



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

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2015**

	Note	Individual period 8 days ended		Cumulative financial period ended	
		28.02.2015 RM'000	28.02.2014 RM'000	28.02.2015 RM'000	28.02.2014 RM'000
Revenue	B4	18,795	N/A	871,600	N/A
Total operating expenses		(5,029)	N/A	(501,817)	N/A
Other operating income		702	N/A	56,780	N/A
<b>Profit from operations</b>	B5(a)	<b>14,468</b>	N/A	<b>426,563</b>	N/A
Finance costs		(3,241)	N/A	(137,294)	N/A
Profit before taxation		11,227	N/A	289,269	N/A
Taxation	B6	(2,870)	N/A	(73,543)	N/A
<b>Profit for the period</b>		<b>8,357</b>	N/A	<b>215,726</b>	N/A
<b>Other comprehensive income, net of tax</b>	B5(b)				
Cash flow hedge		(3,241)	N/A	(810)	N/A
<b>Other comprehensive income for the period, net of tax</b>		<b>(3,241)</b>	N/A	<b>(810)</b>	N/A
<b>Total comprehensive income for the period</b>		<b>5,116</b>	N/A	<b>214,916</b>	N/A
<b>Earnings per share attributable to ordinary equity holders of the Company :</b>					
Basic (sen)	B12	5.80	N/A	145.64	N/A
Diluted (sen)	B12	-	N/A	-	N/A

The financial year end of the Company has been changed from 20 February to 28 February 2015, and thereafter to the last day of February each year; accordingly, there are no comparative figures to be presented.

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 2014 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 28 FEBRUARY 2015**

	Note	As at 28.02.2015 RM'000	As at 20.02.2014 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment		45,234	46,599
Investments		18,555	5,542
Deferred tax assets		24,693	11,040
Financing receivables		2,811,030	2,034,533
		<u>2,899,512</u>	<u>2,097,714</u>
<b>Current assets</b>			
Financing receivables		1,706,015	1,536,389
Other receivables, deposits & prepayments		56,183	67,770
Derivative financial instruments		212,921	52,844
Cash and bank balances		48,668	12,569
		<u>2,023,787</u>	<u>1,669,572</u>
<b>TOTAL ASSETS</b>		<u><b>4,923,299</b></u>	<u><b>3,767,286</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		72,000	72,000
Share premium		44,012	44,012
Reserves		563,700	429,552
<b>Equity attributable to ordinary equity holders of the Company</b>		<u>679,712</u>	<u>545,564</u>
Perpetual Notes and Sukuk		276,000	100,000
<b>Total equity</b>		<u>955,712</u>	<u>645,564</u>
<b>Non-current liability</b>			
Borrowings	B8	2,965,526	2,113,455
		<u>2,965,526</u>	<u>2,113,455</u>
<b>Current liabilities</b>			
Borrowings	B8	856,141	840,908
Payables and accruals		118,709	143,798
Taxation		27,211	23,561
		<u>1,002,061</u>	<u>1,008,267</u>
Total liabilities		<u>3,967,587</u>	<u>3,121,722</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>4,923,299</b></u>	<u><b>3,767,286</b></u>
Net assets per share (RM)		4.72	3.79

The Condensed Statement of Financial Position should be read in conjunction with the audited financial statements of the Company for the financial year ended 20 February 2014 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 FINANCIAL PERIOD ENDED 28 FEBRUARY 2015**

	Share capital RM'000	Share premium RM'000	Non-distributable		Hedging reserve RM'000	Distributable	Total Equity RM'000
			Perpetual Notes RM'000	Perpetual Sukuk RM'000		Retained earnings RM'000	
<b>At 21 February 2013</b>	72,000	44,012	-	-	(10,711)	323,906	429,207
Final dividend paid in respect of the financial year ended 20 February 2013	-	-	-	-	-	(28,080)	(28,080)
Interim dividend paid in respect of the financial year ended 20 February 2014	-	-	-	-	-	(32,112)	(32,112)
Total comprehensive income for the year	-	-	-	-	2,677	175,352	178,029
Perpetual Notes issued	-	-	100,000	-	-	-	100,000
Perpetual Notes issue expenses	-	-	-	-	-	(1,480)	(1,480)
<b>At 20 February 2014</b>	72,000	44,012	100,000	-	(8,034)	437,586	645,564
<b>At 21 February 2014</b>	72,000	44,012	100,000	-	(8,034)	437,586	645,564
Final dividend paid in respect of the financial year ended 20 February 2014	-	-	-	-	-	(34,560)	(34,560)
Interim dividend paid in respect of the financial period ending 20 February 2015	-	-	-	-	-	(39,456)	(39,456)
Total comprehensive income for the period	-	-	-	-	(810)	215,726	214,916
Perpetual Notes/Sukuk issued	-	-	46,000	130,000	-	-	176,000
Perpetual Notes/Sukuk issue expenses	-	-	-	-	-	(745)	(745)
Distribution on Perpetual Notes, net of tax	-	-	-	-	-	(6,007)	(6,007)
<b>At 28 February 2015</b>	72,000	44,012	146,000	130,000	(8,844)	572,544	955,712

