



## AEON Credit Service (M) Berhad

(412767-V) (Incorporated in Malaysia)

### CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 AUGUST 2017

	Note	Unaudited Individual quarter 3 months ended			Unaudited Cumulative 6 months ended		
		31.08.2017 RM'000	31.08.2016 RM'000	Changes %	31.08.2017 RM'000	31.08.2016 RM'000	Changes %
Revenue	B4	311,322	269,128	15.7%	613,604	530,766	15.6%
Total operating expenses		(184,747)	(171,298)	7.9%	(360,674)	(329,474)	9.5%
Other operating income		26,887	25,016	7.5%	58,047	52,585	10.4%
<b>Profit from operations</b>	B5(a)	153,462	122,846	24.9%	310,977	253,877	22.5%
Finance costs		(57,669)	(49,671)	16.1%	(113,315)	(96,586)	17.3%
Profit before taxation		95,793	73,175	30.9%	197,662	157,291	25.7%
Taxation	B6	(24,408)	(17,981)	35.7%	(50,465)	(39,370)	28.2%
<b>Profit for the year</b>		71,385	55,194	29.3%	147,197	117,921	24.8%
<b>Other comprehensive income, net of tax</b>	B5(b)						
Cash flow hedge		(1,327)	(9,164)	-85.5%	(1,720)	789	318.0%
<b>Other comprehensive income for the period, net of tax</b>		(1,327)	(9,164)	-85.5%	(1,720)	789	318.0%
<b>Total comprehensive income for the period</b>		70,058	46,030	52.2%	145,477	118,710	22.6%
<b>Earnings per share attributable to equity holders of the Company:</b>							
Basic (sen)	B12	35.51	27.07	31.2%	73.13	57.87	26.4%
Diluted (sen)	B12	-	-		-	-	

The Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements of the Company for the financial year ended 28 February 2017 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 31 AUGUST 2017**

	Note	Unaudited As at 31.08.2017 RM'000	As at 28.02.2017 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment		63,440	62,233
Investments		18,402	19,045
Deferred tax assets		53,062	49,070
Financing receivables		<u>4,854,649</u>	<u>4,480,990</u>
		<u>4,989,553</u>	<u>4,611,338</u>
<b>Current assets</b>			
Financing receivables		2,023,673	1,957,713
Other receivables, deposits and prepayments		49,740	49,374
Derivative financial assets		402,552	579,977
Cash and bank balances		<u>103,081</u>	<u>73,667</u>
		<u>2,579,046</u>	<u>2,660,731</u>
<b>TOTAL ASSETS</b>		<u><u>7,568,599</u></u>	<u><u>7,272,069</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		152,012	116,012
Reserves		<u>894,857</u>	<u>838,975</u>
<b>Equity attributable to equity holders of the Company</b>		<u>1,046,869</u>	<u>954,987</u>
Perpetual notes and sukuk		<u>276,000</u>	<u>276,000</u>
<b>Total equity</b>		<u>1,322,869</u>	<u>1,230,987</u>
<b>Non-current liability</b>			
Borrowings	B9	<u>4,707,427</u>	<u>4,898,808</u>
		<u>4,707,427</u>	<u>4,898,808</u>
<b>Current liabilities</b>			
Borrowings	B9	1,350,979	973,417
Payables and accruals		144,576	141,575
Taxation		<u>42,748</u>	<u>27,282</u>
		<u>1,538,303</u>	<u>1,142,274</u>
Total liabilities		<u>6,245,730</u>	<u>6,041,082</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>7,568,599</u></u>	<u><u>7,272,069</u></u>
Net assets per share (RM)		4.85	6.63
Number of ordinary shares ('000)		216,000	144,000

The Condensed Statement of Financial Position should be read in conjunction with the audited financial statements of the Company for the financial year ended 28 February 2017 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 SIX MONTHS ENDED 31 AUGUST 2017**

