



AEON Credit Service (M) Berhad

(Registration No. 199601040414 (412767-V))

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2022

	Note	Unaudited Individual quarter 3 months ended			Unaudited Cumulative quarter 9 months ended		
		30.11.2022	30.11.2021	Changes	30.11.2022	30.11.2021	Changes
		RM'000	RM'000	%	RM'000	RM'000	%
Revenue	B4	417,839	376,471	11.0%	1,207,581	1,161,912	3.9%
Total operating expenses		(279,699)	(181,888)	53.8%	(703,990)	(566,319)	24.3%
Other income		42,201	50,459	-16.4%	148,734	138,218	7.6%
Profit from operations	B5(a)	180,341	245,042	-26.4%	652,325	733,811	-11.1%
Interest expense	B6	(78,758)	(81,014)	-2.8%	(235,160)	(251,780)	-6.6%
Profit before tax		101,583	164,028	-38.1%	417,165	482,031	-13.5%
Taxation	B7	(17,956)	(60,564)	-70.4%	(94,820)	(139,992)	-32.3%
Profit for the period		83,627	103,464	-19.2%	322,345	342,039	-5.8%
Other comprehensive income/(loss), net of tax	B5(b)						
<i>Item that may be reclassified subsequently to profit or loss:</i>							
Net changes in cash flow hedge		18,922	26,451	-28.5%	65,736	44,386	48.1%
<i>Item that will not be reclassified subsequently to profit or loss:</i>							
Net fair value changes through other comprehensive income		(1,349)	(1,755)	-23.1%	634	(2,205)	128.8%
Total comprehensive income for the period		101,200	128,160	-21.0%	388,715	384,220	1.2%
Profit attributable to equity holders of the Company		83,627	103,464	-19.2%	322,345	342,039	-5.8%
Total comprehensive income attributable to equity holders of the Company		101,200	128,160	-21.0%	388,715	384,220	1.2%
Earnings per share attributable to owners of the Company (sen)							
Basic	B14	32.76	40.53	-19.2%	124.28	132.00	-5.8%

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 28 February 2022 and the accompanying notes to the quarterly report attached hereto.



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 NOVEMBER 2022

	Note	Unaudited As at 30.11.2022 RM'000	Audited As at 28.2.2022 RM'000
ASSETS			
Non-current Assets			
Plant and equipment		124,215	144,289
Right-of-use assets		39,980	44,678
Other investments		26,359	25,725
Goodwill on consolidation		511	511
Deferred tax assets		186,508	211,797
Financing receivables		6,731,211	6,170,956
Total Non-current Assets		7,108,784	6,597,956
Current Assets			
Financing receivables		3,062,602	2,930,155
Trade receivables		903	1,508
Other receivables, deposits and prepayments		52,768	56,998
Amount owing by related companies		12,249	19,235
Derivative financial assets	B8	225,191	26,057
Tax recoverable		-	5
Cash, bank balances and deposits		275,110	508,960
Total Current Assets		3,628,823	3,542,918
TOTAL ASSETS		10,737,607	10,140,874
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital		584,012	584,012
Hedging reserve		16,537	(49,199)
Fair value reserve		4,696	4,062
Retained earnings		1,655,891	1,462,411
Equity attributable to ordinary equity holders of the Company		2,261,136	2,001,286
Perpetual notes and sukuk		200,000	200,000
Total Equity		2,461,136	2,201,286



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 NOVEMBER 2022 (Continued)

	Note	Unaudited As at 30.11.2022 RM'000	Audited As at 28.2.2022 RM'000
Non-current Liabilities			
Borrowings	B11	6,297,925	6,791,891
Lease liabilities		<u>22,309</u>	<u>26,797</u>
Total Non-current Liabilities		<u>6,320,234</u>	<u>6,818,688</u>
Current Liabilities			
Borrowings	B11	1,422,634	598,605
Trade payables		26,703	26,148
Other payables and accruals		406,574	364,513
Amount owing to immediate holding company		6,440	7,731
Amount owing to related companies		4,111	4,842
Derivative financial liabilities	B8	52,409	69,655
Lease liabilities		19,006	18,941
Tax liabilities		<u>18,360</u>	<u>30,465</u>
Total Current Liabilities		<u>1,956,237</u>	<u>1,120,900</u>
Total Liabilities		<u>8,276,471</u>	<u>7,939,588</u>
TOTAL EQUITY AND LIABILITIES		<u>10,737,607</u>	<u>10,140,874</u>
Net assets per share (RM)		8.85	7.84
Number of ordinary shares ('000)		255,308	255,308
Capital adequacy ratio (%)		26.90	26.85

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 28 February 2022 and the accompanying notes to the quarterly report attached hereto.



