



**AEON Credit Service (M) Berhad**  
(412767-V) (Incorporated in Malaysia)

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THIRD QUARTER ENDED 20 NOVEMBER 2012**

	Note	Unaudited Individual quarter 3 months ended		Unaudited Cumulative quarter 9 months ended	
		20.11.2012	20.11.2011	20.11.2012	20.11.2011
		RM'000	RM'000	RM'000	RM'000
Revenue	B4	121,334	89,809	335,444	249,994
Total operating expenses		(65,965)	(50,846)	(188,563)	(146,043)
Other operating income		8,028	6,072	25,398	18,134
<b>Profit from operations</b>	B5(a)	<b>63,397</b>	45,035	<b>172,279</b>	122,085
Finance costs		(16,496)	(11,182)	(43,273)	(30,925)
Profit before taxation		46,901	33,853	129,006	91,160
Taxation	B6	(11,960)	(8,598)	(33,888)	(23,269)
<b>Profit for the period</b>		<b>34,941</b>	25,255	<b>95,118</b>	67,891
<b>Other comprehensive income, net of tax</b>	B5(b)				
Cash flow hedge		2,928	(9,246)	173	(16,953)
<b>Other comprehensive income for the period, net of tax</b>		<b>2,928</b>	(9,246)	<b>173</b>	(16,953)
<b>Total comprehensive income for the period</b>		<b>37,869</b>	16,009	<b>95,291</b>	50,938
<b>Earnings per share attributable to equity holders of the Company :</b>					
Basic (sen)	B12	25.42	21.05	75.57	56.58
Diluted (sen)	B12	-	-	-	-

The Condensed Statement of Comprehensive Income should be read in conjunction with the audited financial statements of the Company for the financial year ended 20 February 2012 and the accompanying notes to the quarterly report attached hereto.



**AEON Credit Service (M) Berhad**  
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**CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 20 NOVEMBER 2012**

	Note	Unaudited As at 20.11.2012 RM'000	Audited As at 20.02.2012 RM'000	Audited As at 20.02.2011 RM'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Plant and equipment		36,023	27,452	24,137
Investments	A12	5,542	1,283	1,797
Deferred tax assets		3,814	4,128	-
Financing receivables		997,566	568,276	407,377
		<u>1,042,945</u>	<u>601,139</u>	<u>433,311</u>
<b>Current assets</b>				
Financing receivables		1,095,300	923,200	701,127
Other receivables, deposits & prepayments		18,020	36,235	35,399
Cash and bank balances		7,348	4,416	5,649
		<u>1,120,668</u>	<u>963,851</u>	<u>742,175</u>
<b>TOTAL ASSETS</b>		<u>2,163,613</u>	<u>1,564,990</u>	<u>1,175,486</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to equity holders of the Company</b>				
Share capital		72,000	60,000	60,000
Share premium		44,012	56,147	56,147
Reserves		277,178	225,087	166,070
<b>Total equity</b>		<u>393,190</u>	<u>341,234</u>	<u>282,217</u>
<b>Non-current liabilities</b>				
Borrowings	B8	1,057,166	877,603	594,742
Deferred tax liabilities		-	-	1,807
		<u>1,057,166</u>	<u>877,603</u>	<u>596,549</u>
<b>Current liabilities</b>				
Payables and accruals		93,585	81,097	54,132
Borrowings	B8	578,504	228,591	238,302
Derivative financial liabilities		23,132	24,666	1,445
Taxation		18,036	11,799	2,841
		<u>713,257</u>	<u>346,153</u>	<u>296,720</u>
Total liabilities		<u>1,770,423</u>	<u>1,223,756</u>	<u>893,269</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>2,163,613</u>	<u>1,564,990</u>	<u>1,175,486</u>
Net assets per share attributable to equity holders of the Company (RM)		2.73	2.84	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 2012 and the accompanying notes to the quarterly report attached hereto.



**AEON Credit Service (M) Berhad**  
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**CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE THIRD QUARTER ENDED 20 NOVEMBER 2012**

Attributable to Equity Holders of the Company

	<u>Non - distributable</u>		<u>Hedging</u>	<u>Distributable</u>	<u>Unaudited</u>
	<u>Share capital</u>	<u>Share premium</u>	<u>reserve</u>	<u>Retained earnings</u>	<u>Total Equity</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 21 February 2011</b>	60,000	56,147	(643)	166,713	282,217
Final dividend paid in respect of the financial year ended 20 February 2011	-	-	-	(13,500)	(13,500)
Interim dividend paid in respect of the financial year ended 20 February 2012	-	-	-	(15,840)	(15,840)
Total comprehensive income for the period	-	-	(16,953)	67,891	50,938
<b>At 20 November 2011</b>	60,000	56,147	(17,596)	205,264	303,815
<b>At 21 February 2012</b>	60,000	56,147	(7,893)	232,980	341,234
Final dividend paid in respect of the financial year ended 20 February 2012	-	-	-	(20,160)	(20,160)
Interim dividend paid in respect of the financial year ending 20 February 2013	-	-	-	(23,040)	(23,040)
Total comprehensive income for the period	-	-	173	95,118	95,291
Bonus shares issued	12,000	(12,000)	-	-	-
Bonus share issue expenses	-	(135)	-	-	(135)
<b>At 20 November 2012</b>	72,000	44,012	(7,720)	284,898	393,190

