



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

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2016**

| | Note | Unaudited Individual quarter 3 months ended | | Cumulative financial year/period ended | |
|--|-------|---|----------------------|---|----------------------|
| | | 29.02.2016 RM'000 | 28.02.2015 RM'000 | 29.02.2016 RM'000 | 28.02.2015 RM'000 |
| Revenue | B4 | 258,292 | N/A | 965,234 | N/A |
| Total operating expenses | | (148,092) | N/A | (590,387) | N/A |
| Other operating income | | 24,650 | N/A | 89,974 | N/A |
| Profit from operations | B5(a) | 134,850 | N/A | 464,821 | N/A |
| Finance costs | | (44,299) | N/A | (163,230) | N/A |
| Profit before taxation | | 90,551 | N/A | 301,591 | N/A |
| Taxation | B6 | (22,418) | N/A | (73,369) | N/A |
| Profit for the year | | 68,133 | N/A | 228,222 | N/A |
| Other comprehensive income, net of tax | B5(b) | | | | |
| Cash flow hedge | | (15,469) | N/A | (23,877) | N/A |
| Other comprehensive income for the year, net of tax | | (15,469) | N/A | (23,877) | N/A |
| Total comprehensive income for the year | | 52,664 | N/A | 204,345 | N/A |
| Earnings per share attributable to ordinary equity holders of the Company : | | | | | |
| Basic (sen) | B12 | 45.08 | N/A | 149.02 | 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 for the financial year ended 29 February 2016.

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 unaudited financial statements of the Company for the financial period ended 20 February 2015 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 29 FEBRUARY 2016

| | Note | As at 29.02.2016 RM'000 | As at 28.02.2015 RM'000 |
|--|------|-------------------------------|-------------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Plant and equipment | | 52,076 | 45,234 |
| Investments | | 24,239 | 18,555 |
| Deferred tax assets | | 39,043 | 24,693 |
| Financing receivables | | <u>3,630,038</u> | <u>2,811,030</u> |
| | | <u>3,745,396</u> | <u>2,899,512</u> |
| Current assets | | | |
| Financing receivables | | 1,774,878 | 1,706,015 |
| Other receivables, deposits & prepayments | | 31,759 | 56,183 |
| Derivative financial instruments | | 478,224 | 212,921 |
| Cash and bank balances | | <u>67,250</u> | <u>48,668</u> |
| | | <u>2,352,111</u> | <u>2,023,787</u> |
| TOTAL ASSETS | | <u>6,097,507</u> | <u>4,923,299</u> |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | | 72,000 | 72,000 |
| Share premium | | 44,012 | 44,012 |
| Reserves | | <u>668,806</u> | <u>563,700</u> |
| Equity attributable to ordinary equity holders of the Company | | <u>784,818</u> | <u>679,712</u> |
| Perpetual Notes and Sukuk | | <u>276,000</u> | <u>276,000</u> |
| Total equity | | <u>1,060,818</u> | <u>955,712</u> |
| Non-current liability | | | |
| Borrowings | B8 | <u>4,214,649</u> | <u>2,965,526</u> |
| | | <u>4,214,649</u> | <u>2,965,526</u> |
| Current liabilities | | | |
| Borrowings | B8 | 693,528 | 856,141 |
| Payables and accruals | | 113,584 | 118,709 |
| Taxation | | 14,928 | 27,211 |
| | | <u>822,040</u> | <u>1,002,061</u> |
| Total liabilities | | <u>5,036,689</u> | <u>3,967,587</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>6,097,507</u> | <u>4,923,299</u> |
| Net assets per share (RM) | | 5.45 | 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
(412767-V) (Incorporated in Malaysia)

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2016**

| | Share capital RM'000 | Share premium RM'000 | Non-distributable | | Hedging reserve RM'000 | Distributable Retained earnings RM'000 | Total Equity RM'000 |
|---|-------------------------|-------------------------|---------------------------|---------------------------|---------------------------|--|------------------------|
| | | | Perpetual Notes RM'000 | Perpetual Sukuk RM'000 | | | |
| At 21 February 2014 | 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 20 February 2015 | - | - | - | - | - | (39,456) | (39,456) |
| Total comprehensive income for the year | - | - | - | - | (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) |
| At 28 February 2015 | 72,000 | 44,012 | 146,000 | 130,000 | (8,844) | 572,544 | 955,712 |
| At 1 March 2015 (as previously stated) | 72,000 | 44,012 | 146,000 | 130,000 | (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 ended 29 February 2016 | - | - | - | - | - | (42,984) | (42,984) |
| Total comprehensive income for the year | - | - | - | - | (23,877) | 228,222 | 204,345 |
| Distribution on Perpetual Notes, net of tax | - | - | - | - | - | (13,631) | (13,631) |
| At 29 February 2016 | 72,000 | 44,012 | 146,000 | 130,000 | (32,721) | 701,527 | 1,060,818 |

The Condensed Statement of Changes in Equity 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
(412767-V) (Incorporated in Malaysia)