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 2014 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 FINANCIAL PERIOD ENDED 28 FEBRUARY 2015**

	28.02.2015 RM'000	20.02.2014 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	289,269	233,875
Adjustments for:		
Depreciation of plant and equipment	19,073	17,277
Gain on disposal of plant and equipment	(271)	(4)
Finance costs	137,294	97,188
Allowance for impairment losses	224,917	149,742
Operating profit before working capital changes	<u>670,282</u>	<u>498,078</u>
Changes in working capital:		
Receivables, deposits and prepayments	(1,159,454)	(1,411,047)
Payables and accruals	(22,502)	32,708
Cash held on behalf for a related company	(5,683)	-
Cash used in operations	<u>(517,357)</u>	<u>(880,261)</u>
Income taxes paid	(81,275)	(60,622)
Finance costs paid	(136,180)	(93,259)
<b>Net cash used in operating activities</b>	<u>(734,812)</u>	<u>(1,034,142)</u>
<b>Cash flows from investing activities</b>		
Acquisition of plant and equipment	(17,758)	(22,840)
Proceeds from disposal of plant and equipment	321	4
Subscription of equity shares	(13,013)	-
<b>Net cash used in investing activities</b>	<u>(30,450)</u>	<u>(22,836)</u>
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(773,801)	(809,764)
Proceeds from borrowings	1,467,479	1,770,838
Proceeds from issuance of Perpetual Notes	46,000	100,000
Proceeds from issuance of Perpetual Sukuk	130,000	-
Payment of Perpetual Notes / Sukuk issue expenses	(1,345)	(878)
Distribution on Perpetual Notes	(8,010)	-
Dividends paid to ordinary shareholders of the Company	(74,016)	(60,192)
<b>Net cash generated from financing activities</b>	<u>786,307</u>	<u>1,000,004</u>
Net increase/(decrease) in cash and cash equivalents	21,045	(56,974)
Cash and cash equivalents at 21 February	<u>(52,814)</u>	<u>4,160</u>
<b>Cash and cash equivalents at 28 February/20 February</b>	<u>(31,769)</u>	<u>(52,814)</u>

**Cash and cash equivalents**

Cash and cash equivalents included in the cash flow statement comprise the following statement of financial position amounts:

Cash and bank balances	48,668	12,569
Cash held on behalf for a related company	(5,683)	-
Bank overdrafts	(74,754)	(65,383)
	<u>(31,769)</u>	<u>(52,814)</u>

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 2014 and the accompanying notes to the quarterly report attached hereto.



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**Notes to the interim financial report for the financial period ended 28 February 2015**

**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 2014.

**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 2014.

**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 period under review.

**7 Debt and Equity Securities**

There were no 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 financial period ended 28 February 2015**

**8 Dividend Paid**

	<b>Cumulative Financial Period</b>	
	<b>Current Year</b>	<b>Preceding Year</b>
	<b>Period To Date</b>	<b>Period To Date</b>
	<b><u>28.02.2015</u></b>	<b><u>20.02.2014</u></b>
	<b>RM'000</b>	<b>RM'000</b>
Final dividend in respect of the financial year ended 20 February 2013		
- 19.50 sen single tier dividend per ordinary share	-	28,080
Interim dividend in respect of the financial year ended 20 February 2014		
- 22.30 sen single tier dividend per ordinary share	-	32,112
Final dividend in respect of the financial year ended 20 February 2014		
- 24.00 sen single tier dividend per ordinary share	34,560	-
Interim dividend in respect of the financial period ended 20 February 2015		
- 27.40 sen single tier dividend per ordinary share	39,456	-
	<b>74,016</b>	<b>60,192</b>

**9 Segmental Reporting**

The Company is principally engaged in the provision of easy payment schemes for purchase of consumer durables and vehicles, 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 revaluations of property, plant and equipment at the end of the reporting period.

**11 Subsequent Event**

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

**12 Changes in the Composition of the Company**

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



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**Notes to the interim financial report for the financial period ended 28 February 2015**

**13 Fair Value Measurement**

The table below analyses financial instruments carried at fair value. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the financial assets or liabilities that are not based on observable market data (unobservable inputs).