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 2012 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 2012**

	Unaudited	
	Cumulative quarter ended	
	20.11.2012	20.11.2011
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	129,006	91,160
Adjustments for:		
Depreciation of plant and equipment	9,649	6,609
Finance costs	43,273	30,925
Gain on disposal of plant and equipment	(215)	-
Plant and equipment written off	-	11
Allowance for impairment losses	62,706	46,585
Dividend income	-	(40)
Operating profit before working capital changes	244,419	175,250
Changes in working capital:		
Receivables, deposits and prepayments	(646,016)	(320,234)
Payables and accruals	7,453	14,770
Cash used in operations	(394,144)	(130,214)
Income taxes paid	(27,394)	(16,002)
Finance costs paid	(39,542)	(29,697)
<b>Net cash used in operating activities</b>	(461,080)	(175,913)
<b>Cash flows from investing activities</b>		
Dividend income	-	40
Acquisition of plant and equipment	(18,259)	(8,179)
Proceeds from disposal of plant and equipment	254	5
Acquisition of investment	(4,259)	(512)
<b>Net cash used in investing activities</b>	(22,264)	(8,646)
<b>Cash flows from financing activities</b>		
Repayment of bank borrowings	(248,155)	(200,488)
Proceeds from borrowings	730,125	411,793
Dividends paid to ordinary shareholders of the Company	(43,200)	(29,340)
<b>Net cash generated from financing activities</b>	438,770	181,965
Net decrease in cash and cash equivalents	(44,574)	(2,594)
Cash and cash equivalents at 21 February	3,514	4,657
<b>Cash and cash equivalents at 20 November</b>	(41,060)	2,063

**Cash and cash equivalents**

Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

Cash and cash equivalents	7,348	3,635
Overdrafts	(48,408)	(1,572)
	(41,060)	2,063

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 2012 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 2012**

**A EXPLANATORY NOTES PURSUANT TO MFRS 134**

**1 Basis of Preparation**

The condensed interim financial statements are unaudited and have been prepared in accordance with *MFRS 134: Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”), and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the Company’s audited financial statements as at and for the year ended 20 February 2012. The financial statements of the Company as at and for the year ended 20 February 2012 were prepared in accordance with Financial Reporting Standards (“FRSs”).

These are the Company’s interim financial statements for part of the period covered by the Company’s first MFRS framework annual financial statements for the year ending 20 February 2013 and hence *MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards* has been applied. The transition to MFRS has not affected the Company’s reported financial position, financial performance and cash flows.

**2 Significant accounting policies**

The accounting policies applied by the Company in these condensed interim financial statements are the same as those applied by the Company in its annual financial statements as at and for the year ended 20 February 2012.

**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 Debt and Equity Securities**

As previously announced by the Company, 24,000,000 ordinary shares of RM0.50 each were issued by the Company on 14 September 2012 by way of capitalisation of RM12,000,000 from the Company’s share premium account under bonus shares issuance approved by the shareholders of the Company.

Save for the above, there were no other issuance, cancellation, repurchase, resale or repayment of debt and equity securities during the interim period under review except as disclosed in the condensed Cash Flow Statement.



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**Notes to the interim financial report for the quarter ended 20 November 2012**

**8 Dividends Paid**

	<b>Cumulative Quarter (9 months)</b>	
	<b>Current Year - Period To Date <u>20.11.2012</u> RM'000</b>	<b>Preceding Year - Period To Date <u>20.11.2011</u> RM'000</b>
Final dividend in respect of the financial year ended 20 February 2012		
- 16.80 sen single tier dividend per ordinary share	20,160	
Interim dividend in respect of the financial year ending 20 February 2013		
- 16.00 sen single tier dividend per ordinary share	23,040	
Final dividend in respect of the financial year ended 20 February 2011		
- 15.00 sen per ordinary share less 25% income tax		13,500
Interim dividend in respect of the financial year ended 20 February 2012		
- 13.20 sen single tier dividend per ordinary share		15,840
	<hr/> <hr/> 43,200	<hr/> <hr/> 29,340

**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 were 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 are likely to substantially affect the results of the quarter under review.