**CONDENSED CASH FLOWS STATEMENT
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2016**

| | 29.02.2016 RM'000 | 28.02.2015 RM'000 |
|--|----------------------|----------------------|
| Cash flows from operating activities | | |
| Profit before tax | 301,591 | 289,269 |
| Adjustments for: | | |
| Depreciation of plant and equipment | 19,499 | 19,073 |
| Gain on disposal of plant and equipment | (537) | (271) |
| Finance costs | 163,230 | 137,294 |
| Allowance for impairment losses | 288,420 | 224,917 |
| Write off of plant and equipment | 6 | - |
| Operating profit before working capital changes | <u>772,209</u> | <u>670,282</u> |
| Changes in working capital: | | |
| Receivables, deposits and prepayments | (1,151,867) | (1,159,454) |
| Payables and accruals | (11,968) | (26,203) |
| Derivative financial assets | (49,800) | 3,701 |
| Cash held on behalf for a related company | (3,305) | (5,683) |
| Cash used in operations | <u>(444,731)</u> | <u>(517,357)</u> |
| Income taxes paid | (88,312) | (81,275) |
| Finance costs paid | <u>(156,288)</u> | <u>(136,180)</u> |
| Net cash used in operating activities | <u>(689,331)</u> | <u>(734,812)</u> |
| Cash flows from investing activities | | |
| Acquisition of plant and equipment | (26,710) | (17,758) |
| Proceeds from disposal of plant and equipment | 900 | 321 |
| Subscription of equity shares | (5,684) | (13,013) |
| Net cash used in investing activities | <u>(31,494)</u> | <u>(30,450)</u> |
| Cash flows from financing activities | | |
| Repayment of borrowings | (1,001,656) | (773,801) |
| Proceeds from borrowings | 1,866,129 | 1,467,479 |
| Proceeds from issuance of Perpetual Notes | - | 46,000 |
| Proceeds from issuance of Perpetual Sukuk | - | 130,000 |
| Payment of Perpetual Notes / Sukuk issue expenses | (100) | (1,345) |
| Distribution on Perpetual Notes | (17,935) | (8,010) |
| Dividends paid to ordinary shareholders of the Company | (85,608) | (74,016) |
| Net cash generated from financing activities | <u>760,830</u> | <u>786,307</u> |
| Net increase in cash and cash equivalents | 40,005 | 21,045 |
| Cash and cash equivalents at beginning of year/period | <u>(31,769)</u> | <u>(52,814)</u> |
| Cash and cash equivalents at end of year/period | <u>8,236</u> | <u>(31,769)</u> |

Cash and cash equivalents

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

| | | |
|---|--------------|-----------------|
| Cash and bank balances | 67,250 | 48,668 |
| Cash held on behalf for a related company | (8,988) | (5,683) |
| Bank overdrafts | (50,026) | (74,754) |
| | <u>8,236</u> | <u>(31,769)</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 financial year ended 29 February 2016

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 financial year ended 29 February 2016

8 Dividend Paid

| | Cumulative Financial Year/Period | |
|--|---|--------------------------|
| | Current Year | Preceding Year |
| | Year To Date | Period To Date |
| | <u>29.02.2016</u> | <u>28.02.2015</u> |
| | RM'000 | RM'000 |
| 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 28 February 2015 | | |
| - 27.40 sen single tier dividend per ordinary share | - | 39,456 |
| 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 year ended 29 February 2016 | | |
| - 29.85 sen single tier dividend per ordinary share | 42,984 | - |
| | <u>85,608</u> | <u>74,016</u> |

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 period 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 quarter 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 year ended 29 February 2016

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>29.02.2016</u> | Level 1 | Level 2 | Level 3 | Total |
|---|----------------|----------------|----------------|---------------|
| <u>Financial Assets</u> | RM'000 | RM'000 | RM'000 | RM'000 |
| Derivatives designated as hedging instruments | - | 478,224 | - | 478,224 |
| Total financial assets carried at fair value | - | 478,224 | - | 478,224 |

| <u>28.02.2015</u> | Level 1 | Level 2 | Level 3 | Total |
|---|----------------|----------------|----------------|---------------|
| <u>Financial Assets</u> | RM'000 | RM'000 | RM'000 | RM'000 |
| 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 29 February 2016 and up to the date of this announcement.

15 Related Party Transactions

The Company had entered into Recurrent Related Party Transactions (“RRPT”) of a revenue or trading nature with Aeon Financial Service Co. Ltd., Japan, the holding company of the Company, which are necessary for the Company’s day-to-day operations. The RRPT relates to the corporate support fees which comprise of operation and funding support fee.

Other than disclosed above, there are no other 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 29 February 2016 amounted to RM2.4 million.



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Notes to the interim financial report for the financial year ended 29 February 2016

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

1 Performance Review

The Company's revenue recorded 14.10% and 10.74% growth for the fourth quarter and for the financial year ended 29 February 2016 respectively as compared with the previous corresponding fourth quarter ended 20 February 2015 and financial period ended 28 February 2015 respectively. Total transaction and financing volume for the fourth quarter and for the financial year ended 29 February 2016 had increased by 18.44% to RM987.83million and by 6.18% to RM3.616 billion as compared with the previous corresponding fourth quarter ended 20 February 2015 and financial period ended 28 February 2015.

The financing receivables as at 29 February 2016 was RM5.404 billion, representing an increase of 19.66% from RM4.517 billion as at 28 February 2015. Non-performing loans (NPL) ratio was 2.47% as at 29 February 2016 compared to 2.76% as at 28 February 2015.

Other operating income recorded at RM24.650 million and RM89.974 million for the fourth quarter and financial year ended 29 February 2016 respectively comprising mainly of bad debts recovered, commission income from sale of insurance products and AEON Big loyalty programme processing fees.