	← Non-distributable →					Distributable	Total Equity RM'000
	Share capital RM'000	Share premium RM'000	Perpetual Notes RM'000	Perpetual Sukuk RM'000	Hedging reserve RM'000	Retained earnings RM'000	
<b>At 1 March 2016</b>	72,000	44,012	146,000	130,000	(32,721)	701,527	1,060,818
Final dividend paid in respect of the financial year ended 29 February 2016	-	-	-	-	-	(42,624)	(42,624)
Total comprehensive income for the period	-	-	-	-	789	117,921	118,710
Distribution on perpetual notes/ sukuk, net of tax	-	-	-	-	-	(6,815)	(6,815)
<b>At 31 August 2016</b>	72,000	44,012	146,000	130,000	(31,932)	770,009	1,130,089
<b>At 1 March 2017</b>	116,012*	-*	146,000	130,000	(27,354)	866,329	1,230,987
Final dividend paid in respect of the financial year ended 28 February 2017	-	-	-	-	-	(46,800)	(46,800)
Issuance of Bonus Shares	36,000	-	-	-	-	(36,000)	-
Total comprehensive income for the period	-	-	-	-	(1,720)	147,197	145,477
Distribution on perpetual notes/ sukuk, net of tax	-	-	-	-	-	(6,795)	(6,795)
<b>At 31 August 2017</b>	152,012	-	146,000	130,000	(29,074)	923,931	1,322,869

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 28 February 2017 and the accompanying notes to the quarterly report attached hereto.

\* Pursuant to Section 618(2) of the new Companies Act 2016, the sum of RM44,012,000 standing to the credit of the Company's share premium account had been transferred and became part of the Company's share capital as at 28 Feb 2017.



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

**CONDENSED STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS ENDED 31 AUGUST 2017**

	31.08.2017 RM'000	31.08.2016 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	197,662	157,291
Adjustments for:		
Depreciation of plant and equipment	11,987	11,274
Gain on disposal of plant and equipment	(54)	(4)
Finance costs	113,315	96,586
Plant and equipment written off	196	-
Impairment loss on investment in unquoted shares	643	-
Allowance for impairment losses	167,194	153,844
Operating profit before working capital changes	<u>490,943</u>	<u>418,991</u>
Changes in working capital:		
Receivables, deposits and prepayments	(607,179)	(673,944)
Payables and accruals	(714)	1,001
Cash held on behalf for a related company	(660)	(920)
Cash used in operations	<u>(117,610)</u>	<u>(254,872)</u>
Income taxes paid	(36,302)	(30,440)
Finance costs paid	(109,600)	(92,165)
<b>Net cash used in operating activities</b>	<u>(263,512)</u>	<u>(377,477)</u>
<b>Cash flows from investing activities</b>		
Acquisition of plant and equipment	(13,404)	(15,663)
Proceeds from disposal of plant and equipment	68	5
<b>Net cash used in investing activities</b>	<u>(13,336)</u>	<u>(15,658)</u>
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(692,200)	(250,700)
Proceeds from borrowings	1,030,188	690,000
Distribution paid to perpetual notes and sukuk holders	(8,941)	(8,967)
Dividends paid to shareholders of the Company	(46,800)	(42,624)
<b>Net cash generated from financing activities</b>	<u>282,247</u>	<u>387,709</u>
Net increase in cash and cash equivalents	5,399	(5,426)
Cash and cash equivalents at 1 March	23,676	8,236
<b>Cash and cash equivalents at 31 August</b>	<u>29,075</u>	<u>2,810</u>

**Cash and cash equivalents**

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

Cash and bank balances	103,081	75,559
Cash held on behalf of a related company	(10,568)	(9,908)
Bank overdrafts	(63,438)	(62,841)
	<u>29,075</u>	<u>2,810</u>

The Condensed Statement of Cash Flows should be read in conjunction with the audited financial statements of the Company for the financial year ended 28 February 2017 and the accompanying notes to the quarterly report attached hereto.