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2022

	← <u>Non-distributable</u> →			<u>Distributable</u>		
	Share capital	Perpetual notes and sukuk	Hedging reserve	Fair value reserve	Retained earnings	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 March 2021	584,012	200,000	(128,262)	6,517	1,230,925	1,893,192
Cash flow hedge, net of tax	-	-	44,386	-	-	44,386
Fair value through other comprehensive income	-	-	-	(2,205)	-	(2,205)
Profit for the period	-	-	-	-	342,039	342,039
Total comprehensive income for the period	-	-	44,386	(2,205)	342,039	384,220
Distribution on perpetual notes and sukuk, net of tax	-	-	-	-	(5,040)	(5,040)
Dividends	-	-	-	-	(123,825)	(123,825)
At 30 November 2021	584,012	200,000	(83,876)	4,312	1,444,099	2,148,547

	← <u>Non-distributable</u> →			<u>Distributable</u>		
	Share capital	Perpetual notes and sukuk	Hedging reserve	Fair value reserve	Retained earnings	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 March 2022	584,012	200,000	(49,199)	4,062	1,462,411	2,201,286
Cash flow hedge, net of tax	-	-	65,736	-	-	65,736
Fair value through other comprehensive income	-	-	-	634	-	634
Profit for the period	-	-	-	-	322,345	322,345
Total comprehensive income for the period	-	-	65,736	634	322,345	388,715
Distribution on perpetual notes and sukuk, net of tax	-	-	-	-	(5,040)	(5,040)
Dividends	-	-	-	-	(123,825)	(123,825)
At 30 November 2022	584,012	200,000	16,537	4,696	1,655,891	2,461,136

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 28 February 2022 and the accompanying notes to the quarterly report attached hereto.



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2022

	30.11.2022 RM'000	30.11.2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	417,165	482,031
Adjustments for:		
Interest income	(5,682)	(10,358)
Dividend income	(9)	-
Finance costs	233,766	249,991
Interest expenses on lease liabilities	1,394	1,789
Gain on disposal of plant and equipment	(10)	(69)
Depreciation of plant and equipment	31,479	35,676
Depreciation of right-of-use assets	15,907	16,873
Allowance/(Reversal) for impairment loss on financing receivables	42,383	(152,158)
Write-off on financing receivables	288,251	300,767
Write-off of plant and equipment	164	34
Operating profit before changes in working capital	1,024,808	924,576
Changes in working capital:		
Financing receivables	(1,023,336)	170,909
Trade receivables	605	-
Other receivables, deposits and prepayments	4,230	23,041
Amount owing by related companies	6,986	3,053
Trade payables	555	(7,424)
Other payables and accruals	35,714	42,909
Amount owing to immediate holding company	(1,291)	(15,383)
Amount owing to related companies	(731)	(2,234)
Cash held in trust for customers	(8,060)	(7,199)
Cash generated from operations	39,480	1,132,248
Tax paid	(100,798)	(113,713)
Net cash (used in)/from operating activities	(61,318)	1,018,535
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of plant and equipment	(11,569)	(37,272)
Proceeds from disposal of plant and equipment	10	237
Acquisition of a subsidiary, net of cash acquired	-	(250)
Interest received	5,682	10,358
Dividend received	9	-
Net cash used in investing activities	(5,868)	(26,927)



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2022 (Continued)