The total operating expenses has increased by 12.27% and 17.65% in the current quarter and for the financial year ended 29 February 2016 as compared to the previous corresponding fourth quarter ended 20 February 2015 and financial period ended 28 February 2015 respectively due to higher allowance for impairment losses on financing receivables.

The Company recorded a profit before tax of RM 90.551 million and RM 301.591 million for fourth quarter and financial year ended 29 February 2016 respectively represent a growth of 22.33% and 4.26% respectively from previous corresponding fourth quarter ended 20 February 2015 and financial period ended 28 February 2015.

Average funding cost in financial year ended 29 February 2016 was marginally higher compared to previous year 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 20.049 million compared with the preceding quarter, mainly attributable to higher operating income and lower operating expenses.

3 Current Year Prospects

The Malaysian economy posted growth of 5.0% in 2015 while the annual economic growth forecast for 2016 by Bank Negara Malaysia is between 4% to 4.5%.

The Company has recorded 10.74% and 5.79% growth in revenue and net profit for the financial year ended 29 February 2016. Moving forward, domestic demand will be the key driver for growth, and household spending is likely to be supported by growth in income and employment. The Company expects to be able to maintain its financial performance in the year ending 28 February 2017.



AEON Credit Service (M) Berhad
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Notes to the interim financial report for the financial year ended 29 February 2016

4 Revenue

| | Individual quarter | | Cumulative | |
|---|--------------------|-------------------|-----------------------|-------------------|
| | 3 months | | financial year/period | |
| | ended | ended | ended | ended |
| | <u>29.02.2016</u> | <u>28.02.2015</u> | <u>29.02.2016</u> | <u>28.02.2015</u> |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue comprises: | | | | |
| Interest income, profit revenue and finance charges | 225,558 | N/A | 835,802 | N/A |
| Fee income | 32,734 | N/A | 129,432 | N/A |
| | <u>258,292</u> | <u>N/A</u> | <u>965,234</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 | | Cumulative | |
|--|--------------------|-------------------|-----------------------|-------------------|
| | 3 months | | financial year/period | |
| | ended | ended | ended | ended |
| | <u>29.02.2016</u> | <u>28.02.2015</u> | <u>29.02.2016</u> | <u>28.02.2015</u> |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| (a) Included in Profit from Operations: | | | | |
| Bad debts recovered | 19,647 | N/A | 70,354 | N/A |
| Depreciation of plant and equipment | (5,189) | N/A | (19,499) | N/A |
| Allowance for impairment losses on receivables | (67,179) | N/A | (288,420) | N/A |
| (b) Included in Other Comprehensive Income: | | | | |
| Loss on cash flow hedge | (15,469) | N/A | (23,877) | N/A |

Receivables amounting to RM285.797million (28 February 2015: RM181.068million) have been written off against allowance for impairment losses on receivables for the financial year ended 29 February 2016.



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Notes to the interim financial report for the financial year ended 29 February 2016

6 Taxation

| | Individual quarter | | Cumulative | |
|--------------------------------------|---------------------------|--------------------------|------------------------------|--------------------------|
| | 3 months | | financial year/period | |
| | ended | ended | ended | ended |
| | <u>29.02.2016</u> | <u>28.02.2015</u> | <u>29.02.2016</u> | <u>28.02.2015</u> |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| In respect of current period: | | | | |
| - current tax | 17,166 | N/A | 79,960 | N/A |
| - Deferred tax | 5,252 | N/A | (6,965) | N/A |
| | <u>22,418</u> | <u>N/A</u> | <u>72,995</u> | <u>N/A</u> |
| In respect of prior year: | | | | |
| - current tax | - | N/A | 374 | N/A |
| | <u>22,418</u> | <u>N/A</u> | <u>73,369</u> | <u>N/A</u> |

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 29 February 2016 comprised the following:

| | Unsecured |
|--------------------------|-------------------------|
| | RM'000 |
| Non-Current : | |
| - Term loans / financing | 4,014,649 |
| - Medium term notes | 200,000 |
| | <u>4,214,649</u> |
| Current : | |
| - Bank overdrafts | 50,026 |
| - Revolving credits | 200,634 |
| - Term loans / financing | 442,868 |
| | <u>693,528</u> |
| Total | <u><u>4,908,177</u></u> |



AEON Credit Service (M) Berhad
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Notes to the interim financial report for the financial year ended 29 February 2016

8 Borrowings (continued)

The borrowings were denominated in the following currencies:

| | Unsecured RM'000 Equivalent | |
|----------------------|--|---------------------------------------|
| Ringgit Malaysia | 2,010,025 | |
| United States Dollar | 2,898,152 | (Equivalent to USD 686.85 million) |
| | <u>4,908,177</u> | |

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

9 Derivatives and Fair Value Changes of Financial Liabilities

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

| As at 29 February 2016 | Contract/ Notional Amount RM'000 | Fair Value RM'000 |
|-------------------------------|---|----------------------------------|
| <u>Cross currency swaps:</u> | | |
| 1 – 3 years | 1,704,328 | 2,195,952 |
| More than 3 years | 672,545 | 702,200 |
| Total | <u>2,376,873</u> | <u>2,898,152</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 year ended 29 February 2016

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 year ended 29 February 2016;
- (ii) Amount per share – 29.60sen (previous corresponding period – 29.60sen per share);
- (iii) Date payable – 15 July 2016;
- (iv) In respect of deposited securities, entitlement to dividend will be determined based on the record of depositors as at 28 June 2016.

