



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

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 20 FEBRUARY 2013**

	Note	Individual quarter 3 months ended		Cumulative quarter 12 months ended	
		20.02.2013	20.02.2012	20.02.2013	20.02.2012
		RM'000	RM'000	RM'000	RM'000
Revenue	B4	131,683	94,275	467,127	344,269
Total operating expenses		(69,445)	(52,440)	(258,008)	(198,483)
Other operating income		8,262	6,766	33,660	24,900
<b>Profit from operations</b>	B5(a)	<b>70,500</b>	48,601	<b>242,779</b>	170,686
Finance costs		(18,399)	(11,700)	(61,672)	(42,625)
Profit before taxation		52,101	36,901	181,107	128,061
Taxation	B6	(13,093)	(9,185)	(46,981)	(32,454)
<b>Profit for the year</b>		<b>39,008</b>	27,716	<b>134,126</b>	95,607
<b>Other comprehensive income, net of tax</b>	B5(b)				
Cash flow hedge		(2,991)	9,703	(2,818)	(7,250)
<b>Other comprehensive income for the year, net of tax</b>		<b>(2,991)</b>	9,703	<b>(2,818)</b>	(7,250)
<b>Total comprehensive income for the year</b>		<b>36,017</b>	37,419	<b>131,308</b>	88,357
<b>Earnings per share attributable to equity holders of the Company :</b>					
Basic (sen)	B12	27.09	23.10	102.84	79.67
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 2012 and the accompanying notes to the quarterly report attached hereto.



**AEON Credit Service (M) Berhad**  
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**CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 20 FEBRUARY 2013**

	Note	As at 20.02.2013 RM'000	As at 20.02.2012 RM'000	As at 21.02.2011 RM'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Plant and equipment		41,036	27,452	24,137
Investments		5,542	1,283	1,797
Deferred tax assets		5,057	4,128	-
Financing receivables		1,189,825	568,276	407,377
		<u>1,241,460</u>	<u>601,139</u>	<u>433,311</u>
<b>Current assets</b>				
Financing receivables		1,166,909	923,200	701,127
Other receivables, deposits & prepayments		20,652	36,235	35,399
Cash and bank balances		6,404	4,416	5,649
		<u>1,193,965</u>	<u>963,851</u>	<u>742,175</u>
<b>TOTAL ASSETS</b>		<u><b>2,435,425</b></u>	<u><b>1,564,990</b></u>	<u><b>1,175,486</b></u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to equity holders of the Company</b>				
Share capital		72,000	60,000	60,000
Share premium		44,012	56,147	56,147
Reserves		313,195	225,087	166,070
<b>Total equity</b>		<u><b>429,207</b></u>	<u><b>341,234</b></u>	<u><b>282,217</b></u>
<b>Non-current liabilities</b>				
Borrowings	B8	1,191,934	877,603	594,742
Deferred tax liabilities		-	-	1,807
		<u><b>1,191,934</b></u>	<u><b>877,603</b></u>	<u><b>596,549</b></u>
<b>Current liabilities</b>				
Payables and accruals		106,869	81,097	54,132
Borrowings	B8	670,499	228,591	238,302
Derivative financial liabilities		18,130	24,666	1,445
Taxation		18,786	11,799	2,841
		<u><b>814,284</b></u>	<u><b>346,153</b></u>	<u><b>296,720</b></u>
Total liabilities		<u><b>2,006,218</b></u>	<u><b>1,223,756</b></u>	<u><b>893,269</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>2,435,425</b></u>	<u><b>1,564,990</b></u>	<u><b>1,175,486</b></u>
Net assets per share attributable to equity holders of the Company (RM)		<b>2.98</b>	2.84	2.35

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 2012 and the accompanying notes to the quarterly report attached hereto.



**AEON Credit Service (M) Berhad**  
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**CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 20 FEBRUARY 2013**

	<u>Attributable to Equity Holders of the Company</u>				<b>Total Equity RM'000</b>
	<u>Non - distributable</u>		<u>Distributable</u>		
	<b>Share capital RM'000</b>	<b>Share premium RM'000</b>	<b>Hedging reserve RM'000</b>	<b>Retained earnings RM'000</b>	
<b>At 21 February 2011</b>	60,000	56,147	(643)	166,713	282,217
Final dividend paid in respect of the financial year ended 20 February 2011	-	-	-	(13,500)	(13,500)
Interim dividend paid in respect of the financial year ended 20 February 2012	-	-	-	(15,840)	(15,840)
Total comprehensive income for the year	-	-	(7,250)	95,607	88,357
<b>At 20 February 2012</b>	60,000	56,147	(7,893)	232,980	341,234
<b>At 21 February 2012</b>	60,000	56,147	(7,893)	232,980	341,234
Final dividend paid in respect of the financial year ended 20 February 2012	-	-	-	(20,160)	(20,160)
Interim dividend paid in respect of the financial year ending 20 February 2013	-	-	-	(23,040)	(23,040)
Total comprehensive income for the year	-	-	(2,818)	134,126	131,308
Bonus shares issued	12,000	(12,000)	-	-	-
Bonus share issue expenses	-	(135)	-	-	(135)
<b>At 20 February 2013</b>	72,000	44,012	(10,711)	323,906	429,207