	30.11.2022 RM'000	30.11.2021 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to equity holders of the Company	(123,825)	(123,825)
Proceeds from bank borrowings	500,000	500,000
Repayment of bank borrowings	(299,822)	(756,740)
Repayment of lease liabilities	(17,026)	(18,179)
Decrease/(Increase) in deposits held in trust account	28	(1)
Distribution paid to perpetual notes and sukuk holders	(6,632)	(6,632)
Finance costs paid	(227,419)	(248,421)
Net cash used in financing activities	(174,696)	(653,798)
Net (decrease)/increase in cash and cash equivalents	(241,882)	337,810
Cash and cash equivalents at beginning of year	468,233	405,955
Cash and cash equivalents at end of period	226,351	743,765

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

	30.11.2022 RM'000	30.11.2021 RM'000
Cash and bank balances	83,241	72,666
Deposits placed with licensed financial institutions	191,869	711,892
	275,110	784,558
Cash held in trust for customers	(48,624)	(40,631)
Deposits held in trust account	(135)	(162)
	226,351	743,765

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 28 February 2022 and the accompanying notes to the quarterly report attached hereto.



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Notes to the interim financial report for the financial period ended 30 November 2022

A EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (“MFRS 134”)

A1 Basis of Preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the Group’s audited financial statements for the financial year ended 28 February 2022. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 28 February 2022.

A2 Significant accounting policies

The significant accounting policies and methods of computation adopted in these interim financial statements are consistent with those adopted in the latest audited financial statements, except for the following:

Adoption of new and revised Malaysian Financial Reporting Standards (“MFRSs”)

In the current financial year, the Group adopted the following amendments to MFRSs issued by the MASB that are effective for annual financial periods beginning on or after 1 March 2022:

- Amendments to MFRSs *Annual Improvements to MFRSs Standards 2018 - 2020*
- Amendments to MFRS 3 *Reference to Conceptual Framework*
- Amendments to MFRS 116 *Property, Plant and Equipment - Proceeds before Intended Use*
- Amendments to MFRS 137 *Onerous Contracts - Costs of Fulfilling a Contract*

The adoption of these amendments to MFRSs did not have any material impact on the financial performance or position of the Group for the current financial period.

Amendments to MFRSs in issue but not yet effective

At the date of authorisation for issue of these financial statements, the relevant Amendments to MFRSs, which were in issue but not yet effective and not early adopted by the Group are as listed below:

Effective for annual periods beginning on or after 1 January 2023

- MFRS 17 *Insurance Contracts*
- Amendments to MFRS 4 *Extension of the Temporary Exemption from Applying MFRS 9*
- Amendments to MFRS 101 *Classification of Liabilities as Current and Non-current*
- Amendments to MFRS 101 *Disclosure of Accounting Policies*
- Amendments to MFRS 108 *Definition of Accounting Estimates*
- Amendments to MFRS 112 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to MFRS 17 *Initial Application of MFRS 9 and MFRS17 - Comparative Information*

The Group will adopt the above standard and amendments when they become effective and the adoption of these amendments is not expected to have any material impact on the financial statements of the Group in the period of initial application.



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A3 Seasonal or Cyclical Factors

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

A4 Unusual Items

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

A5 Changes in Estimates

There were no material changes in the nature and amount of estimates reported in prior interim periods or prior financial years that have a material effect in the current financial period under review.

A6 Debt and Equity Securities

There were no other issuance, cancellation, repurchase, resale or repayment of debt and equity securities in the current financial period under review.

A7 Dividend Paid

	Cumulative quarter	
	Current Year	Preceding Year
	Year-To-Date	Year-To-Date
	<u>30.11.2022</u>	<u>30.11.2021</u>
	RM'000	RM'000
In respect of the financial year ended 28 February 2021		
- Final single-tier dividend of 20.00 sen per ordinary share	-	51,062
In respect of the financial year ended 28 February 2022		
- Interim single-tier dividend 28.50 sen per ordinary share	-	72,763
- Final single-tier dividend of 15.00 sen per ordinary share	38,296	-
- Special single-tier dividend of 5.00 sen per ordinary share	12,766	-
In respect of the financial year ending 28 February 2023		
- Interim single-tier dividend 28.50 sen per ordinary share	72,763	-
	<u>123,825</u>	<u>123,825</u>

A8 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. The contribution from the subsidiary which is principally engaged in the insurance brokerage business remains insignificant to the Group during the current financial period under review.