12 Earnings per Share

| | Individual quarter | | Cumulative | |
|--|--------------------|-------------------|-----------------------|-------------------|
| | 3 months | | financial year/period | |
| | ended | ended | ended | ended |
| | <u>29.02.2016</u> | <u>28.02.2015</u> | <u>29.02.2016</u> | <u>28.02.2015</u> |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Net profit attributable to equity holders | 68,133 | N/A | 228,222 | N/A |
| Distribution on Perpetual Notes, net of tax | (3,220) | N/A | (13,631) | N/A |
| Net profit attributable to ordinary equity holders | 64,913 | N/A | 214,591 | N/A |

| | Individual period | | Cumulative | |
|---|-------------------|-------------------|-----------------------|-------------------|
| | 3 months | | financial year/period | |
| | ended | ended | ended | ended |
| | <u>29.02.2016</u> | <u>28.02.2015</u> | <u>29.02.2016</u> | <u>28.02.2015</u> |
| | '000 | '000 | '000 | '000 |
| Net profit attributable to ordinary equity holders (RM) | 64,913 | N/A | 214,591 | N/A |
| Weighted average number of ordinary shares (unit) | 144,000 | N/A | 144,000 | N/A |
| Basic earnings per share (sen) | 45.08 | N/A | 149.02 | 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.



AEON Credit Service (M) Berhad
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Notes to the interim financial report for the financial year ended 29 February 2016

13 Realised and Unrealised Profits

| | Financial year ended <u>29.02.2016</u> RM'000 | Financial period ended <u>28.02.2015</u> RM'000 |
|---|--|--|
| Total retained earnings of the Company | | |
| - Realised | 662,484 | 547,851 |
| - Unrealised | 39,043 | 24,693 |
| Total retained earnings as per Statement of Changes in Equity | <u>701,527</u> | <u>572,544</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 21 April 2016.

By order of the Board
21 April 2016



AEON Credit Service (M) Berhad
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**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 |
| Profit from operations | B5(a) | 14,468 | N/A | 426,563 | 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 |
| Profit for the period | | 8,357 | N/A | 215,726 | N/A |
| Other comprehensive income, net of tax | B5(b) | | | | |
| Cash flow hedge | | (3,241) | N/A | (810) | N/A |
| Other comprehensive income for the period, net of tax | | (3,241) | N/A | (810) | N/A |
| Total comprehensive income for the period | | 5,116 | N/A | 214,916 | N/A |
| Earnings per share attributable to ordinary equity holders of the Company : | | | | | |
| 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
(412767-V) (Incorporated in Malaysia)

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 |
|--|------|-------------------------------|-------------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| 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> |
| Current assets | | | |
| 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> |
| TOTAL ASSETS | | <u>4,923,299</u> | <u>3,767,286</u> |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | | 72,000 | 72,000 |
| Share premium | | 44,012 | 44,012 |
| Reserves | | 563,700 | 429,552 |
| Equity attributable to ordinary equity holders of the Company | | 679,712 | 545,564 |
| Perpetual Notes and Sukuk | | 276,000 | 100,000 |
| Total equity | | <u>955,712</u> | <u>645,564</u> |
| Non-current liability | | | |
| Borrowings | B8 | 2,965,526 | 2,113,455 |
| | | <u>2,965,526</u> | <u>2,113,455</u> |
| Current liabilities | | | |
| 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> |
| TOTAL EQUITY AND LIABILITIES | | <u>4,923,299</u> | <u>3,767,286</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

(412767-V) (Incorporated in Malaysia)

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 | |
| At 21 February 2013 | 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) |
| At 20 February 2014 | 72,000 | 44,012 | 100,000 | - | (8,034) | 437,586 | 645,564 |
| At 21 February 2014 | 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) |
| At 28 February 2015 | 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

(412767-V) (Incorporated in Malaysia)

CONDENSED CASH FLOW STATEMENT FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2015

| | 28.02.2015 RM'000 | 20.02.2014 RM'000 |
|---|----------------------|----------------------|
| Cash flows from operating activities | | |
| 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) |
| Net cash used in operating activities | <u>(734,812)</u> | <u>(1,034,142)</u> |
| Cash flows from investing activities | | |
| Acquisition of plant and equipment | (17,758) | (22,840) |
| Proceeds from disposal of plant and equipment | 321 | 4 |
| Subscription of equity shares | (13,013) | - |
| Net cash used in investing activities | <u>(30,450)</u> | <u>(22,836)</u> |
| Cash flows from financing activities | | |
| 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) |
| Net cash generated from financing activities | <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 | (52,814) | 4,160 |
| Cash and cash equivalents at 28 February/20 February | <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.



AEON Credit Service (M) Berhad

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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.



AEON Credit Service (M) Berhad
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Notes to the interim financial report for the financial period ended 28 February 2015

8 Dividend Paid

| | Cumulative Financial Period | |
|--|---|---|
| | Current Year Period To Date <u>28.02.2015</u> RM'000 | Preceding Year Period To Date <u>20.02.2014</u> RM'000 |
| 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 | - |
| | 74,016 | 60,192 |

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.