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 2012 and the accompanying notes to the quarterly report attached hereto.



**AEON Credit Service (M) Berhad**  
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**CONDENSED CASH FLOW STATEMENT  
FOR THE FINANCIAL YEAR ENDED 20 FEBRUARY 2013**

	2013 RM'000	2012 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	181,107	128,061
Adjustments for:		
Depreciation of plant and equipment	13,381	9,204
Finance costs	61,672	42,625
Gain on disposal of plant and equipment	(231)	-
Gain on disposal of investment	-	(742)
Plant and equipment written off	-	11
Allowance for impairment losses	87,131	64,014
Dividend income	-	(40)
Operating profit before working capital changes	<u>343,060</u>	<u>243,133</u>
Changes in working capital:		
Receivables, deposits and prepayments	(936,806)	(447,822)
Payables and accruals	12,916	26,510
Cash used in operations	<u>(580,830)</u>	<u>(178,179)</u>
Income taxes paid	(39,984)	(27,022)
Finance costs paid	(59,111)	(41,568)
<b>Net cash used in operating activities</b>	<u>(679,925)</u>	<u>(246,769)</u>
<b>Cash flows from investing activities</b>		
Dividend income	-	40
Acquisition of plant and equipment	(27,025)	(12,535)
Proceeds from disposal of plant and equipment	291	5
Acquisition of investment	(4,259)	(512)
Proceeds from disposal of investment	-	1,768
<b>Net cash used in investing activities</b>	<u>(30,993)</u>	<u>(11,234)</u>
<b>Cash flows from financing activities</b>		
Repayment of bank borrowings	(223,031)	(265,488)
Proceeds from borrowings	977,930	551,688
Dividends paid to ordinary shareholders of the Company	(43,200)	(29,340)
Payment of Bonus share issue expenses	(135)	-
<b>Net cash generated from financing activities</b>	<u>711,564</u>	<u>256,860</u>
Net increase/(decrease) in cash and cash equivalents	646	(1,143)
Cash and cash equivalents at 21 February	3,514	4,657
<b>Cash and cash equivalents at 20 February</b>	<u>4,160</u>	<u>3,514</u>
<b>Cash and cash equivalents</b>		
Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Cash and cash equivalents	6,404	4,416
Overdraft	(2,244)	(902)
	<u>4,160</u>	<u>3,514</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 2012 and the accompanying notes to the quarterly report attached hereto.



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**Notes to the interim financial report for the financial year ended 20 February 2013**

**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 2012. The financial statements of the Company as at and for the year ended 20 February 2012 were prepared in accordance with Financial Reporting Standards (“FRSs”).

These are the Company’s interim financial statements for part of the period covered by the Company’s first MFRS framework annual financial statements for the year ended 20 February 2013 and hence *MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards* has been applied. The transition to MFRS has not affected the Company’s reported financial position, financial performance and cash flows.

**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 2012.

**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 Flow Statement.



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**Notes to the interim financial report for the financial year ended 20 February 2013**

**8 Dividends Paid**

	<b>Cumulative Quarter (12 months)</b>	
	<b>Current Year</b>	<b>Preceding Year</b>
	<u><b>20.02.2013</b></u> <b>RM'000</b>	<u><b>20.02.2012</b></u> <b>RM'000</b>
Final dividend in respect of the financial year ended 20 February 2012		
- 16.80 sen single tier dividend per ordinary share	20,160	
Interim dividend in respect of the financial year ended 20 February 2013		
- 16.00 sen single tier dividend per ordinary share	23,040	
Final dividend in respect of the financial year ended 20 February 2011		
- 15.00 sen per ordinary share less 25% income tax		13,500
Interim dividend in respect of the financial year ended 20 February 2012		
- 13.20 sen single tier dividend per ordinary share		15,840
	<u>43,200</u>	<u>29,340</u>

**9 Segmental Reporting**

The Company is principally engaged in the provision of easy payment schemes, 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 revaluation of property, plant and equipment at the end of the reporting quarter.