<u>28.02.2015</u> <u>Financial Assets</u>	<b>Level 1</b> <b>RM'000</b>	<b>Level 2</b> <b>RM'000</b>	<b>Level 3</b> <b>RM'000</b>	<b>Total</b> <b>RM'000</b>
Derivatives designated as hedging instruments	-	212,921	-	212,921
Total financial assets carried at fair value	-	212,921	-	212,921

<u>20.02.2014</u> <u>Financial Assets</u>	<b>Level 1</b> <b>RM'000</b>	<b>Level 2</b> <b>RM'000</b>	<b>Level 3</b> <b>RM'000</b>	<b>Total</b> <b>RM'000</b>
Derivatives designated as hedging instruments	-	52,844	-	52,844
Total financial assets carried at fair value	-	52,844	-	52,844

**14 Contingent Liabilities and Contingent Assets**

The Company did not have any contingent liabilities, either secured or unsecured, or contingent assets as at 28 February 2015 and up to the date of this announcement.

**15 Related Party Transactions**

During the current period 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 2014.

**16 Capital Commitments**

Capital commitments for plant and equipment which have been authorised and contracted, but not provided for as at 28 February 2015 amounted to RM3.0 million.



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**Notes to the interim financial report for the financial period ended 28 February 2015**

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

**1 Performance Review**

The Company's achieved revenue of RM18.795 million and RM871.6 million respectively for the 8 days and 12 months and 8 days period ("Period") ended 28 February 2015. Total transaction and financing volume for the 8 days and period ended 28 February 2015 was RM 12.244 million and RM 3.406 billion respectively.

The financing receivables as at 28 February 2015 was RM 4.517 billion, representing an increase of 26.5% from RM 3.571 billion as at 20 February 2014. Non-performing loans (NPL) ratio was 2.76% as at 28 February 2015 compared to 2.14% as at 20 February 2014.

Other operating income recorded of RM 0.70 million and RM 56.78 million respectively for the 8 days and Period ended 28 February 2015. These are mainly contributed by bad debts recovered, commission income and AEON Big loyalty programme processing fee.

The Company recorded a profit before tax of RM 11.227 million and RM 289.269 million for 8 days and Period ended 28 February 2015 respectively. Average funding cost in February 2015 was marginally higher compared to previous year due to higher funding cost for new long term funding during the interim period under review.

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

As the Company has changed its financial year end from 20 February to 28 February 2015, the profit before taxation of current period of 8 days cannot be compared with the results of the quarter ended 20 February 2015.

**3 Current Year Prospects**

The Malaysian economy posted growth of 5.8% in the fourth quarter of 2014 while the annual economic growth forecast for 2015 by Bank Negara Malaysia is between 4.5% to 5.5%.

The Company expects to be able to maintain its current year financial performance in the financial year ending 29 February 2016 based on implementation of its business plan. However, lower retail spending by consumers is projected from April 2015 resulting from GST implementation, due to expected price increases of some goods and services and impact from weakening of the Ringgit vis-à-vis the major currencies, which may affect the Company's business performance for the current fiscal year.





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**Notes to the interim financial report for the financial period ended 28 February 2015**

**4 Revenue**

	Individual period 8 days		Cumulative financial period	
	ended	ended	ended	ended
	<u>28.02.2015</u>	<u>28.02.2014</u>	<u>28.02.2015</u>	<u>28.02.2014</u>
	RM'000	RM'000	RM'000	RM'000
Revenue comprises:				
Interest income, profit revenue and finance charges	17,953	N/A	761,733	N/A
Fee income	842	N/A	109,867	N/A
	<u>18,795</u>	<u>N/A</u>	<u>871,600</u>	<u>N/A</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 period 8 days		Cumulative financial period	
	ended	ended	ended	ended
	<u>28.02.2015</u>	<u>28.02.2014</u>	<u>28.02.2015</u>	<u>28.02.2014</u>
	RM'000	RM'000	RM'000	RM'000
(a) Included in Profit from Operations:				
Bad debts recovered	518	N/A	40,644	N/A
Depreciation of plant and equipment	(406)	N/A	(19,073)	N/A
Reversal/ (allowance) for impairment losses on receivables	1,115	N/A	(224,917)	N/A
(b) Included in Other Comprehensive Income:				
(Loss) / Gain on cash flow hedge	(3,241)	N/A	(810)	N/A

Receivables amounting to RM NIL and RM181.068 million (20 February 2014: N/A) have been written off against allowance for impairment losses on receivables for the 8 days and period ended 28 February 2015 respectively.