AEON Credit Service (M) Berhad
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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> Financial Assets | Level 1 RM'000 | Level 2 RM'000 | Level 3 RM'000 | Total RM'000 |
|---|-------------------|-------------------|-------------------|-----------------|
| 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> Financial Assets | Level 1 RM'000 | Level 2 RM'000 | Level 3 RM'000 | Total RM'000 |
| 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 | | Cumulative | |
|-------------------------|-------------------|-------------------|-------------------|-------------------|
| | 8 days | | 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 | 17,953 | N/A | 761,733 | N/A |
| charges | | | | |
| 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 | | Cumulative | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 8 days | | 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 |
| In respect of current period: | | | | |
| - current tax | 2,846 | N/A | 86,778 | N/A |
| - Deferred tax | 24 | N/A | (13,783) | N/A |
| | <u>2,870</u> | <u>N/A</u> | <u>72,995</u> | <u>N/A</u> |
| In respect of prior year: | | | | |
| - current tax | - | N/A | 148 | N/A |
| - Deferred tax | - | N/A | 400 | N/A |
| | <u>2,870</u> | <u>N/A</u> | <u>73,543</u> | <u>N/A</u> |

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

8 Borrowings (continued)

The borrowings were denominated in the following currencies:

| | Secured RM'000 Equivalent | Unsecured RM'000 Equivalent | Total RM'000 Equivalent | |
|----------------------|--|--|--|--|
| 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:

| As at 28 February 2015 | Contract/ Notional Amount RM'000 | Fair Value RM'000 |
|-------------------------------|---|----------------------------------|
| <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

| | 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 |
| 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 | 8,357 | N/A | 209,719 | N/A |

| | 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> |
| | '000 | '000 | '000 | '000 |
| 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) | 5.80 | N/A | 145.64 | 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.



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

13 Realised and Unrealised Profits

| | Financial period ended <u>28.02.2015</u> RM'000 | Financial year ended <u>20.02.2014</u> RM'000 |
|---|--|--|
| 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



AEON Credit Service (M) Berhad

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CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 20 FEBRUARY 2015

| | Note | Individual quarter 3 months ended | | Cumulative quarter 12 months ended | |
|--|-------|--------------------------------------|----------------------|---------------------------------------|----------------------|
| | | 20.02.2015 RM'000 | 20.02.2014 RM'000 | 20.02.2015 RM'000 | 20.02.2014 RM'000 |
| Revenue | B4 | 226,374 | 187,989 | 852,805 | 672,762 |
| Total operating expenses | | (131,911) | (107,408) | (496,788) | (380,688) |
| Other operating income | | 16,080 | 11,710 | 56,078 | 38,989 |
| Profit from operations | B5(a) | 110,543 | 92,291 | 412,095 | 331,063 |
| Finance costs | | (36,521) | (27,720) | (134,053) | (97,188) |
| Profit before taxation | | 74,022 | 64,571 | 278,042 | 233,875 |
| Taxation | B6 | (18,659) | (16,753) | (70,673) | (58,523) |
| Profit for the period | | 55,363 | 47,818 | 207,369 | 175,352 |
| Other comprehensive income, net of tax | B5(b) | | | | |
| Cash flow hedge | | 11,878 | (2,162) | 2,431 | 2,677 |
| Other comprehensive income for the period, net of tax | | 11,878 | (2,162) | 2,431 | 2,677 |
| Total comprehensive income for the period | | 67,241 | 45,656 | 209,800 | 178,029 |
| Earnings per share attributable to ordinary equity holders of the Company : | | | | | |
| Basic (sen) | B12 | 36.99 | 33.21 | 139.83 | 121.77 |
| 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 2014 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 FEBRUARY 2015

| | Note | As at 20.02.2015 RM'000 | As at 20.02.2014 RM'000 |
|--|------|-------------------------------|-------------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Plant and equipment | | 45,523 | 46,599 |
| Investments | | 18,555 | 5,542 |
| Deferred tax assets | | 23,637 | 11,040 |
| Financing receivables | | <u>2,810,001</u> | <u>2,034,533</u> |
| | | <u>2,897,716</u> | <u>2,097,714</u> |
| Current assets | | | |
| Financing receivables | | 1,736,979 | 1,536,389 |
| Other receivables, deposits & prepayments | | 54,347 | 67,770 |
| Derivative financial instruments | | 208,127 | 52,844 |
| Cash and bank balances | | <u>27,022</u> | <u>12,569</u> |
| | | <u>2,026,475</u> | <u>1,669,572</u> |
| TOTAL ASSETS | | <u><u>4,924,191</u></u> | <u><u>3,767,286</u></u> |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | | 72,000 | 72,000 |
| Share premium | | 44,012 | 44,012 |
| Reserves | | <u>558,584</u> | <u>429,552</u> |
| Equity attributable to ordinary equity holders of the Company | | <u>674,596</u> | <u>545,564</u> |
| Perpetual Notes and Sukuk | A7 | <u>276,000</u> | <u>100,000</u> |
| Total equity | | <u><u>950,596</u></u> | <u><u>645,564</u></u> |
| Non-current liability | | | |
| Borrowings | B8 | <u>2,957,596</u> | <u>2,113,455</u> |
| | | <u>2,957,596</u> | <u>2,113,455</u> |
| Current liabilities | | | |
| Borrowings | B8 | 821,092 | 840,908 |
| Payables and accruals | | 170,542 | 143,798 |
| Taxation | | <u>24,365</u> | <u>23,561</u> |
| | | <u>1,015,999</u> | <u>1,008,267</u> |
| Total liabilities | | <u>3,973,595</u> | <u>3,121,722</u> |
| TOTAL EQUITY AND LIABILITIES | | <u><u>4,924,191</u></u> | <u><u>3,767,286</u></u> |
| Net assets per share (RM) | | 4.68 | 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