**11 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 are likely to substantially affect the results of the quarter under review.



**AEON Credit Service (M) Berhad**  
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**Notes to the interim financial report for the financial year ended 20 February 2013**

**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 long-term investments, restructuring and discontinuing operations.

**13 Contingent Liabilities and Contingent Assets**

The Company did not have any contingent liabilities, either secured or unsecured, or contingent assets as at 20 February 2013 up to the date of this announcement.

**14 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 2012.

**15 Capital Commitments**

Capital commitments for plant and equipment which have been authorised and contracted, but not provided for as at 20 February 2013 amounted to RM4.161 million.



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**Notes to the interim financial report for the financial year ended 20 February 2013**

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

**1 Performance Review**

The Company's revenue recorded 39.7% and 35.7% growth respectively for the fourth quarter and twelve months ended 20 February 2013 compared to the previous year corresponding period. Total transaction and financing volume in the fourth quarter and for the twelve months ended 20 February 2013 were RM 702 million and RM2.467 billion respectively, representing growth of 59.5% and 48.9% respectively from previous year corresponding period. The Company realised growth in business and receivables based on increased financing transaction volume attributable to continued favourable economic environment and marketing and promotion activities. Higher growth was recorded for the vehicle financing and personal financing operations.

The financing receivables as at 20 February 2013 was RM 2.357 billion, representing growth of 58.1% from RM 1.491 billion in the previous year ended 20 February 2012. Meanwhile, non-performing loans (NPL) ratio was 1.74% as at February 2013 compared to 1.80% as at February 2012, reflecting satisfactory asset quality management in spite of the growth in business and receivables in the year.

Other operating income recorded of RM 8.262 million and RM 33.660 million for the fourth quarter and twelve months ended 20 February 2013, was 22.1% and 35.2% higher than previous year corresponding period. This is attributable to continued growth in fee income, including from sales of insurance products, collection commission and increase in bad debts recovered.

Profit before tax of RM52.101 million and RM181.107 million for the current quarter and twelve months ended 20 February 2013 respectively, represent an increase of 41.2% and 41.4% from previous year corresponding period. The results achieved were due to continued growth in business coupled with improved cost efficiency from sharp growth in receivables in the year and lower ratio of net impairment loss charge for the financial year against average financing receivables. Average funding cost in February 2013 was marginally lower compared to February 2012 due to new funding at competitive rates from various sources.

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

The Company's profit before taxation (PBT) of RM52.101 million for the current quarter is higher than the PBT of RM46.901 million in the preceding quarter ended 20 November 2012 mainly arising from growth in receivables and increased financing transaction volume in the period contributing to higher net operating profit.

**3 Current Year Prospects**

The Malaysian economy posted a growth of 6.4% in the fourth quarter of 2012, due to strong domestic demand, supported by both private and public sector spending. Meanwhile, the economic growth forecast for 2013 by Bank Negara Malaysia was between 5% to 6%.

The Company expects to be able to maintain its good performance in the current financial year based on current strong demand and positive market trend. The Company will continue to open new branches and expand its services to increase its market share in the industry.





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**Notes to the interim financial report for the financial year ended 20 February 2013**

**4 Revenue**

	Individual quarter		Cumulative quarter	
	3 months ended	3 months ended	12 months ended	12 months ended
	<u>20.02.2013</u>	<u>20.02.2012</u>	<u>20.02.2013</u>	<u>20.02.2012</u>
	RM'000	RM'000	RM'000	RM'000
Revenue comprises:				
Interest income, profit revenue and finance charges	109,895	75,232	380,627	274,034
Fee income	21,788	19,043	86,500	70,235
	<u>131,683</u>	<u>94,275</u>	<u>467,127</u>	<u>344,269</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>20.02.2013</u>	<u>20.02.2012</u>	<u>20.02.2013</u>	<u>20.02.2012</u>
	RM'000	RM'000	RM'000	RM'000
(a) Included in Profit from Operations:				
Bad debts recovered	5,689	4,327	22,269	17,698
Gain on disposal of investment	-	742	-	742
Dividend income	-	-	-	40
Depreciation of plant and equipment	(3,732)	(2,595)	(13,381)	(9,204)
Allowance for impairment losses on receivables	(24,425)	(17,428)	(87,131)	(64,014)
(b) Included in Other Comprehensive Income:				
Gain / (loss) on cash flow hedge	(2,991)	9,703	(2,818)	(7,250)

Receivables are written off against allowance for impairment losses on receivables. Receivables amounting to RM 71.389 million have been written off against allowance for impairment losses on receivables for the financial year ended 20 February 2013.



