



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

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THIRD QUARTER ENDED 30 NOVEMBER 2015**

	Note	Unaudited Individual quarter 3 months ended		Unaudited Cumulative quarter 9 months ended	
		30.11.15 RM'000	30.11.14 RM'000	30.11.15 RM'000	30.11.14 RM'000
Revenue	B4	245,780	N/A	706,942	N/A
Total operating expenses		(155,469)	N/A	(442,295)	N/A
Other operating income		21,628	N/A	65,324	N/A
<b>Profit from operations</b>	B5(a)	111,939	N/A	329,971	N/A
Finance costs		(41,437)	N/A	(118,931)	N/A
<b>Profit before taxation</b>		70,502	N/A	211,040	N/A
Taxation	B6	(17,140)	N/A	(50,951)	N/A
<b>Profit for the period</b>		53,362	N/A	160,089	N/A
<b>Other comprehensive income, net of tax</b>	B5(b)				
Cash flow hedge		4,556	N/A	(8,408)	N/A
<b>Other comprehensive income for the period, net of tax</b>		4,556	N/A	(8,408)	N/A
<b>Total comprehensive income for the period</b>		57,918	N/A	151,681	N/A
<b>Earnings per share attributable to equity holders of the Company :</b>					
Basic (sen)	B12	34.54	N/A	103.94	N/A
Diluted (sen)	B12	-	N/A	-	N/A

Following the change of financial year end of the Company from 20 February 2015 to 28 February 2015, no comparative figures are presented for the current quarter and cumulative quarter results.

The Condensed Statement of Comprehensive Income should be read in conjunction with the audited financial statements of the Company for the financial period ended 28 February 2015 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 30 NOVEMBER 2015**

	Note	Unaudited As at <b>30.11.15</b> RM'000	Audited As at 28.02.2015 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment		49,099	45,234
Investments		24,239	18,555
Deferred tax assets		36,910	24,693
Financing receivables		<u>3,414,749</u>	<u>2,811,030</u>
		<u><b>3,524,997</b></u>	<u><b>2,899,512</b></u>
<b>Current assets</b>			
Financing receivables		1,734,388	1,706,015
Other receivables, deposits & prepayments		29,429	56,183
Derivative financial instruments		531,168	212,921
Cash and bank balances		<u>57,408</u>	<u>48,668</u>
		<u><b>2,352,393</b></u>	<u><b>2,023,787</b></u>
<b>TOTAL ASSETS</b>		<u><b>5,877,390</b></u>	<u><b>4,923,299</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		72,000	72,000
Share premium		44,012	44,012
Reserves		<u>619,262</u>	<u>563,700</u>
<b>Equity attributable to equity holders of the Company</b>		<u><b>735,274</b></u>	<u><b>679,712</b></u>
Perpetual Notes and Sukuk		<u>276,000</u>	<u>276,000</u>
<b>Total equity</b>		<u><b>1,011,274</b></u>	<u><b>955,712</b></u>
<b>Non-current liability</b>			
Borrowings	B8	<u><b>3,998,309</b></u>	<u>2,965,526</u>
		<u><b>3,998,309</b></u>	<u><b>2,965,526</b></u>
<b>Current liabilities</b>			
Borrowings	B8	739,095	856,141
Payables and accruals		111,073	118,709
Taxation		<u>17,639</u>	<u>27,211</u>
		<u><b>867,807</b></u>	<u><b>1,002,061</b></u>
Total liabilities		<u><b>4,866,116</b></u>	<u><b>3,967,587</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>5,877,390</b></u>	<u><b>4,923,299</b></u>
 Net assets per share (RM)		 <b>5.11</b>	 4.72

The Condensed Statement of Financial Position should be read in conjunction with the audited financial statements of the Company for the financial period ended 28 February 2015 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 30 NOVEMBER 2015**