(412767-V) (Incorporated in Malaysia)

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 20 FEBRUARY 2015

| | Share capital RM'000 | Share premium RM'000 | <u>Non-distributable</u> | | Hedging reserve RM'000 | <u>Distributable</u> Retained earnings RM'000 | Total Equity RM'000 |
|--|----------------------------|----------------------------|------------------------------|------------------------------|------------------------------|--|---------------------------|
| | | | Perpetual Notes RM'000 | Perpetual Sukuk RM'000 | | | |
| At 21 February 2013 | 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) |
| At 20 February 2014 | 72,000 | 44,012 | 100,000 | - | (8,034) | 437,586 | 645,564 |
| At 21 February 2014 | 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 | - | - | - | - | 2,431 | 207,369 | 209,800 |
| 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) |
| At 20 February 2015 | 72,000 | 44,012 | 146,000 | 130,000 | (5,603) | 564,187 | 950,596 |

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

(412767-V) (Incorporated in Malaysia)

CONDENSED CASH FLOW STATEMENT FOR THE FOURTH QUARTER ENDED 20 FEBRUARY 2015

| | 20.02.2015 RM'000 | 20.02.2014 RM'000 |
|---|----------------------|----------------------|
| Cash flows from operating activities | | |
| Profit before tax | 278,042 | 233,875 |
| Adjustments for: | | |
| Depreciation of plant and equipment | 18,667 | 17,277 |
| Gain on disposal of plant and equipment | (271) | (4) |
| Finance costs | 134,053 | 97,188 |
| Allowance for impairment losses | 226,032 | 149,742 |
| Operating profit before working capital changes | <u>656,523</u> | <u>498,078</u> |
| Changes in working capital: | | |
| Receivables, deposits and prepayments | (1,188,668) | (1,411,047) |
| Payables and accruals | 21,374 | 31,175 |
| Cash held on behalf for a related company | (5,593) | - |
| Cash used in operations | <u>(516,364)</u> | <u>(881,794)</u> |
| Income taxes paid | (81,275) | (60,622) |
| Finance costs paid | (128,082) | (91,726) |
| Net cash used in operating activities | <u>(725,721)</u> | <u>(1,034,142)</u> |
| Cash flows from investing activities | | |
| Acquisition of plant and equipment | (17,640) | (22,840) |
| Proceeds from disposal of plant and equipment | 321 | 4 |
| Subscription of equity shares | (13,013) | - |
| Net cash used in investing activities | <u>(30,332)</u> | <u>(22,836)</u> |
| Cash flows from financing activities | | |
| Repayment of borrowings | (770,702) | (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) |
| Net cash generated from financing activities | <u>789,406</u> | <u>1,000,004</u> |
| Net increase/(decrease) in cash and cash equivalents | 33,353 | (56,974) |
| Cash and cash equivalents at 21 February | (52,814) | 4,160 |
| Cash and cash equivalents at 20 February | <u>(19,461)</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 | 27,022 | 12,569 |
| Cash held on behalf for a related company | (5,593) | - |
| Bank overdrafts | (40,890) | (65,383) |
| | <u>(19,461)</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.



AEON Credit Service (M) Berhad

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Notes to the interim financial report for the quarter ended 20 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 quarter under review.

7 Debt and Equity Securities

The Company has issued unrated subordinated Perpetual Sukuk at par amounting to RM105.00 million and RM25.00 million on 30 December 2014 and 16 February 2015 respectively under a Perpetual Sukuk programme of up to RM400.00 million in nominal value authorised by the Securities Commission Malaysia on 6 November 2013. The salient features of the Perpetual Sukuk issued are as follows:

- (i) The distribution rate for the period of five (5) years from issuance date is 6.5% per annum, with the distribution to be made on semi-annual basis in arrears;
- (ii) If the Company does not exercise its option to redeem at the end of the 5th year, the periodic distribution rate increases by 1% per annum above the prevailing distribution rate subject to a maximum of 20% per annum;



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Notes to the interim financial report for the quarter ended 20 February 2015

7 Debt and Equity Securities (continued)

- (iii) The Company may defer part or all distribution, which shall then become due and payable on the next distribution date unless it is further deferred by the Company;
- (iv) The Perpetual Sukuk are perpetual in nature with no contractual maturity date. The Company has the option to redeem the Perpetual Sukuk on the date of the fifth anniversary of the date of issue and thereafter on each subsequent semi-annual distribution payment date;
- (v) The Company also has the option to redeem the Perpetual Sukuk earlier upon the occurrence of a defined accounting event, tax event, privatisation event and shareholder event;
- (vi) The redemption of the Perpetual Sukuk by the Company is subject to the prior approval of Bank Negara Malaysia;
- (vii) The holders of the Perpetual Sukuk do not have any voting rights in the Company; and
- (viii) The Perpetual Sukuk rank ahead of the Company's ordinary share capital and rank junior to the claims of all other present and future creditors of the Company.

