
Plant and equipment written off	11	-
Allowance for impairment loss	46,585	37,731
Dividend income	(40)	(47)
Operating profit before working capital changes	175,250	127,915
Changes in working capital:		
Receivables, deposits and prepayments	(320,234)	(142,399)
Payables and accruals	14,770	14,172
Cash used in operations	(130,214)	(312)
Income taxes paid	(16,002)	(15,928)
Finance costs paid	(29,697)	(22,379)
Net cash used in operating activities	(175,913)	(38,619)
Cash flows from investing activities		
Dividend income	40	47
Acquisition of plant and equipment	(8,179)	(9,456)
Proceeds from disposal of plant and equipment	5	3
Acquisition of investment	(512)	-
Net cash used in investing activities	(8,646)	(9,406)
Cash flows from financing activities		
Repayment of bank borrowings	(200,488)	(165,908)
Proceeds from borrowings	411,793	236,000
Dividends paid to ordinary shareholders of the Company	(29,340)	(21,150)
Net cash generated from financing activities	181,965	48,942
Net (decrease) / increase in cash and cash equivalents	(2,594)	917
Cash and cash equivalents at 21 February	4,657	2,834
Cash and cash equivalents at 20 November	2,063	3,751
Cash and cash equivalents		
Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Cash and cash equivalents	3,635	3,878
Overdrafts	(1,572)	(127)
	2,063	3,751

The Condensed Cash Flow Statement should be read in conjunction with the audited financial statements of the Company for the financial year ended 20 February 2011 and the accompanying notes to the quarterly report attached hereto.



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Notes to the interim financial report for the quarter ended 20 November 2011

A DISCLOSURE REQUIREMENTS AS PER FINANCIAL REPORTING STANDARD ("FRS") 134: INTERIM FINANCIAL REPORTING

1 Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standard Board ("MASB"), and Paragraph 9.22 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements.

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 20 February 2011.

2 Change in accounting policies

The significant accounting policies adopted are consistent with the audited financial statements for the financial year ended 20 February 2011 except for the amendments to the following Financial Reporting Standards ("FRS") and IC Interpretation that are effective for the Company's financial year beginning 21 February 2011:

- Amendments to FRS 7, Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments
- Amendments to FRS 132, Financial Instruments: Presentation – Classification of Rights Issues
- Amendments to IC Interpretation 9, Reassessment of Embedded Derivatives
- Improvements to FRSs (2010)

The adoption of the above amendments to FRS and IC Interpretations did not have any material financial impact on the financial statements of the Company.

3 Auditors' Report on the Preceding Annual Financial Statements

There was no qualification in the audit report on the preceding audited annual financial statements.

4 Seasonal or Cyclical Factors

The Company normally benefits from the traditionally higher levels of consumer spending during festive seasons in Malaysia.

5 Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review.

6 Changes in Estimates

There were no material changes in the nature and amount of estimates reported in prior interim period or prior financial years that have a material effect in the current quarter under review.

7 Issuance, Cancellation, Repurchase, Resale and Repayment of Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities during the interim period under review except as disclosed in the Cash Flow Statement.



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Notes to the interim financial report for the quarter ended 20 November 2011

8 Dividends Paid

	Cumulative Quarter (9 months)	
	Current Year - Period To date 20/11/2011 RM,000	Preceding Year -Period to date 20/11/2010 RM,000
Interim single-tier dividend in respect of the financial year ending 20 February 2012 - 13.20 sen per ordinary share	15,840	
Final dividend in respect of the financial year ended 20 February 2011 - 15 sen per ordinary share less 25% income tax	13,500	
Interim dividend in respect of the financial year ended 20 February 2011 - 11.50 sen per ordinary share less 25% income tax		10,350
Final dividend in respect of the financial year ended 20 February 2010 - 12 sen per ordinary share less 25% income tax		10,800
	29,340	21,150

9 Segmental Reporting

The Company is principally engaged in the provision of easy payment schemes, personal financing schemes and credit cards business, all of which are categorised under consumer financing business.