	Non - distributable				Distributable	
	Share capital RM'000	Share premium RM'000	Perpetual Notes and Sukuk RM'000	Hedging reserve RM'000	Retained earnings RM'000	Total Equity RM'000
<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 ended 28 February 2015	-	-	-	-	(39,456)	(39,456)
Total comprehensive income for the period	-	-	-	(9,447)	152,006	142,559
Perpetual Notes issued	-	-	46,000	-	-	46,000
Perpetual Notes issue expenses	-	-	-	-	(204)	(204)
Perpetual Notes interest distribution, net of tax	-	-	-	-	(3,912)	(3,912)
<b>At 20 November 2014</b>	<b>72,000</b>	<b>44,012</b>	<b>146,000</b>	<b>(17,481)</b>	<b>511,460</b>	<b>755,991</b>
<b>At 1 March 2015</b>	72,000	44,012	276,000	(8,844)	572,544	955,712
Final dividend paid in respect of the financial period ended 28 February 2015	-	-	-	-	(42,624)	(42,624)
Interim dividend paid in respect of the financial year ending 29 February 2016	-	-	-	-	(42,984)	(42,984)
Total comprehensive income for the period	-	-	-	(8,408)	160,089	151,681
Perpetual Notes/Sukuk issued	-	-	-	-	-	-
Perpetual Notes/Sukuk issue expenses	-	-	-	-	(100)	(100)
Perpetual Notes and Sukuk interest distribution, net of tax	-	-	-	-	(10,411)	(10,411)
<b>At 30 November 2015</b>	<b>72,000</b>	<b>44,012</b>	<b>276,000</b>	<b>(17,252)</b>	<b>636,514</b>	<b>1,011,274</b>

The Condensed Statement of Financial Position should be read in conjunction with the audited financial statements of the Company for the financial period ended 28 February 2015 and the accompanying notes to the quarterly report attached hereto.



**AEON Credit Service (M) Berhad**  
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**CONDENSED CASH FLOWS STATEMENT FOR THE THIRD QUARTER  
ENDED 30 NOVEMBER 2015**

	30.11.2015 RM'000	20.11.2014 RM'000
<b>Cash flows from operating activities</b>		
Profit before taxation	211,040	204,020
Adjustments for:		
Depreciation of plant and equipment	14,310	14,017
Gain on disposal of plant and equipment	(17)	(271)
Finance costs	118,931	97,532
Plant and equipment written off	61	-
Allowance for impairment losses	221,241	167,601
Operating profit before working capital changes	<u>565,566</u>	<u>482,899</u>
Changes in working capital:		
Receivables, deposits and prepayments	(856,749)	(960,031)
Payables and accruals	(12,235)	22,356
Cash held on behalf of a related company	(3,007)	-
Cash used in operations	<u>(306,425)</u>	<u>(454,776)</u>
Income taxes paid	(39,281)	(56,150)
Finance costs paid	<u>(111,835)</u>	<u>(89,598)</u>
<b>Net cash used in operating activities</b>	<u>(457,541)</u>	<u>(600,524)</u>
<b>Cash flows from investing activities</b>		
Acquisition of plant and equipment	(18,235)	(14,646)
Proceeds from disposal of plant and equipment	17	321
Subscription of equity shares	(5,684)	-
<b>Net cash used in investing activities</b>	<u>(23,902)</u>	<u>(14,325)</u>
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(968,688)	(677,088)
Proceeds from borrowings	1,586,500	1,376,336
Proceeds from issuance of Perpetual Notes	-	46,000
Payment of Perpetual Notes / Sukuk issue expenses	(100)	(804)
Distribution paid to Perpetual Notes and Sukuk holders	(13,698)	(5,216)
Dividends paid to ordinary shareholders of the Company	(85,608)	(74,016)
<b>Net cash generated from financing activities</b>	<u>518,406</u>	<u>665,212</u>
Net increase in cash and cash equivalents	36,963	50,363
Cash and cash equivalents at 1 March / 21 February	<u>(31,769)</u>	<u>(52,814)</u>
<b>Cash and cash equivalents at 30 November / 20 November</b>	<u>5,194</u>	<u>(2,451)</u>
<b>Cash and cash equivalents</b>		
Cash and cash equivalents included in the cash flows statement comprise the following statement of financial position amounts:		
Cash and bank balances	57,408	20,619
Cash held on behalf of a related company	(8,690)	-
Bank overdrafts	(43,524)	(23,070)
	<u>5,194</u>	<u>(2,451)</u>

The Condensed Cash Flows Statement should be read in conjunction with the audited financial statements of the Company for the financial period ended 28 February 2015 and the accompanying notes to the quarterly report attached hereto.



**AEON Credit Service (M) Berhad**  
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**Notes to the interim financial report for the quarter ended 30 November 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 period ended 28 February 2015.

**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 period ended 28 February 2015.

**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**

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 Flows Statement.