On this basis, the Managing Director ("MD") reviews the business performance of the Group as a whole.



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A9 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.

A10 Changes in the Composition of the Group

There were no changes in the composition of the Group during the quarter under review, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructuring and discontinuing operations other than as disclosed below.

On 19 July 2022, ACS Digital Berhad (“ACSD”) was incorporated to pursue the digital Islamic banking business as disclosed in the Note B10. ACSD has an issued and paid-up share capital of RM10,000 and the Company in the interim is holding 100% equity interest in ACSD, pending the finalisation of the eventual capital contribution by parties to the joint venture.

A11 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).

30.11.2022

Financial assets

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Other investments	300	-	26,059	26,359
Derivatives designated as hedging instruments	-	225,191	-	225,191
Total financial assets carried at fair value	300	225,191	26,059	251,550

Financial liabilities

Derivatives designated as hedging instruments	-	52,409	-	52,409
Total financial liabilities carried at fair value	-	52,409	-	52,409

28.2.2022

Financial assets

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Other investments	428	-	25,297	25,725
Derivatives designated as hedging instruments	-	26,057	-	26,057
Total financial assets carried at fair value	428	26,057	25,297	51,782

Financial liabilities

Derivatives designated as hedging instruments	-	69,655	-	69,655
Total financial liabilities carried at fair value	-	69,655	-	69,655



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A12 Contingent Liabilities and Contingent Assets

The Group did not have any contingent liabilities, either secured or unsecured, or contingent assets as at 30 November 2022 and up to the date of this announcement.

A13 Related Party Transactions

During the current quarter under review and up to the date of this announcement, the Group did not enter into any significant Related Party Transactions or Recurrent Related Party Transactions of revenue or trading nature other than those that had been mandated by the shareholders during the Annual General Meeting held on 29 June 2022.

A14 Capital Commitments

Capital commitments for plant and equipment which have been authorised and contracted, but not provided for amounted to RM25.968 million as at 30 November 2022.



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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

B1 Performance Review

	Individual quarter 3 months ended			Cumulative quarter 9 months ended		
	30.11.2022 RM'000	30.11.2021 RM'000	Changes %	30.11.2022 RM'000	30.11.2021 RM'000	Changes %
Transaction and financing volume	1,548,581	1,188,326	30.3%	4,647,676	3,305,207	40.6%
Revenue	417,839	376,471	11.0%	1,207,581	1,161,912	3.9%
Total operating expenses	(279,699)	(181,888)	53.8%	(703,990)	(566,319)	24.3%
Other income	42,201	50,459	-16.4%	148,734	138,218	7.6%
Profit from operations	180,341	245,042	-26.4%	652,325	733,811	-11.1%
Profit before tax	101,583	164,028	-38.1%	417,165	482,031	-13.5%
Profit for the period	83,627	103,464	-19.2%	322,345	342,039	-5.8%

i) Current Quarter vs Preceding Year Corresponding Quarter

Total transaction and financing volume in the current quarter of RM1.549 billion was higher by 30.3% as compared to preceding year corresponding quarter. The Group recorded a total revenue of RM417.839 million, which was higher by 11.0% as compared to the preceding year corresponding quarter mainly attributable to stronger loan and financing growth.

The gross financing receivables as at 30 November 2022 of RM10.593 billion was higher by RM987.156 million as compared to 30 November 2021. The net financing receivables after allowance for impairment loss was RM9.794 billion as at 30 November 2022 as compared to RM8.915 billion as at 30 November 2021. Non-Performing Loans ("NPL") ratio was 2.52% as at 30 November 2022 as compared to 1.75% as at 30 November 2021.

Other income for the current quarter recorded at RM42.201 million mainly from bad debt recoveries.

Ratio of total operating expenses against revenue was recorded at 66.9% for the current quarter as compared to 48.3% in the preceding year corresponding quarter. The increase in operating expenses was mainly due to higher impairment losses on financing receivables of RM143.406 million as compared to RM33.090 million for the preceding year corresponding quarter, partially offset by lower other operating expenses.

Funding cost for the current quarter was marginally lower by 2.8% as compared to the preceding year corresponding quarter. The nominal value of borrowings as at 30 November 2022 was RM7.571 billion as compared to RM7.519 billion as at 30 November 2021.