The Perpetual Sukuk which may be issued from time to time by the Company under the Perpetual Sukuk Programme shall be classified as equity since the Perpetual Sukuk can be regarded as an equity instrument in accordance with applicable accounting standards. Further, the issued Perpetual Sukuk will not have any effect on the issued and paid-up capital of the Company and the shareholdings of substantial shareholders of the Company. The issued Perpetual Sukuk are also not expected to have any material effect on the earnings and net assets attributable to ordinary shareholders of the Company.

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

8 Dividend Paid

| | Cumulative Quarter (12 months) | |
|--|---------------------------------------|--------------------------|
| | Current Year | Preceding Year |
| | Period To Date | Period To Date |
| | <u>20.02.2015</u> | <u>20.02.2014</u> |
| | RM'000 | RM'000 |
| 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 | - |
| | 74,016 | 60,192 |



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Notes to the interim financial report for the quarter ended 20 February 2015

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.

13 Investment

On 7 January 2015, the Company subscribed for 10,000 ordinary shares at par value of 1,000 pesos per share and 154,500 irredeemable convertible preference shares at par value of 1,000 pesos per share in AEON Credit Service (Philippines) Inc. (“ACSP”) amounting to 164.5 million pesos (equivalent to approximately RM13.0 million), representing 54.80% of the outstanding capital stock of ACSP.

The Directors have determined that the investment should be designated as “other investment” as the Company does not have influence over its activities and distribution policy.

ACSP, a subsidiary of AEON Financial Service Co., Ltd (“ACSJ”) incorporated in Philippines on 14 February 2013, is a consumer finance provider, currently offering hire purchase facilities for consumer durables.



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Notes to the interim financial report for the quarter ended 20 February 2015

14 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>20.02.2015</u> <u>Financial Assets</u> | Level 1 RM'000 | Level 2 RM'000 | Level 3 RM'000 | Total RM'000 |
|---|---------------------------------|---------------------------------|---------------------------------|-------------------------------|
| Derivatives designated as hedging instruments | - | 208,127 | - | 208,127 |
| Total financial assets carried at fair value | - | 208,127 | - | 208,127 |
| <u>20.02.2014</u> <u>Financial Assets</u> | Level 1 RM'000 | Level 2 RM'000 | Level 3 RM'000 | Total RM'000 |
| Derivatives designated as hedging instruments | - | 52,844 | - | 52,844 |
| Total financial assets carried at fair value | - | 52,844 | - | 52,844 |

15 Contingent Liabilities and Contingent Assets

The Company did not have any contingent liabilities, either secured or unsecured, or contingent assets as at 20 February 2015 and up to the date of this announcement.

16 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 2014.

17 Capital Commitments

Capital commitments for plant and equipment which have been authorised and contracted, but not provided for as at 20 February 2015 amounted to RM3.0 million.



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Notes to the interim financial report for the quarter ended 20 February 2015

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

1 Performance Review

The Company's revenue recorded 20.4% and 26.8% growth for the fourth quarter and year ended 20 February 2015 respectively compared to the previous year corresponding period. Total transaction and financing volume in the fourth quarter and year ended 20 February 2015 was RM 834 million and RM 3.393 billion, representing growth of 8.5% and 4.7% respectively from previous year corresponding period. Higher growth was recorded for auto financing operations.

The financing receivables as at 20 February 2015 was RM 4.547 billion, representing an increase of 27.3% from RM 3.571 billion as at 20 February 2014. Meanwhile, the non-performing loans (NPL) ratio was 2.75% as at 20 February 2015 compared to 2.14% as at 20 February 2014.

Other operating income recorded of RM 16.08 million and RM 56.08 million for the fourth quarter and year ended 20 February 2015 was 37.3% and 43.8% higher than previous year corresponding period respectively. This is mainly contributed by increase in bad debts recovered and AEON Big loyalty programme processing fee.

Ratio of total operating expenses against revenue was recorded at 58.3% and 58.3% in the quarter and year ended 20 February 2015 compared to 57.1% and 56.6% respectively in previous year corresponding period due mainly to higher impairment loss provision on financing receivables. Profit before tax of RM 74.022 million and RM 278.042 million for the fourth quarter and year ended 20 February 2015 represents an increase of 14.6% and 18.9% respectively from previous year corresponding period. 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

There was no material change in profit before taxation of current quarter compared with preceding quarter.

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 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 quarter ended 20 February 2015

4 Revenue

| | Individual quarter | | Cumulative quarter | |
|---|--------------------|-------------------|--------------------|-------------------|
| | 3 months ended | 3 months ended | 12 months ended | 12 months ended |
| | <u>20.02.2015</u> | <u>20.02.2014</u> | <u>20.02.2015</u> | <u>20.02.2014</u> |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue comprises: | | | | |
| Interest income, profit revenue and finance charges | 199,347 | 162,437 | 743,780 | 572,561 |
| Fee income | 27,027 | 25,552 | 109,025 | 100,201 |
| | <u>226,374</u> | <u>187,989</u> | <u>852,805</u> | <u>672,762</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 | 12 months ended | 12 months ended |
| | <u>20.02.2015</u> | <u>20.02.2014</u> | <u>20.02.2015</u> | <u>20.02.2014</u> |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| (a) Included in Profit from Operations: | | | | |
| Bad debts recovered | 12,321 | 7,666 | 40,126 | 26,694 |
| Depreciation of plant and equipment | (4,650) | (4,555) | (18,667) | (17,277) |
| Allowance for impairment losses on receivables | (58,431) | (43,207) | (226,032) | (149,742) |
| (b) Included in Other Comprehensive Income: | | | | |
| (Loss) / Gain on cash flow hedge | 11,878 | (2,162) | 2,431 | 2,677 |

Receivables amounting to RM66.015 million and RM181.068 million (20 February 2014: RM35.506 million and RM108.032 million) have been written off against allowance for impairment losses on receivables for the current quarter and twelve months ended 20 February 2015 respectively.