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**Notes to the interim financial report for the financial period ended 28 February 2015**

**6 Taxation**

	Individual period 8 days		Cumulative financial period	
	ended	ended	ended	ended
	<u>28.02.2015</u>	<u>28.02.2014</u>	<u>28.02.2015</u>	<u>28.02.2014</u>
	RM'000	RM'000	RM'000	RM'000
<b>In respect of current period:</b>				
- current tax	2,846	N/A	86,778	N/A
- Deferred tax	24	N/A	(13,783)	N/A
	<u>2,870</u>	N/A	<u>72,995</u>	N/A
<b>In respect of prior year:</b>				
- current tax	-	N/A	148	N/A
- Deferred tax	-	N/A	400	N/A
	<u>2,870</u>	N/A	<u>73,543</u>	N/A

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 period and up to the date of this report.

**8 Borrowings**

The borrowings of the Company as at 28 February 2015 comprised the following:

	Secured RM'000	Unsecured RM'000	Total RM'000
Non-Current :			
- Term loans / financing	-	2,765,526	2,765,526
- Medium term notes	-	200,000	200,000
	-	<u>2,965,526</u>	<u>2,965,526</u>
Current :			
- Bank overdrafts	-	74,754	74,754
- Revolving credits	-	387,890	387,890
- Term loans / financing	-	368,497	368,497
- Asset backed medium term notes	25,000	-	25,000
	<u>25,000</u>	<u>831,141</u>	<u>856,141</u>
Total	<u>25,000</u>	<u>3,796,667</u>	<u>3,821,667</u>



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**Notes to the interim financial report for the financial period ended 28 February 2015**

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	25,000	1,893,753	1,918,753	
United States Dollar	-	1,902,914	1,902,914	(Equivalent to USD 526.93 million)
	<u>25,000</u>	<u>3,796,667</u>	<u>3,821,667</u>	

The outstanding bank overdrafts, revolving credits and term loans of the Company are on clean basis.

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 28 February 2015</b>	<b>Contract/ Notional Amount RM'000</b>	<b>Fair Value RM'000</b>
<u>Cross currency swaps:</u>		
1 – 3 years	598,193	693,563
More than 3 years	1,080,007	1,209,351
Total	<u>1,678,200</u>	<u>1,902,914</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 financial period ended 28 February 2015**

**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**

Final dividend

- (i) A final single tier dividend has been recommended for the financial period ended 28 February 2015;
- (ii) Amount per share – 29.60 sen (previous corresponding period – 24.00 sen per share);
- (iii) Date payable – 15 July 2015;
- (iv) In respect of deposited securities, entitlement to dividend will be determined based on the record of depositors as at 1 July 2015.

**12 Earnings per Share**

	<b>Individual period 8 days</b>		<b>Cumulative financial period</b>	
	<b>ended <u>28.02.2015</u> RM'000</b>	<b>ended <u>28.02.2014</u> RM'000</b>	<b>ended <u>28.02.2015</u> RM'000</b>	<b>ended <u>28.02.2014</u> RM'000</b>
Net profit attributable to equity holders	8,357	N/A	215,726	N/A
Distribution on Perpetual Notes, net of tax	-	N/A	(6,007)	N/A
Net profit attributable to ordinary equity holders	<u>8,357</u>	<u>N/A</u>	<u>209,719</u>	<u>N/A</u>

	<b>Individual period 8 days</b>		<b>Cumulative financial period</b>	
	<b>ended <u>28.02.2015</u> '000</b>	<b>ended <u>28.02.2014</u> '000</b>	<b>ended <u>28.02.2015</u> '000</b>	<b>ended <u>28.02.2014</u> '000</b>
Net profit attributable to ordinary equity holders (RM)	8,357	N/A	209,719	N/A
Weighted average number of ordinary shares (unit)	144,000	N/A	144,000	N/A
Basic earnings per share (sen)	<u>5.80</u>	<u>N/A</u>	<u>145.64</u>	<u>N/A</u>

Basic Earnings per share is calculated by dividing the net profit after distribution on Perpetual Notes by the weighted average number of ordinary shares outstanding 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.



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**Notes to the interim financial report for the financial period ended 28 February 2015**

**13 Realised and Unrealised Profits**

	<b>Financial period ended 28.02.2015 RM'000</b>	<b>Financial year ended 20.02.2014 RM'000</b>
Total retained earnings of the Company		
- Realised	547,851	426,546
- Unrealised	24,693	11,040
Total retained earnings as per Statement of Changes in Equity	<u>572,544</u>	<u>437,586</u>

**14 Change of Financial Year End**

On 8 January 2015, the Board approved the change of financial year end of the Company from 20 February to 28 February to be co-terminous with the financial year end of the ultimate holding company.

Thus, the next set of audited financial statements shall be for a period of 12 months and 8 days from 21 February 2014 to 28 February 2015.

Thereafter, the financial year end of the Company shall be on the last day of February for subsequent years.

**15 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 April 2015.

By order of the Board  
20 April 2015