Profit before tax ("PBT") for the current quarter of RM101.583 million was lower by 38.1% as compared to the preceding year corresponding quarter.



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B1 Performance Review (Continued)

ii) Current Year-to-date vs Preceding Year-to-date

Total transaction and financing volume for the financial period-to-date grew by 40.6% to RM4.648 billion compared to preceding year corresponding period. Total revenue registered for the financial period-to-date of RM1.208 billion was marginally higher by 3.9% compared to RM1.162 billion recorded in the preceding year corresponding period.

The Group recorded a lower PBT of RM417.165 million for the financial period-to-date as compared to RM482.031 million in the preceding year corresponding period. The decrease was mainly due to the higher impairment losses on financing receivables by RM182.025 million. Loan loss coverage ratio stood at 297% as at 30 November 2022 as compared to 410% as at 30 November 2021.

B2 Financial Review of Profit before Taxation for Current Quarter Compared with Immediate Preceding Quarter

	Current Quarter 30.11.2022 RM'000	Immediate Preceding Quarter 31.8.2022 RM'000	Changes %
Transaction and financing volume	1,548,581	1,612,350	-4.0%
Revenue	417,839	399,171	4.7%
Total operating expenses	(279,699)	(268,111)	4.3%
Other income	42,201	47,799	-11.7%
Profit from operations	180,341	178,859	0.8%
Profit before tax	101,583	100,047	1.5%
Profit for the period	83,627	75,649	10.5%

PBT for the current quarter was increased by 1.5% to RM101.583 million from RM100.047 million recorded in the immediate preceding quarter. The higher PBT was mainly due to lower impairment losses of RM143.406 million recorded in the current quarter as compared to RM149.949 million for the immediate preceding quarter.

B3 Current Year Prospects

In the third quarter of 2022, the Malaysian Gross Domestic Product (“GDP”) improved by 14.2% as compared to 8.9% in the second quarter of 2022 contributed by robust domestic and external demand besides the improved labour market. Bank Negara Malaysia has forecasted that Malaysia's 2022 GDP growth of between 6.5% and 7.0% and expected the growth would continue to benefit from improving labour market conditions, recovery in tourism-related sectors and improving investment activities, supported by the realisation of multi-year projects.

Nevertheless, the Group remains cautiously optimistic that business revenue will gradually be improved to pre-pandemic levels. Accordingly, the Group will continue to closely monitor and assess the inherent credit risks in its financing portfolios, with proactive attention focused on enhancement of asset quality, prudent cost management and improvement on financial and operational efficiencies by leveraging on its positive business fundamentals.



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B3 Current Year Prospects (Continued)

The Group is committed to building its long term business sustainability and growth agenda and will be continuously enhancing its information technology capabilities to strengthen the digitalisation of its operations. Barring any unforeseen circumstances, the Group expects to be able to maintain its financial performance by putting in place the appropriate measures for the financial year ending 28 February 2023.

B4 Revenue

	Individual quarter 3 months ended		Cumulative quarter 9 months ended	
	<u>30.11.2022</u>	<u>30.11.2021</u>	<u>30.11.2022</u>	<u>30.11.2021</u>
	RM'000	RM'000	RM'000	RM'000
Revenue comprises:				
Interest income, profit revenue and finance charges	370,166	337,448	1,061,596	1,055,205
Fee income	47,673	39,023	145,985	106,707
	<u>417,839</u>	<u>376,471</u>	<u>1,207,581</u>	<u>1,161,912</u>

B5 Notes to the Statement of Comprehensive Income

Except as disclosed below, other disclosure items in item 16 of Appendix 9B of Bursa Malaysia's Listing Requirements are not applicable:

	Individual quarter 3 months ended		Cumulative quarter 9 months ended	
	<u>30.11.2022</u>	<u>30.11.2021</u>	<u>30.11.2022</u>	<u>30.11.2021</u>
	RM'000	RM'000	RM'000	RM'000
(a) Included in Profit from operations:				
Bad debts recovered	39,011	41,705	137,582	117,906
Interest income	1,671	4,037	5,682	10,358
Dividend income	2	-	9	-
Gain on disposal of plant and equipment	10	-	10	69
Depreciation of plant and equipment	(10,577)	(11,867)	(31,479)	(35,676)
Depreciation of right-of-use assets	(5,226)	(5,758)	(15,907)	(16,873)
(Allowance)/Reversal for impairment loss on financing receivables	34,831	48,461	(42,383)	152,158
Write-off on financing receivables	(178,237)	(81,551)	(288,251)	(300,767)
Write-off of plant and equipment	-	-	(164)	(34)
(b) Included in Other comprehensive income/(loss):				
Net changes in cash flow hedge	18,922	26,451	65,736	44,386
Net fair value changes on equity instruments through other comprehensive income	(1,349)	(1,755)	634	(2,205)



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B6 Interest expense

	Individual quarter 3 months ended		Cumulative quarter 9 months ended	
	<u>30.11.2022</u>	<u>30.11.2021</u>	<u>30.11.2022</u>	<u>30.11.2021</u>
	RM'000	RM'000	RM'000	RM'000
Interest expense on financial liabilities that are not stated at fair value through profit or loss:				
Term loans/financing	70,143	73,455	211,604	229,096
Senior and subordinated sukuk	6,831	6,807	20,612	20,552
Commercial paper	119	93	298	343
Revolving credits	1,211	-	1,252	-
	<u>78,304</u>	<u>80,355</u>	<u>233,766</u>	<u>249,991</u>
Interest on lease liabilities	454	659	1,394	1,789
	<u>78,758</u>	<u>81,014</u>	<u>235,160</u>	<u>251,780</u>

B7 Taxation

	Individual quarter 3 months ended		Cumulative quarter 9 months ended	
	<u>30.11.2022</u>	<u>30.11.2021</u>	<u>30.11.2022</u>	<u>30.11.2021</u>
	RM'000	RM'000	RM'000	RM'000
Income tax payable:				
- current period	26,462	58,873	98,370	116,436
- (over)/under provision in prior years	(8,080)	944	(8,080)	944
	<u>18,382</u>	<u>59,817</u>	<u>90,290</u>	<u>117,380</u>
Deferred tax:				
- current period	(1,710)	5,278	3,246	27,143
- under/(over) provision in prior years	1,284	(4,531)	1,284	(4,531)
	<u>(426)</u>	<u>747</u>	<u>4,530</u>	<u>22,612</u>
	<u>17,956</u>	<u>60,564</u>	<u>94,820</u>	<u>139,992</u>

The Group's effective tax rate for the current quarter and current financial period was lower than the statutory tax rate of 24% mainly due to the effects of overprovision of income tax in prior year.



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B8 Derivatives and Fair Value Changes of Financial Instruments

(a) Details of derivative financial instruments outstanding as at 30 November 2022 are as follows:

	Notional Amount		Fair Value	
	Assets/(Liabilities)			
	30.11.2022	28.2.2022	30.11.2022	28.2.2022
	RM'000	RM'000	RM'000	RM'000
<u>Derivative financial assets</u>				
<u>Cross currency swaps:</u>				
Less than 1 year	212,634	-	12,545	-
1 – 3 years	1,376,448	413,392	95,545	16,115
More than 3 years	1,549,946	449,728	117,101	9,942
Total	3,139,028	863,120	225,191	26,057
<u>Derivative financial liabilities</u>				
<u>Cross currency swaps:</u>				
Less than 1 year	-	298,605	-	(5,904)
1 – 3 years	143,976	887,004	(7,855)	(15,137)
More than 3 years	298,741	1,353,131	(44,554)	(48,614)
Total	442,717	2,538,740	(52,409)	(69,655)

(b) Fair value of financial liabilities

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

B9 Provision of Financial Assistance

The Group has not extended any loans/advances to any party or received any loan/advances from any party in the ordinary course of its business as a licensed moneylender and therefore, there are no outstanding loans/advances as at 30 November 2022.