**AEON Credit Service (M) Berhad**  
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**Notes to the interim financial report for the quarter ended 20 November 2012**

**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.

**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 2012 up to the date of this announcement.

**14 Related Party Transactions**

During the current quarter under review and up to the date of this announcement, the Company did not enter into any Related Party Transactions or Recurrent Related Party Transactions of a revenue or trading nature that had not been included in or exceeded by 10% or more from the amount which had been mandated by the shareholders during the Annual General Meeting held on 19 June 2012.

**15 Capital Commitments**

Capital commitments for plant and equipment which have been authorised and contracted, but not provided for as at 20 November 2012 amounted to RM2.571 million.



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**Notes to the interim financial report for the quarter ended 20 November 2012**

**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS**

**1 Performance Review**

The Company's revenue recorded 35.1% and 34.2% growth respectively for the third quarter and nine months ended 20 November 2012 compared to the previous year corresponding period. Total transaction and financing volume in the third quarter and for the nine months ended 20 November 2012 were RM 639 million and RM1,765 million respectively, representing growth of 55.1% and 45.0% respectively from previous year corresponding period. The Company realised growth in business and receivables based on increased financing transaction volume attributable to continued favourable economic environment and marketing and promotion activities. Higher growth was recorded for the vehicle financing and personal financing operations.

The financing receivables as at 20 November 2012 was RM 2,093 million, representing growth of 49.4% from RM 1,401 million in the previous year quarter ended 20 November 2011. Meanwhile, non-performing loans (NPL) ratio was 1.81% as at November 2012 compared to 1.94% as at November 2011, reflecting satisfactory asset quality management.

Other operating income recorded of RM 8.028 million and RM 25.398 million for the third quarter and nine months ended 20 November 2012, was 32.2% and 40.1% higher than previous year corresponding period. This is attributable to continued growth in fee income, including from sales of insurance products, collection commission and increase in bad debts recovered.

Profit before tax of RM46.901 million and RM129.006 million for the current quarter and nine months ended 20 November 2012 respectively, represent an increase of 38.5% and 41.5% from previous year corresponding period. The results achieved were due to continued growth in business coupled with improved cost efficiency from sharp growth in receivables in the year and lower ratio of net impairment loss charge for the financial year against average financing receivables. Average funding cost in November 2012 was marginally lower compared to November 2011 due to new funding at competitive rates from various sources.

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

The Company's profit before taxation (PBT) of RM46.901 million for the current quarter is higher than the PBT of RM43.698 million in the preceding quarter ended 20 August 2012 mainly arising from growth in receivables and increased financing transaction volume in the period contributing to higher net operating profit.

**3 Current Year Prospects**

The Malaysia economy posted a growth of 5.2% in the third quarter of 2012, due to strong domestic demand, supported by both private and public sector spending, with the economic growth forecast for 2012 of 5.0% or better by Bank Negara Malaysia.

The Company expects to be able to maintain its good performance in the remainder of the financial year based on current strong demand and positive market trend. The Company will continue to open new branches and expand its services to further grow its business to increase its market share, especially in the middle income segment of the market.





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**Notes to the interim financial report for the quarter ended 20 November 2012**

**4 Revenue**

	Individual quarter		Cumulative quarter	
	3 months ended	3 months ended	9 months ended	9 months ended
	<u>20.11.2012</u>	<u>20.11.2011</u>	<u>20.11.2012</u>	<u>20.11.2011</u>
	RM'000	RM'000	RM'000	RM'000
Revenue comprises:				
Interest income, profit revenue and finance charges	99,698	71,580	270,732	198,802
Fee income	21,636	18,229	64,712	51,192
	<u>121,334</u>	<u>89,809</u>	<u>335,444</u>	<u>249,994</u>

**5 Notes to the Statement of Comprehensive Income**

Except as disclosed below, other disclosure items in item 16 of Appendix 9B of Bursa Malaysia's Listing Requirements are not applicable:

	Individual quarter		Cumulative quarter	
	3 months ended	3 months ended	9 months ended	9 months ended
	<u>20.11.2012</u>	<u>20.11.2011</u>	<u>20.11.2012</u>	<u>20.11.2011</u>
	RM'000	RM'000	RM'000	RM'000
(a) Included in Profit from Operations:				
Bad debts recovered	5,309	4,416	16,580	13,371
Dividend income	-	16	-	40
Depreciation of plant and equipment	(3,413)	(2,196)	(9,649)	(6,609)
Allowance for impairment losses on receivables	(25,010)	(16,961)	(62,706)	(46,585)
Finance cost	(16,496)	(11,182)	(43,273)	(30,925)
(b) Included in Other Comprehensive Income:				
Gain / (loss) on cash flow hedge	2,928	(9,246)	173	(16,953)

Receivables are written off against allowance for impairment losses on receivables. Receivables amounting to RM 50.817 million have been written off against allowance for impairment losses on receivables for the nine months ended 20 November 2012.