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Notes to the interim financial report for the quarter ended 20 February 2015

6 Taxation

| | Individual quarter | | Cumulative quarter | |
|--------------------------------------|--------------------|-------------------|--------------------|-------------------|
| | 3 months ended | 3 months ended | 12 months ended | 12 months ended |
| | <u>20.02.2015</u> | <u>20.02.2014</u> | <u>20.02.2015</u> | <u>20.02.2014</u> |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| In respect of current period: | | | | |
| - Current tax | 20,536 | 17,486 | 83,932 | 65,678 |
| - Deferred tax | (2,277) | (351) | (13,807) | (6,875) |
| | <u>18,259</u> | <u>17,135</u> | <u>70,125</u> | <u>58,803</u> |
| In respect of prior period: | | | | |
| - Current tax | - | (382) | 148 | (280) |
| - Deferred tax | 400 | - | 400 | - |
| | <u>18,659</u> | <u>16,753</u> | <u>70,673</u> | <u>58,523</u> |

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 February 2015 comprised the following:

| | Secured | Unsecured | Total |
|----------------------------------|---------------|------------------|------------------|
| | RM'000 | RM'000 | RM'000 |
| Non-Current : | | | |
| - Term loans / financing | - | 2,757,596 | 2,757,596 |
| - Medium term notes | - | 200,000 | 200,000 |
| | - | <u>2,957,596</u> | <u>2,957,596</u> |
| Current : | | | |
| - Bank overdrafts | - | 40,890 | 40,890 |
| - Revolving credits | - | 387,752 | 387,752 |
| - Term loans / financing | - | 367,450 | 367,450 |
| - Asset backed medium term notes | 25,000 | - | 25,000 |
| | <u>25,000</u> | <u>796,092</u> | <u>821,092</u> |
| Total | <u>25,000</u> | <u>3,753,688</u> | <u>3,778,688</u> |



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Notes to the interim financial report for the quarter ended 20 February 2015

8 Borrowings (continued)

The borrowings were denominated in the following currencies:

| | Secured RM'000 Equivalent | Unsecured RM'000 Equivalent | Total RM'000 Equivalent | |
|----------------------|--|--|--|--|
| Ringgit Malaysia | 25,000 | 1,859,890 | 1,884,890 | |
| United States Dollar | - | 1,893,798 | 1,893,798 | (Equivalent to USD 526.93 million) |
| | <u>25,000</u> | <u>3,753,688</u> | <u>3,778,688</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

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

| As at 20 February 2015 | Contract/ Notional Amount RM'000 | Fair Value RM'000 |
|-------------------------------|---|----------------------------------|
| <u>Cross currency swaps:</u> | | |
| 1 – 3 years | 598,193 | 690,240 |
| More than 3 years | 1,080,007 | 1,203,558 |
| Total | <u>1,678,200</u> | <u>1,893,798</u> |

(d) 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 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

No dividend was declared during the quarter.

12 Earnings per Share

| | Individual quarter | | Cumulative quarter | |
|--|--------------------|-------------------|--------------------|-------------------|
| | 3 months ended | 3 months ended | 12 months ended | 12 months ended |
| | <u>20.02.2015</u> | <u>20.02.2014</u> | <u>20.02.2015</u> | <u>20.02.2014</u> |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Net profit attributable to equity holders | 55,363 | 47,818 | 207,369 | 175,352 |
| Distribution on Perpetual Notes, net of tax | (2,095) | - | (6,007) | - |
| Net profit attributable to ordinary equity holders | <u>53,268</u> | <u>47,818</u> | <u>201,362</u> | <u>175,352</u> |

| | Individual quarter | | Cumulative quarter | |
|---|--------------------|-------------------|--------------------|-------------------|
| | 3 months ended | 3 months ended | 12 months ended | 12 months ended |
| | <u>20.02.2015</u> | <u>20.02.2014</u> | <u>20.02.2015</u> | <u>20.02.2014</u> |
| | '000 | '000 | '000 | '000 |
| Net profit attributable to ordinary equity holders (RM) | 53,268 | 47,818 | 201,362 | 175,352 |
| Weighted average number of ordinary shares (unit) | 144,000 | 144,000 | 144,000 | 144,000 |
| Basic earnings per share (sen) | <u>36.99</u> | <u>33.21</u> | <u>139.83</u> | <u>121.77</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 quarter ended 20 February 2015

13 Realised and Unrealised Profits

| | 12 months ended <u>20.02.2015</u> RM'000 | 12 months ended <u>20.02.2014</u> RM'000 |
|---|---|---|
| Total retained earnings of the Company | | |
| - Realised | 540,550 | 426,546 |
| - Unrealised | 23,637 | 11,040 |
| Total retained earnings as per Statement of Changes in Equity | <u>564,187</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