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**Notes to the interim financial report for the quarter ended 30 November 2015**

**8 Dividend Paid**

	<b>Cumulative Quarter (9 months)</b>	
	<b>Current Year</b>	<b>Preceding Year</b>
	<b>Period To Date</b>	<b>Period To Date</b>
	<b><u>30.11.2015</u></b>	<b><u>20.11.2014</u></b>
	<b>RM'000</b>	<b>RM'000</b>
Final dividend in respect of the financial year ended 20 February 2014		
- 24.00 sen single tier dividend per ordinary share	-	34,560
Final dividend in respect of the financial period ended 28 February 2015		
- 29.60 sen single tier dividend per ordinary share	42,624	-
Interim dividend in respect of the financial period ended 28 February 2015		
- 27.40 sen single tier dividend per ordinary share	-	39,456
Interim dividend in respect of the financial year ending 29 February 2016		
- 29.85 sen single tier dividend per ordinary share	42,984	-
	<hr/>	<hr/>
	<b>85,608</b>	<b>74,016</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 quarter.

**11 Subsequent Event**

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.

**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.



**AEON Credit Service (M) Berhad**  
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**Notes to the interim financial report for the quarter ended 30 November 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>30.11.2015</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	-	531,168	-	531,168
Total financial assets carried at fair value	-	531,168	-	531,168

<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

**14 Contingent Liabilities and Contingent Assets**

The Company did not have any contingent liabilities, either secured or unsecured, or contingent assets as at 30 November 2015 and up to the date of this announcement.

**15 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 16 June 2015.

**16 Capital Commitments**

Capital commitments for plant and equipment which have been authorised and contracted, but not provided for as at 30 November 2015 amounted to RM10.8 million.



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**Notes to the interim financial report for the quarter ended 30 November 2015**

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

**1 Performance Review**

The Company's revenue recorded 14% and 13% growth for the third quarter and nine months ended 30 November 2015 respectively as compared with the previous year corresponding period ended 20 November 2014. Total transaction and financing volume in the third quarter and nine months ended 30 November 2015 had increased by 8.71% to RM921.621 million and by 3.90% to RM2.658 billion respectively as compared with the previous corresponding period ended 20 November 2014.

The financing receivables as at 30 November 2015 was RM5.149 billion, representing an increase of 18.3% from RM4.354 billion as at 20 November 2014. Non-performing loans (NPL) ratio was 2.68% as at 30 November 2015 compared to 3.07% as at 20 November 2014.

Other operating income recorded of RM21.628 million and RM65.324 million for the third quarter and nine months ended 30 November 2015 respectively comprising mainly of bad debts recovered, commission income from sale of insurance products and AEON Big loyalty programme processing fees.

Ratio of total operating expenses against revenue was recorded at 63.3% for the current quarter compared with 60.4% in the quarter ended 20 November 2014. The increase was mainly attributable to higher allowance for impairment losses on financing receivables.

For the three months ended 30 November 2015, the Company's profit before tax rose by 8.4% compared with the previous year corresponding period ended 20 November 2014. Meanwhile, for the nine months ended 30 November 2015, the Company's profit before tax rose by 3.4% to RM211.04 million compared with the nine months ended 20 November 2014.

Average funding cost for the current quarter was marginally higher compared to the quarter ended 20 November 2014 due to higher funding cost for new long term funding.

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

The profit before taxation for the quarter under review was higher by RM 6.230 million compared with the preceding quarter, mainly attributable to higher revenue in the current quarter under review.

**3 Current Year Prospects**

The Malaysian economy posted growth of 4.7% in the third quarter of 2015 while the economic growth forecast for 2015 by Bank Negara Malaysia is between 4.5% to 5.5%, with the underlying domestic macroeconomic fundamentals remaining intact.

As stated above, the Company recorded 13% and 5% growth in revenue and net profit respectively for the nine months ended 30 November 2015. In view of the current performance, the Company is optimistic of maintaining its performance in the financial year ending 29 February 2016 based on scheduled implementation of its business plan.