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**Notes to the interim financial report for the quarter ended 20 November 2012**

**6 Taxation**

	Individual quarter		Cumulative quarter	
	3 months ended <u>20.11.2012</u> RM'000	3 months ended <u>20.11.2011</u> RM'000	9 months ended <u>20.11.2012</u> RM'000	9 months ended <u>20.11.2011</u> RM'000
<b>In respect of current period:</b>				
- Current tax	10,744	8,116	33,631	23,817
- Deferred tax	1,216	482	257	(548)
	<hr/> 11,960	<hr/> 8,598	<hr/> 33,888	<hr/> 23,269
<b>In respect of prior period:</b>				
- Current tax	-	2,708	-	2,708
- Deferred tax	-	(2,708)	-	(2,708)
	<hr/> 11,960	<hr/> 8,598	<hr/> 33,888	<hr/> 23,269

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

**7 Status of Corporate Proposal**

There were no corporate proposals announced or pending completion as at end of the quarter and up to the date of this report.

**8 Borrowings**

The borrowings of the Company as at 20 November 2012 comprised the following:

	Secured RM'000	Unsecured RM'000	Total RM'000
Non-Current :			
- Term loans / financing	-	703,416	703,416
- Medium term notes	-	235,000	235,000
- Asset backed medium term notes	118,750	-	118,750
	<hr/> 118,750	<hr/> 938,416	<hr/> 1,057,166
Current :			
- Bank overdrafts	-	48,408	48,408
- Revolving credits	-	110,752	110,752
- Term loans / financing	-	53,371	53,371
- Medium term notes	-	214,995	214,995
- Commercial paper	-	119,728	119,728
- Asset backed medium term notes	31,250	-	31,250
	<hr/> 31,250	<hr/> 547,254	<hr/> 578,504
Total	<hr/> 150,000	<hr/> 1,485,670	<hr/> 1,635,670



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**Notes to the interim financial report for the quarter ended 20 November 2012**

The borrowings were denominated in the following currencies:

	<b>Secured RM'000 Equivalent</b>	<b>Unsecured RM'000 Equivalent</b>	<b>Total RM'000 Equivalent</b>	
Ringgit Malaysia	150,000	902,129	1,052,129	
United States Dollar	-	568,490	568,490	(Equivalent to USD 185.932 million)
Japanese Yen	-	15,051	15,051	(Equivalent to JPY400 million)
	<u>150,000</u>	<u>1,485,670</u>	<u>1,635,670</u>	

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

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

**9 Derivatives and Fair Value Changes of Financial Liabilities**

(a) Details of derivative financial instruments outstanding are as follows:

<b>As at 20 November 2012</b>	<b>Contract/ Notional Amount RM'000</b>	<b>Fair Value RM'000</b>
<u>Forward exchange contracts:</u>		
Less than 1 year	<u>26,716</u>	<u>25,752</u>
<u>Cross currency swaps:</u>		
Less than 1 year	30,000	28,371
1 – 3 years	229,664	227,907
More than 3 years	310,000	301,511
	<u>569,664</u>	<u>557,789</u>
<b>Total</b>	<u><u>596,380</u></u>	<u><u>583,541</u></u>

(b) Fair value of financial liabilities

There were no fair value gain/(loss) on fair value changes of financial liabilities as all financial liabilities were measured at amortised cost.



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**Notes to the interim financial report for the quarter ended 20 November 2012**

**10 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.

**11 Dividend**

No dividend was declared during the quarter and up to the date of this report.

**12 Earnings per Share**

	Individual quarter		Cumulative quarter	
	3 months ended <u>20.11.2012</u> '000	3 months ended <u>20.11.2011</u> '000	9 months ended <u>20.11.2012</u> '000	9 months ended <u>20.11.2011</u> '000
Net profit attributable to equity holders	34,941	25,255	95,118	67,891
Weighted average number of ordinary shares in issue (unit)	137,478	120,000	125,869	120,000
Basic earnings per share (sen)	<u>25.42</u>	<u>21.05</u>	<u>75.57</u>	<u>56.58</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.

**13 Realised and Unrealised Profits**

	<u>9 months ended</u> <u>20.11.2012</u> <b>RM'000</b>	<u>9 months ended</u> <u>20.11.2011</u> <b>RM'000</b>
Total retained earnings of the Company		
- Realised	281,084	198,163
- Unrealised	3,814	7,101
Total retained earnings as per Statement of Changes in Equity	<u>284,898</u>	<u>205,264</u>

**14 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 19 December 2012.

By order of the Board  
19 December 2012