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

**Notes to the interim financial report for the financial period ended 31 August 2017**

**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 28 February 2017.

**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 28 February 2017.

**3 Seasonal or Cyclical Factors**

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

**4 Unusual Items**

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

**5 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 financial period under review.

**6 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 statement of cash flows and Note B8.



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

**Notes to the interim financial report for the financial period ended 31 August 2017**

**7 Dividend Paid**

	<b>Cumulative Quarter (6 months)</b>	
	<b>Current Year</b>	<b>Preceding Year</b>
	<b>Period To Date</b>	<b>Period To Date</b>
	<b><u>31.08.2017</u></b>	<b><u>31.08.2016</u></b>
	<b>RM'000</b>	<b>RM'000</b>
Final dividend in respect of the financial year ended 29 February 2016		
- 29.60 sen single tier dividend per ordinary share	-	42,624
Final dividend in respect of the financial year ended 28 February 2017		
- 32.50 sen single tier dividend per ordinary share	46,800	-
	<hr/>	<hr/>
	46,800	42,624

**8 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.

**9 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, other than as disclosed in Note B8.

**10 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.



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

**Notes to the interim financial report for the financial period ended 31 August 2017**

**11 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>31.08.2017</u> Financial Assets	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Derivatives designated as hedging instruments	-	402,552	-	402,552
Total financial assets carried at fair value	-	402,552	-	402,552

<u>28.02.2017</u> Financial Assets	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Derivatives designated as hedging instruments	-	579,977	-	579,977
Total financial assets carried at fair value	-	579,977	-	579,977

**12 Contingent Liabilities and Contingent Assets**

The Company did not have any contingent liabilities, either secured or unsecured, or contingent assets as at 31 August 2017 and up to the date of this announcement.

**13 Related Party Transactions**

During the current quarter under review and up to the date of this announcement, the Company did not enter into any significant Related Party Transactions or Recurrent Related Party Transactions of a revenue or trading nature other than those that had been mandated by the shareholders during the Annual General Meeting held on 21 June 2017.

**14 Capital Commitments**

Capital commitments for plant and equipment which have been authorised and contracted, but not provided for as at 31 August 2017 amounted to RM16.2 million.



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

**Notes to the interim financial report for the financial period ended 31 August 2017**

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

**1 Performance Review**

The Company's revenue recorded 15.7% and 15.6% growth for the second quarter and six months ended 31 August 2017 as compared with the previous year corresponding period ended 31 August 2016. Total transaction and financing volume in the second quarter and six months ended 31 August 2017 had increased by 5.1% to RM1.028 billion and by 4.7% to RM2.079 billion respectively as compared with the previous corresponding period ended 31 August 2016.

The financing receivables as at 31 August 2017 was RM6.878 billion, representing an increase of 16.2% from RM5.921 billion as at 31 August 2016. Non-performing loans (NPL) ratio was 2.48% as at 31 August 2017 compared to 2.43% as at 31 August 2016.

Other operating income was recorded at RM26.887 million and RM58.047 million for the second quarter and six months ended 31 August 2017 respectively, mainly comprising bad debts recovered, commission income from sale of insurance products and loyalty programme processing fees.

Ratio of total operating expense against revenue was recorded at 59.3% for the current quarter as compared to 63.6% in the quarter ended 31 August 2016. The decrease was mainly attributable to higher growth in interest income and corresponding lower increase in operating expenses.

The Company recorded a profit before tax of RM95.793 million for the second quarter and RM197.662 million for the six months ended 31 August 2017, representing a growth of 30.9% and 25.7% respectively as compared with previous year corresponding period.

Funding cost for the quarter ended 31 August 2017 was higher compared to the quarter ended 31 August 2016 due to increase in borrowings of 16.1%. The nominal value of borrowings as at 31 August 2017 was RM5.618 billion as compared to RM4.839 billion as at 31 August 2016.

