



**AEON Credit Service (M) Berhad**  
(412767-V)

**Notes to the interim financial report for the quarter ended 20 May 2009**

**A DISCLOSURE REQUIREMENTS AS PER FINANCIAL REPORTING STANDARDS ("FRS") 134: INTERIM FINANCIAL REPORTING**

**1 Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standard Board ("MASB"), and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 20 February 2009.

The significant accounting policies adopted are consistent with the audited financial statements for the financial year ended 20 February 2009.

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

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

**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 estimates of amounts which have a material effect in the current quarter under review.

**6 Issuance, Cancellation, Repurchase, Resale and Repayment of Debt and Equity Securities**

There was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities during the interim period under review except as disclosed in the Cash Flow Statement.

**7 Dividends Paid**

There was no dividend paid during the quarter under review.

**8 Segmental Reporting**

The Company is principally engaged in the provision of easy payment schemes, personal financing schemes and credit card business. As all the activities are categorised under consumer financing business, no segmental analysis is prepared.

**9 Valuation of Property, Plant and Equipment**

There was no revaluation of property, plant and equipment at the end of reporting quarter.

**10 Subsequent Events**

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



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**11 Changes in the Composition of the Company**

There were no changes in the composition of the Company during the quarter under review, including business combination, acquisition or disposal of subsidiaries and long-term investments, restructuring and discontinuing operations.

**12 Contingent Liabilities and Contingent Assets**

The Company did not have any contingent liabilities, either secured or unsecured, or contingent assets as at 20 May 2009 and at the date of this announcement.

**13 Capital Commitments**

Capital commitments for plant and equipment not provided for as at 20 May 2009 are as follows:

	RM'000
Authorised and contracted for	2,882
Authorised but not contracted for	0
	<hr/>
	2,882



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

**1 Performance Review**

For the current quarter ended 20 May 2009, the Company's revenue of RM 51.537 million represents growth of 21.8% or RM9.222 million from the corresponding quarter in the preceding year. The growth was mainly attributable to successful promotional activities and growth in consumer financing receivables during the previous year.

Correspondingly, the Company recorded profit before tax of RM16.373 million for the quarter, an increase of 19.6% or RM2.682 million from the corresponding quarter in the previous year due to the above factors. The Company recorded profit after tax of RM12.200 million for the quarter ended 20 May 2009, representing growth of 20.4% or RM2.068 million from corresponding quarter in the preceding year.

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

The Company registered a profit before taxation of RM16.373 million for the current quarter compared with profit before taxation of RM18.385 million in the preceding quarter ended 20 February 2009.

The Company has historically recorded better results in the 2<sup>nd</sup> half of every financial year, including the final quarter, due to major festive seasons in the period as well as year end spending by consumers, which increase financing and transaction value. Thus the first quarter of the current financial year is considered as "low season".

The lower profit before tax is mainly attributable to the above factor, combined with increase in operating expenses in the quarter under review.

**3 Current Year Prospects**

The Malaysian economy contracted by 6.2% year-on-year for the first quarter of 2009, with revised adverse forecast of contraction of 4% to 5% for the whole year by Bank Negara. The Company's performance for the current year will be affected by the economic environment. Nevertheless, the Company has adopted appropriate strategies to mitigate the impact.

**4 Taxation**

	<b>Individual quarter</b>		<b>Cumulative quarter</b>	
	<b>3 months ended</b>	<b>3 months ended</b>	<b>3 months ended</b>	<b>3 months ended</b>
	<b><u>20.05.2009</u></b>	<b><u>20.05.2008</u></b>	<b><u>20.05.2009</u></b>	<b><u>20.05.2008</u></b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current tax	4,955	3,972	4,955	3,972
Deferred tax	(782)	(413)	(782)	(413)
	<u>4,173</u>	<u>3,559</u>	<u>4,173</u>	<u>3,559</u>

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

**5 Profits/(Losses) on Sale of Unquoted Investments and/or Properties**

There were no sales of unquoted investments or properties during the quarter under review.



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**6 Quoted Investments**

There were no purchases or disposals of quoted securities during the quarter under review, and there were no investments in quoted shares as at the end of the quarter.

**7 Status of Corporate Proposal**

There were no corporate proposals announced or pending completion as at the date of this report.

**8 Borrowings (Unsecured)**

The borrowings of the Company as at 20 May 2009 comprised the following:

	<b>RM'000</b>
Non-Current :	
- Term loans	109,705
- Medium term notes	268,198
	<u>377,903</u>
Current :	
- Medium term notes	49,624
- Revolving credits/Term loans	236,790
- Bank overdrafts	-
	<u>286,414</u>
 Total	 <u><u>664,317</u></u>

The borrowings were denominated in the following currencies:

	<b>RM'000</b>	
	<b>Equivalent</b>	
Ringgit Malaysia	455,621	
United States Dollar	120,872	(Equivalent to USD37.088 million)
Japanese Yen	87,824	(Equivalent to JPY 2.467 billion)
	<u><u>664,317</u></u>	

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

**9 Off Balance Sheet Financial Instruments**

Details and value of contracts by remaining period to Maturity Date as at 20 May 2009 is as follows:

<b>Item</b>	Principal Amount RM'000	Less Than 1 Year RM'000	1 - 2	2 - 3	3 - 4	4 - 5
			years RM'000	years RM'000	years RM'000	years RM'000
Foreign Exchange Contracts						
- forward/currency swap	208,696	125,990	-	52,706	-	30,000



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The above forward exchange contracts are for the purpose of hedging borrowings obtained in foreign currency and have been entered into upon initial drawdown of the borrowings.

Other than the above, there are no other off balance sheet transactions in the Company at the date of this announcement.

#### 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) A final dividend has been approved by shareholders for the year ended 20 February 2009;
  - (ii) Amount per share – 11.34 sen less income tax of 25% (previous corresponding period – 7.44 sen per share less tax at 26%);
  - (iii) Date payable – 14 July 2009;
  - (iv) In respect of deposited securities, entitlement to dividend will be determined based on the record of depositors as at 30 June 2009.
- b) The total dividends for the financial year ended 20 February 2009 is 20.10 sen per share less tax at 25%, including the final dividend approved by shareholders and interim dividend paid on 24 October 2008 of 8.76 sen per share less tax at 25%;

#### 12 Earnings per Share

	Individual quarter		Cumulative quarter	
	3 months ended <u>20.05.2009</u> '000	3 months ended <u>20.05.2008</u> '000	Year to Date <u>20.05.2009</u> '000	Year to Date <u>20.05.2008</u> '000
Net profit attributable to equity holders	12,200	10,132	12,200	10,132
Weighted average number of ordinary shares in issue (unit)	120,000	120,000	120,000	120,000
Basic earnings per share (sen)	<u>10.17</u>	<u>8.44</u>	<u>10.17</u>	<u>8.44</u>

Basic Earnings per share for the quarter and year to date is calculated by dividing the net profit attributable to ordinary equity holders by weighted average number of ordinary shares in issue during the period.

The Company does not have in issue any financial instruments or other contract that may entitle its holder to ordinary shares and therefore dilutive to its basic earnings per share.



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**13 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 16 June 2009.

By order of the Board  
16 June 2009