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**Notes to the interim financial report for the financial year ended 20 February 2013**

**6 Taxation**

	<b>Individual quarter</b>		<b>Cumulative quarter</b>	
	<b>3 months</b>	<b>3 months</b>	<b>12 months</b>	<b>12 months</b>
	<b>ended</b>	<b>ended</b>	<b>ended</b>	<b>ended</b>
	<b><u>20.02.2013</u></b>	<b><u>20.02.2012</u></b>	<b><u>20.02.2013</u></b>	<b><u>20.02.2012</u></b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>In respect of current year:</b>				
- Current tax	13,740	8,493	47,371	32,310
- Deferred tax	(233)	802	24	254
	13,507	9,295	47,395	32,564
<b>In respect of prior year:</b>				
- Current tax	(400)	962	(400)	3,670
- Deferred tax	(14)	(1,072)	(14)	(3,780)
	13,093	9,185	46,981	32,454

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 2013 comprised the following:

	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Non-Current :</b>			
- Term loans / financing	-	891,934	891,934
- Medium term notes	-	200,000	200,000
- Asset backed medium term notes	100,000	-	100,000
	100,000	1,091,934	1,191,934
<b>Current :</b>			
- Bank overdrafts	-	2,244	2,244
- Revolving credits	-	140,836	140,836
- Term loans / financing	-	77,729	77,729
- Medium term notes	-	219,999	219,999
- Commercial paper	-	179,691	179,691
- Asset backed medium term notes	50,000	-	50,000
	50,000	620,499	670,499
<b>Total</b>	150,000	1,712,433	1,862,433



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**Notes to the interim financial report for the financial year ended 20 February 2013**

The borrowings were denominated in the following currencies:

	<b>Secured RM'000 Equivalent</b>	<b>Unsecured RM'000 Equivalent</b>	<b>Total RM'000 Equivalent</b>	
Ringgit Malaysia	150,000	1,060,934	1,210,934	
United States Dollar	-	651,499	651,499	(Equivalent to USD 210.433 million)
	<u>150,000</u>	<u>1,712,433</u>	<u>1,862,433</u>	

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

The asset backed medium term notes are secured against a pool of consumer financing receivables.

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

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

<b>As at 20 February 2013</b>	<b>Contract/ Notional Amount RM'000</b>	<b>Fair Value RM'000</b>
<u>Forward exchange contracts:</u>		
Less than 1 year	<u>10,764</u>	<u>10,836</u>
<u>Cross currency swaps:</u>		
Less than 1 year	30,000	28,728
1 – 3 years	259,664	260,385
More than 3 years	354,921	351,550
	<u>644,585</u>	<u>640,663</u>
<b>Total</b>	<u><u>655,349</u></u>	<u><u>651,499</u></u>

(b) Fair value of financial liabilities

There were no fair value gain/(loss) on fair value changes of financial liabilities as all financial liabilities were measured at amortised cost.

**10 Material Litigation**

As at date of this announcement, the Company is not engaged in any material litigation which in the opinion of the Board of Directors will have a material effect on the financial position or business of the Company.



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**Notes to the interim financial report for the financial year ended 20 February 2013**

**11 Dividend**

Final dividend

- (i) A final single tier dividend has been recommended for the financial year end 20 February 2013;
- (ii) Amount per share – 19.50 sen (previous corresponding period – 16.80 sen per share);
- (iii) Date payable – 16 July 2013;
- (iv) In respect of deposited securities, entitlement to dividend will be determined based on the record of depositors as at 2 July 2013.

**12 Earnings per Share**

	Individual quarter		Cumulative quarter	
	3 months ended <u>20.02.2013</u> '000	3 months ended <u>20.02.2012</u> '000	12 months ended <u>20.02.2013</u> '000	12 months ended <u>20.02.2012</u> '000
Net profit attributable to equity holders	39,008	27,716	134,126	95,607
Weighted average number of ordinary shares in issue (unit)	144,000	120,000	130,426	120,000
Basic earnings per share (sen)	27.09	23.10	102.84	79.67

Basic Earnings per share for the quarter and year to date is calculated by dividing the net profit attributable to ordinary equity holders by the 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.

**13 Realised and Unrealised Profits**

	12 months ended <u>20.02.2013</u> RM'000	12 months ended <u>20.02.2012</u> RM'000
Total retained earnings of the Company		
- Realised	318,849	228,852
- Unrealised	5,057	4,128
Total retained earnings as per Statement of Changes in Equity	<u>323,906</u>	<u>232,980</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 18 April 2013.

By order of the Board  
18 April 2013