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

	<b>Current Quarter</b>	Immediate Preceding Quarter	Changes
	<b>31.08.2017</b>	31.05.2017	%
	<b>RM'000</b>	RM'000	
Revenue	<b>311,322</b>	302,282	3.0
Total Operating Expenses	<b>184,747</b>	175,927	5.0
Total Operating Income	<b>26,887</b>	31,160	-13.7
Profit Before Taxation	<b>95,793</b>	101,869	-6.0
Profit After Taxation	<b>71,385</b>	75,812	-5.8

The Company recorded a profit before tax of RM95.793 million for the current quarter as compared to RM101.869 million in the immediate preceding quarter. The decrease of 6.0% was mainly due to lower total operating income and higher operating expenses.





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

**Notes to the interim financial report for the financial period ended 31 August 2017**

**3 Current Year Prospects**

The Malaysian economy posted a GDP growth of 5.8% in the second quarter of 2017 while the annual economic growth forecast for 2017 is 5.2% by the World Bank. 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 had recorded 15.6% and 24.8% growth in revenue and net profit respectively for the six months ended 31 August 2017 as compared with corresponding period ended 31 August 2016. The Company expects to be able to maintain with its financial performance for the year ending 28 February 2018 based on the scheduled implementation of its business plan.

**4 Revenue**

	Individual quarter		Cumulative quarter	
	3 months		6 months	
	ended <u>31.08.2017</u> RM'000	ended <u>31.08.2016</u> RM'000	ended <u>31.08.2017</u> RM'000	ended <u>31.08.2016</u> RM'000
Revenue comprises:				
Interest income, profit revenue and finance charges	275,669	236,151	542,297	464,952
Fee income	35,653	32,977	71,307	65,814
	<u>311,322</u>	<u>269,128</u>	<u>613,604</u>	<u>530,766</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		6 months	
	ended <u>31.08.2017</u> RM'000	ended <u>31.08.2016</u> RM'000	ended <u>31.08.2017</u> RM'000	ended <u>31.08.2016</u> RM'000
(a) Included in Profit from operations:				
Bad debts recovered	22,812	21,484	50,407	45,450
Depreciation of plant and equipment	(6,054)	(5,868)	(11,987)	(11,274)
Allowance for impairment losses on receivables	(84,543)	(82,597)	(167,194)	(153,844)
Impairment loss on investment in unquoted shares	643	-	643	-
(b) Included in Other Comprehensive Income:				
(Loss)/Gain on cash flow hedge	(1,327)	(9,164)	(1,720)	789

Receivables amounting to RM78.429 million and RM150.947 million have been written off against allowance for impairment losses on receivables for the second quarter and six months ended 31 August 2017 respectively compared with RM75.412 million and RM142.679 million written off in the previous corresponding period ended 31 August 2016.



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

**Notes to the interim financial report for the financial period ended 31 August 2017**

**6 Taxation**

	Individual quarter 3 months		Cumulative quarter 6 months	
	ended <u>31.08.2017</u> RM'000	ended <u>31.08.2016</u> RM'000	ended <u>31.08.2017</u> RM'000	ended <u>31.08.2016</u> RM'000
<b>In respect of current period:</b>				
- current tax	29,213	22,264	53,914	43,201
- deferred tax	(4,805)	(4,784)	(3,449)	(4,832)
	<u>24,408</u>	<u>17,480</u>	<u>50,465</u>	<u>38,369</u>
<b>In respect of prior year:</b>				
- current tax	-	501	-	1,001
	<u>24,408</u>	<u>17,981</u>	<u>50,465</u>	<u>39,370</u>

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

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

(a) Details of derivative financial instruments outstanding as at 31 August 2017 are as follows:

	Contract/ Notional Amount RM'000	Fair Value RM'000
Forward exchange contracts 0 – 3 years	150,187	149,432
<u>Cross currency swaps:</u>		
0 – 3 years	1,441,428	1,863,234
More than 3 years	1,172,545	1,192,302
Total	<u>2,764,160</u>	<u>3,204,968</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.