On this basis, the Managing Director (“MD”) reviews the business performance of the Company as a whole. Further analysis will be provided or furnished upon request from the MD.

10 Valuation of Property, Plant and Equipment

There was no revaluation of property, plant and equipment at the end of the reporting quarter.

11 Subsequent Events

There were no material events subsequent to the end of the current quarter under review up to the date of this report, which is likely to substantially affect the results of the quarter under review.

12 Changes in the Composition of the Company

There were no changes in the composition of the Company during the quarter under review, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructuring and discontinuing operations.

During the first quarter ended 20 May 2011, the Company subscribed for 750,000 ordinary shares of Rupees 10/- each in AEON Credit Service India Private Limited (“ACSI”) on 9 March 2011 for a total cash consideration of Rupees 7,500,000.00 or approximately RM0.512 million, representing 100% of the



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total issued and paid-up share capital of ACSI. ACSI has been incorporated on this date as a precursor for the establishment of consumer finance business in India as part of AEON Credit Service Co., Ltd's expansion plan in Asia. AEON Credit Service Co., Ltd, a company incorporated in Japan, is the immediate holding company of the Company. Subject to regulatory approval in India, AEON Credit Service Co., Ltd is expected to have majority equity participation in ACSI later.

Consolidated accounts incorporating the results of ACSI are not presented for the reason that the Company does not have control over ACSI as it merely acts as proxy on behalf of AEON Credit Service Co., Ltd. The investment in ACSI continues to be carried at cost in "Investments" in the Condensed Statement of Financial Position.

13 Contingent Liabilities and Contingent Assets

The Company did not have any contingent liabilities, either secured or unsecured, or contingent assets as at 20 November 2011 and at the date of this announcement.

14 Capital Commitments

Capital commitments for plant and equipment which have been authorised and contracted, but not provided for as at 20 November 2011 amounts to RM6.313 million.

15 Reclassification of revenue and other operating income

During the financial year ended 20 February 2011, the Company has reclassified certain categories of fee income and charges realized from its consumer financing business from Other Operating Income to Revenue in consideration of the recurring nature of the items which are core components of the financing structure and commercial terms with customers. The amount reclassified from Other Operating Income to Revenue was RM43.045 million and RM32.993 million for the nine months ended 20 November 2011 and 2010 respectively and RM15.682 million and RM12.091 million for the third quarter ended 20 November 2011 and 2010 respectively.

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

1 Performance Review

The Company's revenue recorded 31.71% and 27.62% growth respectively for the third quarter and nine months ended 20 November 2011 compared to the previous year corresponding periods mainly due to growth in business and receivables based on increased financing transaction volume as a result of marketing and promotion activities carried out during the festive periods.

The Company recorded profit before tax of RM33.853 million for the current quarter, an increase of 57.49% or RM12.358 million from the corresponding quarter in the previous year mainly due to the above factors.

2 Material Change in Profit before Taxation of Current Quarter Compared with Preceding Quarter

The Company's profit before taxation (PBT) of RM33.853 million for the current quarter is higher than the PBT of RM31.522 million in the preceding quarter ended 20 August 2011 mainly arising from growth in receivables and increased financing transaction volume in the period contributing to higher operating income while operating expenses remained stable.



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3 Current Year Prospects

The Malaysian economy registered a higher growth of 5.8% in the 3rd quarter (2Q 11: 4.3%), due to stronger domestic demand. The Company anticipates to be able to sustain its performance for the remainder of the current financial year based on this trend.

4 Taxation

	Individual quarter		Cumulative quarter	
	3 months	3 months	9 months	9 months
	ended	ended	ended	ended
	<u>20.11.2011</u>	<u>20.11.2010</u>	<u>20.11.2011</u>	<u>20.11.2010</u>
	RM'000	RM'000	RM'000	RM'000
In respect of current period:				
- Current tax	8,116	5,224	23,817	14,868
- Deferred tax	482	230	(548)	118
	8,598	5,454	23,269	14,986
In respect of prior financial year:				
- Current tax	2,708	-	2,708	-
- Deferred tax	(2,708)	-	(2,708)	-
	8,598	5,454	23,269	14,986

The Company's effective tax rate is higher than the statutory tax rate as certain expenses are not deductible for tax purpose.