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B10 Status of Corporate Proposal

Proposed joint venture between the Company, AEON Financial Service Co., Ltd. (“AFS”) and MoneyLion Inc. (“MLI”) and application to Bank Negara Malaysia (“BNM”) for a digital bank license

The Company, together with its Joint Venture (“JV”) consortium parties AEON Financial Service Co., Ltd. (immediate holding company) and MoneyLion Inc. (“MLI”) had submitted a joint application for a Digital Islamic Bank (“DIB”) Licence to Bank Negara Malaysia (“BNM”).

On 29 April 2022, the Company was notified by BNM that the Minister of Finance has approved the issuance of a DIB Licence to a company to be formed by the JV consortium parties.

On 30 September 2022, the Company, AFS and MLI reached agreement to cease negotiations on MLI’s participation in the proposed JV to establish the DIB, arising from desire of MLI to focus on its operations in the United States at this juncture. Consequently, the Company and AFS as the remaining JV partners shall continue with the implementation of the operational readiness plan to establish the DIB, subject to meeting regulatory requirements.

Subject to satisfying the operational readiness requirements by BNM and barring any unforeseen circumstances, the DIB is targeted to be operational within 24 months from the date of approval.

B11 Borrowings

The borrowings of the Group as at 30 November 2022 comprised the following:

	<u>30.11.2022</u>	<u>28.2.2022</u>
	Unsecured	Unsecured
	RM’000	RM’000
Non-current :		
- Term loans/financing	5,599,111	6,093,255
- Senior sukuk	499,101	498,953
- Subordinated sukuk	199,713	199,683
	6,297,925	6,791,891
Current :		
- Term loans/financing	1,272,634	598,605
- Revolving credits	150,000	-
	1,422,634	598,605
Total	7,720,559	7,390,496



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B11 Borrowings (Continued)

The borrowings were denominated in the following currencies:

	<u>30.11.2022</u>		<u>28.2.2022</u>	
	Foreign Currency '000	Unsecured Equivalent RM'000	Foreign Currency '000	Unsecured Equivalent RM'000
Ringgit Malaysia		4,138,814		3,988,636
United States Dollar	738,742	3,283,004	729,619	3,063,309
Japanese Yen	9,318,765	298,741	9,318,765	338,551
		<u>7,720,559</u>		<u>7,390,496</u>

B12 Material Litigation

As at the date of this announcement, the Group 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 Group.

B13 Dividends

There was no dividend declared during the current quarter. The interim single-tier dividend of 28.50 sen per ordinary share declared on 29 September 2022 for the financial year ending 28 February 2023 was paid to shareholders on 3 November 2022 as disclosed in Note A7.

B14 Earnings per share

	Individual quarter		Cumulative quarter	
	3 months ended		9 months ended	
	<u>30.11.2022</u>	<u>30.11.2021</u>	<u>30.11.2022</u>	<u>30.11.2021</u>
	RM'000	RM'000	RM'000	RM'000
Profit attributable to equity holders	83,627	103,464	322,345	342,039
Distribution on perpetual notes and sukuk, net of tax	-	-	(5,040)	(5,040)
Profit attributable to ordinary equity holders	<u>83,627</u>	<u>103,464</u>	<u>317,305</u>	<u>336,999</u>



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B14 Earnings per share (Continued)

Basic Earnings Per Share (Continued)

Basic earnings per share is calculated by dividing the profit after distribution on perpetual notes and sukuk by the weighted average number of ordinary shares outstanding during the period.

	Individual quarter 3 months ended		Cumulative quarter 9 months ended	
	<u>30.11.2022</u>	<u>30.11.2021</u>	<u>30.11.2022</u>	<u>30.11.2021</u>
Profit attributable to ordinary equity holders (RM'000)	83,626	103,464	317,304	336,999
Weighted average number of ordinary shares ('000 unit)	255,308	255,308	255,308	255,308
Basic earnings per share (sen)	<u>32.75</u>	<u>40.53</u>	<u>124.28</u>	<u>132.00</u>

Diluted Earnings Per Share

There were no dilutive potential ordinary shares outstanding as at 30 November 2022. As a result, the diluted earnings per share is equivalent to the basic earnings per share.

B15 Auditors' Report on the Preceding Annual Financial Statements

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

B16 Authorisation for Issue

This 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 December 2022.

By order of the Board
21 December 2022