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

### Notes to the interim financial report for the financial period ended 31 August 2017

#### 8 Status of Corporate Proposal

As at the date of this report, the status of the corporate proposal announced and undertaken by the Company is as follows:

On 23 March 2017, CIMB Investment Bank Berhad (“CIMB IB”), the principal adviser, had on behalf of the Board of Directors announced the following proposals:

- (i) Proposed bonus issue of 72,000,000 new ordinary shares in the Company (“Bonus Shares”) at an issue price of RM0.50 each on the basis of 1 bonus share for every 2 existing ordinary shares of the Company (“ACSM Shares”) held (“Proposed Bonus Issue”); and
- (ii) Proposed renounceable rights issue of 3-year minimum 3.5% irredeemable convertible unsecured loan stocks (“ICULS”) on the basis of 2 ICULS for every 1 existing ACSM Share held to raise RM432,000,000 in cash (“Proposed Rights Issue”).

(collectively referred to as the “Proposals”)

Subsequently on 27 March 2017, CIMB IB announced that the application for the issuance of the ICULS has been submitted to the Securities Commission Malaysia (“SC”).

On 28 April 2017, CIMB IB had on behalf of the Board of Directors announced that ACSM had procured an irrevocable and unconditional undertaking from AEON Financial Service Co., Ltd (“AFS”) to subscribe in full for its rights entitlement under the Proposed Rights Issue of approximately RM257.90 million based on its current shareholding in ACSM.

AFS had also irrevocably and unconditionally undertaken not to reduce its shareholding in ACSM so that its shareholding in ACSM as at the ICULS Entitlement Date for the Proposed Rights Issue, is no less than its existing shareholding in ACSM to ensure that this subscription level is maintained.

On 3 May 2017, CIMB IB had on behalf of the Board of Directors announced that the SC had granted its approval to ACSM for the issuance of the ICULS under the Proposed Right Issue, subject to the compliance with the standard conditions and continuing obligations as stipulated in SC’s Guidelines on Issuance of Corporate Bonds and Sukuk to Retail Investors.

Subsequently, on 5 June 2017, CIMB IB announced that Bursa Securities had approved the following:

- (i) Listing and quotation for the Bonus Shares to be issued pursuant to the Proposed Bonus Issue;
- (ii) Listing and quotation of the new ICULS to be issued pursuant to the Proposed Rights Issue; and
- (iii) Listing and quotation of the new ACSM Shares to be issued pursuant to the conversion of the ICULS

On 21 June 2017, the Board of Directors announced that the shareholders had granted their approval for the issuance of new ordinary shares under the Proposed Bonus Issue and the issuance of the ICULS under the Proposed Right Issue at the Extraordinary General Meeting.

On 19 July 2017, the Company completed the bonus issue of 72,000,000 new ordinary shares at an issue price of RM0.50 each in ACSM to be credited as fully paid up, on the basis of one (1) Bonus Share for every two (2) existing ACSM Shares held.

On 27 July 2017, CIMB IB had on behalf of the Board of Directors announced that in respect of the Rights issue, the Board has determined that:

- (i) The conversion price for the Rights ICULS has been fixed at RM10.99 for each new Share (“Conversion Price”); and



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

**8 Status of Corporate Proposal (continued)**

- (ii) The final entitlement basis for the Rights Issue is two (2) Rights ICULS for every one (1) existing Share held.

On 1 August 2017, CIMB IB had on behalf of the Board of Directors announced that ACSM had entered into an underwriting agreement with CIMB IB and Nomura Securities Malaysia Sdn Bhd for the underwriting of an aggregate of up to 174,096,000 Rights ICULS, representing 40.30% of the total issue size of the Rights Issue (the “Underwritten ICULS”). The underwritten ICULS represent the remaining Rights ICULS for which no undertaking to subscribe has been obtained by ACSM.