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**Notes to the interim financial report for the quarter ended 30 November 2015**

**4 Revenue**

	Individual quarter 3 months		Cumulative quarter 9 months	
	ended	ended	ended	ended
	<u>30.11.2015</u>	<u>30.11.2014</u>	<u>30.11.2015</u>	<u>30.11.2014</u>
	RM'000	RM'000	RM'000	RM'000
Revenue comprises:				
Interest income, profit revenue and finance charges	212,354	N/A	610,244	N/A
Fee income	33,426	N/A	96,698	N/A
	<u>245,780</u>	<u>N/A</u>	<u>706,942</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 quarter 3 months		Cumulative quarter 9 months	
	ended	ended	ended	ended
	<u>30.11.2015</u>	<u>30.11.2014</u>	<u>30.11.2015</u>	<u>30.11.2014</u>
	RM'000	RM'000	RM'000	RM'000
(a) Included in Profit from Operations:				
Bad debts recovered	18,203	N/A	50,707	N/A
Depreciation of plant and equipment	(5,011)	N/A	(14,310)	N/A
Allowance for impairment losses on receivables	(77,078)	N/A	(221,241)	N/A
(b) Included in Other Comprehensive Income:				
Gain/(loss) on cash flow hedge	4,556	N/A	(8,408)	N/A

Receivables amounting to RM199.746 million (30 November 2014: N/A) have been written off against allowance for impairment losses on receivables for the nine months ended 30 November 2015.

**6 Taxation**

	Individual quarter 3 months		Cumulative quarter 9 months	
	ended	ended	ended	ended
	<u>30.11.2015</u>	<u>30.11.2014</u>	<u>30.11.2015</u>	<u>30.11.2014</u>
	RM'000	RM'000	RM'000	RM'000
<b>In respect of current period:</b>				
- current tax	25,767	N/A	62,794	N/A
- Deferred tax	(9,001)	N/A	(12,217)	N/A
	<u>16,766</u>	<u>N/A</u>	<u>50,577</u>	<u>N/A</u>
<b>In respect of prior period:</b>				
- current tax	374	N/A	374	N/A
	<u>17,140</u>	<u>N/A</u>	<u>50,951</u>	<u>N/A</u>



**AEON Credit Service (M) Berhad**  
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**Notes to the interim financial report for the quarter ended 30 November 2015**

**7 Status of Corporate Proposal**

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

**8 Borrowings**

The borrowings of the Company as at 30 November 2015 comprised the following:

	<b>Unsecured RM'000</b>
Non-Current :	
- Term loans / financing	3,798,309
- Medium term notes	200,000
	<u>3,998,309</u>
Current :	
- Bank overdrafts	43,524
- Revolving credits	393,414
- Term loans / financing	302,157
	<u>739,095</u>
Total	<u>4,737,404</u>

The borrowings were denominated in the following currencies:

	<b>Unsecured RM'000 Equivalent</b>	
Ringgit Malaysia	2,093,524	
United States Dollar	2,643,880	(Equivalent to USD 620.411 million)
	<u>4,737,404</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.



**AEON Credit Service (M) Berhad**  
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**Notes to the interim financial report for the quarter ended 30 November 2015**

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

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

<b>As at 30 November 2015</b>	<b>Contract/ Notional Amount RM'000</b>	<b>Fair Value RM'000</b>
<u>Cross currency swaps:</u>		
1 – 3 years	1,140,005	1,456,277
More than 3 years	950,007	1,187,503
Total	<u>2,090,012</u>	<u>2,643,780</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.

**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.



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**Notes to the interim financial report for the quarter ended 30 November 2015**

**12 Earnings per Share**

	Individual quarter 3 months		Cumulative quarter 9 months	
	ended <u>30.11.2015</u> RM'000	ended <u>30.11.2014</u> RM'000	ended <u>30.11.2015</u> RM'000	ended <u>30.11.2014</u> RM'000
Net profit attributable to equity holders	53,362	N/A	160,089	N/A
Distribution on Perpetual Notes and Sukuk, net of tax	(3,626)	N/A	(10,411)	N/A
Net profit attributable to ordinary equity holders	49,736	N/A	149,678	N/A
Net profit attributable to ordinary equity holders (RM)	49,736	N/A	149,678	N/A
Weighted average number of ordinary shares (unit)	144,000	N/A	144,000	N/A
Basic earnings per share (sen)	34.54	N/A	103.94	N/A

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.

**13 Realised and Unrealised Profits**

	As at <u>30.11.2015</u> RM'000	As at <u>28.02.2015</u> RM'000
Total retained earnings of the Company:		
- Realised	599,604	547,851
- Unrealised	36,910	24,693
Total retained earnings as per Statement of Changes in Equity	636,514	572,544

**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 22 December 2015.

By order of the Board  
22 December 2015