5 Profits / (Losses) on Sale of Unquoted Investments and/or Properties

There were no sales of unquoted investments or properties during the quarter under review.

6 Quoted Investments

There were no purchases or disposals of quoted securities during the quarter under review, and there were no investments in quoted shares as at the end of the quarter.

7 Status of Corporate Proposal

There were no corporate proposals announced or pending completion as at the date of this report.



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Notes to the interim financial report for the quarter ended 20 November 2011

8 Borrowings

The borrowings of the Company as at 20 November 2011 comprised the following:

	Secured RM'000	Unsecured RM'000	Total RM'000
Non-Current :			
- Term loans / financing	-	402,237	402,237
- Medium term notes	-	249,974	249,974
- Asset backed medium term notes	150,000	-	150,000
	<u>150,000</u>	<u>652,211</u>	<u>802,211</u>
Current :			
- Bank overdrafts	-	1,572	1,572
- Revolving credits	-	67,418	67,418
- Term loans / financing	-	37,822	37,822
- Medium term notes	-	149,769	149,769
	<u>-</u>	<u>256,581</u>	<u>256,581</u>
Total	<u>150,000</u>	<u>908,792</u>	<u>1,058,792</u>

The borrowings were denominated in the following currencies:

	Secured RM'000 Equivalent	Unsecured RM'000 Equivalent	Total RM'000 Equivalent
Ringgit Malaysia	150,000	520,315	670,315
United States Dollar	-	350,655	350,655 (Equivalent to USD110.90 million)
Japanese Yen	-	37,822	37,822 (Equivalent to JPY 920 million)
	<u>150,000</u>	<u>908,792</u>	<u>1,058,792</u>

The bank overdrafts, revolving credits and term loans of the Company are mostly provided on the basis of standby letters of credit from offshore financial institutions in favour of domestic banks providing the facilities or on clean basis.

The asset backed medium term notes are secured against a pool of consumer financing receivables.

9 Material Litigation

As at date of this announcement, the Company is not engaged in any material litigation which in the opinion of the Board of Directors will have a material effect on the financial position or business of the Company.



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10 Dividend

Interim dividend

- (i) An interim single-tier dividend was declared for the financial year ending 20 February 2012 and paid on 20 October 2011;
- (ii) Amount per share – 13.20 sen per share (previous corresponding period – 11.50 sen per share less tax at 25%);
- (iii) No dividend has been declared during the quarter and up to the date of this report.

11 Earnings per Share

	Individual quarter		Cumulative quarter	
	3 months ended <u>20.11.2011</u> '000	3 months ended <u>20.11.2010</u> '000	9 months ended <u>20.11.2011</u> '000	9 months ended <u>20.11.2010</u> '000
Net profit attributable to equity holders	25,255	16,041	67,891	44,026
Weighted average number of ordinary shares in issue (unit)	120,000	120,000	120,000	120,000
Basic earnings per share (sen)	<u>21.05</u>	<u>13.37</u>	<u>56.58</u>	<u>36.69</u>

Basic Earnings per share for the quarter and year to date is calculated by dividing the net profit attributable to ordinary equity holders by the weighted average number of ordinary shares in issue during the period.

The Company does not have in issue any financial instruments or other contract that may entitle its holder to ordinary shares and therefore dilutive to its basic earnings per share.

12 Realised and Unrealised Profits / (Losses)

	9 months ended <u>20.11.2011</u> RM'000
Total retained earnings of the Company	
- Realised	198,163
- Unrealised	7,101
Total retained earnings as per accounts	<u><u>205,264</u></u>



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Notes to the interim financial report for the quarter ended 20 November 2011

13 Authorisation for Issue

The interim financial report was authorised for issue by the Board of Directors of the Company in accordance with a resolution of the Directors on 20 December 2011.

By order of the Board
20 December 2011