On 12 September 2017, CIMB IB had on behalf of the Board of Directors announced that pursuant to the close of acceptance, excess applications and payment for the Rights ICULS on 6 September 2017 (“Closing Date”), the Company had received valid acceptances and excess applications for a total of 446,302,434 Rights ICULS. This represents an over subscription of 3.31% over the total number of Rights ICULS available for subscription under the Rights Issue.

The Rights ICULS were listed on the Main Market of Bursa Securities on 21 September 2017.

**9 Borrowings**

The borrowings of the Company as at 31 August 2017 comprised the following:

	<b>Unsecured RM'000</b>
Non-current :	
- Term loans / financing	4,707,427
	<u>4,707,427</u>
Current :	
- Bank overdrafts	63,438
- Revolving credits	529,432
- Term loans / financing	758,109
	<u>1,350,979</u>
<b>Total</b>	<u><u>6,058,406</u></u>

The borrowings were denominated in the following currencies:

	<b>Unsecured RM'000 Equivalent</b>
Ringgit Malaysia	2,853,438
United States Dollar	<u>3,204,968</u> (Equivalent to USD750.67 million)
	<u><u>6,058,406</u></u>

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



## AEON Credit Service (M) Berhad

(412767-V) (Incorporated in Malaysia)

### Notes to the interim financial report for the financial period ended 31 August 2017

#### 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

- (a)
- (i) An interim single tier dividend has been recommended for the financial year ending 28 February 2018;
  - (ii) Amount per share: 21.13 sen (previous corresponding period: 30.50 sen per share) based on total shares issued of 216,000,000 as at 19 July 2017 (previous corresponding period: 144,000,000 shares);
  - (iii) Date payable: 7 November 2017; and
  - (iv) In respect of deposited securities, entitlement to dividend will be determined based on the record of depositors as at 20 October 2017.
- (b) Total dividend for the six months ended 31 August 2017: single tier dividend of 21.13 sen per share totalling RM45.631 million

#### 12 Earnings per share

	Individual quarter 3 months		Cumulative quarter 6 months	
	ended <u>31.08.2017</u> RM'000	ended <u>31.08.2016</u> RM'000	ended <u>31.08.2017</u> RM'000	ended <u>31.08.2016</u> RM'000
Net profit attributable to equity holders	71,385	55,194	147,197	117,921
Distribution on perpetual notes, net of tax	(3,199)	(3,217)	(6,795)	(6,815)
Net profit attributable to ordinary equity holders	<u>68,186</u>	<u>51,977</u>	<u>140,402</u>	<u>111,106</u>
Net profit attributable to ordinary equity holders (RM'000)	68,186	51,977	140,402	111,106
Weighted average number of ordinary shares ('000)	192,000	192,000*	192,000	192,000*
Basic earnings per share (sen)	<u>35.51</u>	<u>27.07</u>	<u>73.13</u>	<u>57.87</u>

\* The previous year's earnings per share have been restated to reflect the bonus issue which was completed on 19 July 2017.

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.

As at 31 August 2017, the Company does not have in issue any financial instruments or other contract that may entitle its holder to subscribe for ordinary shares that are dilutive to its basic earnings per share.



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

**Notes to the interim financial report for the financial period ended 31 August 2017**

**13 Auditors' Report on the Preceding Annual Financial Statements**

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

**14 Realised and Unrealised Profits**

	<u>As at</u> <u>31.08.2017</u> RM'000	<u>As at</u> <u>28.02.2017</u> RM'000
Total retained earnings of the Company		
- Realised	870,869	817,259
- Unrealised	53,062	49,070
Total retained earnings as per statement of changes in equity	<u>923,931</u>	<u>866,329</u>

**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 5 October 2017.

By order of the Board  
5 October 2017