



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 YEAR ENDED 28 FEBRUARY 2023

	Note	Unaudited Individual quarter 3 months ended			Unaudited Cumulative quarter 12 months ended		
		28.2.2023	28.2.2022	Changes	28.2.2023	28.2.2022	Changes
		RM'000	RM'000	%	RM'000	RM'000	%
Revenue	B4	432,664	362,968	19.2%	1,640,245	1,524,880	7.6%
Total operating expenses		(270,654)	(282,212)	-4.1%	(974,644)	(848,531)	14.9%
Other income		48,562	43,139	12.6%	197,296	181,357	8.8%
Profit from operations	B5(a)	210,572	123,895	70.0%	862,897	857,706	0.6%
Interest expense	B6	(80,761)	(79,106)	2.1%	(315,921)	(330,886)	-4.5%
Profit before tax		129,811	44,789	189.8%	546,976	526,820	3.8%
Taxation	B7	(34,471)	(21,409)	61.0%	(129,291)	(161,401)	-19.9%
Profit for the period/year		95,340	23,380	307.8%	417,685	365,419	14.3%
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		(26,785)	34,677	-177.2%	38,951	79,063	-50.7%
<i>Item that will not be reclassified subsequently to profit or loss:</i>							
Net fair value changes through other comprehensive income		262	(250)	204.8%	896	(2,455)	-136.5%
Total comprehensive income for the period/year		68,817	57,807	19.0%	457,532	442,027	3.5%
Profit attributable to equity holders of the Company		95,340	23,380	307.8%	417,685	365,419	14.3%
Total comprehensive income attributable to equity holders of the Company		68,817	57,807	19.0%	457,532	442,027	3.5%
Earnings per share attributable to owners of the Company (sen)							
Basic	B14	35.34	7.17	392.7%	159.62	139.17	14.7%

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 28 FEBRUARY 2023

	Note	Unaudited As at 28.2.2023 RM'000	Audited As at 28.2.2022 RM'000
ASSETS			
Non-current Assets			
Plant and equipment		114,999	144,289
Right-of-use assets		37,887	44,678
Other investments		26,621	25,725
Goodwill on consolidation		511	511
Deferred tax assets		197,708	211,797
Financing receivables		6,896,996	6,170,956
Total Non-current Assets		7,274,722	6,597,956
Current Assets			
Financing receivables		3,151,617	2,930,155
Trade receivables		1,080	1,508
Other receivables, deposits and prepayments		60,494	56,998
Amount owing by related companies		11,182	19,235
Derivative financial assets	B8	226,666	26,057
Tax recoverable		-	5
Cash, bank balances and deposits		391,337	508,960
Total Current Assets		3,842,376	3,542,918
TOTAL ASSETS		11,117,098	10,140,874
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital		584,012	584,012
Hedging reserve		(10,248)	(49,199)
Fair value reserve		4,958	4,062
Retained earnings		1,746,108	1,462,411
Equity attributable to ordinary equity holders of the Company		2,324,830	2,001,286
Perpetual notes and sukuk		200,000	200,000
Total Equity		2,524,830	2,201,286



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2023 (Continued)

	Note	Unaudited As at 28.2.2023 RM'000	Audited As at 28.2.2022 RM'000
Non-current Liabilities			
Borrowings	B11	6,178,775	6,791,891
Lease liabilities		<u>20,389</u>	<u>26,797</u>
Total Non-current Liabilities		<u>6,199,164</u>	<u>6,818,688</u>
Current Liabilities			
Borrowings	B11	1,828,194	598,605
Trade payables		32,510	26,148
Other payables and accruals		406,806	364,513
Amount owing to immediate holding company		10,355	7,731
Amount owing to related companies		5,091	4,842
Derivative financial liabilities	B8	52,776	69,655
Lease liabilities		17,704	18,941
Tax liabilities		<u>39,668</u>	<u>30,465</u>
Total Current Liabilities		<u>2,393,104</u>	<u>1,120,900</u>
Total Liabilities		<u>8,592,268</u>	<u>7,939,588</u>
TOTAL EQUITY AND LIABILITIES		<u>11,117,098</u>	<u>10,140,874</u>
Net assets per share (RM)		9.10	7.84
Number of ordinary shares ('000)		255,308	255,308
Capital adequacy ratio (%)		27.11	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 YEAR ENDED 28 FEBRUARY 2023

	Non-distributable			Distributable		
	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	-	-	79,063	-	-	79,063
Fair value through other comprehensive income	-	-	-	(2,455)	-	(2,455)
Profit for the year	-	-	-	-	365,419	365,419
Total comprehensive income for the year	-	-	79,063	(2,455)	365,419	442,027
Distribution on perpetual notes and sukuk, net of tax	-	-	-	-	(10,108)	(10,108)
Dividends	-	-	-	-	(123,825)	(123,825)
At 28 February 2022	584,012	200,000	(49,199)	4,062	1,462,411	2,201,286
	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	-	-	38,951	-	-	38,951
Fair value through other comprehensive income	-	-	-	896	-	896
Profit for the year	-	-	-	-	417,685	417,685
Total comprehensive income for the year	-	-	38,951	896	417,685	457,532
Distribution on perpetual notes and sukuk, net of tax	-	-	-	-	(10,163)	(10,163)
Dividends	-	-	-	-	(123,825)	(123,825)
At 28 February 2023	584,012	200,000	(10,248)	4,958	1,746,108	2,524,830

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 YEAR ENDED 28 FEBRUARY 2023

	28.2.2023 RM'000	28.2.2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	546,976	526,820
Adjustments for:		
Interest income	(8,496)	(13,553)
Dividend income	(9)	-
Finance costs	314,078	328,580
Interest expenses on lease liabilities	1,843	2,306
Gain on disposal of plant and equipment	(27)	(144)
Depreciation of plant and equipment	41,876	47,100
Depreciation of right-of-use assets	21,013	22,401
Allowance/(Reversal) for impairment loss on financing receivables	30,887	(85,815)
Write-off on financing receivables	416,945	389,100
Write-off of plant and equipment	4,716	34
Operating profit before changes in working capital	1,369,802	1,216,829
Changes in working capital:		
Financing receivables	(1,395,334)	(168,350)
Trade receivables	428	(1,467)
Other receivables, deposits and prepayments	(3,496)	6,402
Amount owing by related companies	8,053	6,377
Trade payables	6,362	4,936
Other payables and accruals	37,002	140,591
Amount owing to immediate holding company	2,624	1,145
Amount owing to related companies	249	(15,425)
Cash held in trust for customers	(8,847)	(7,132)
Cash generated from operations	16,843	1,183,906
Tax paid	(115,086)	(181,214)
Net cash (used in)/from operating activities	(98,243)	1,002,692
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of plant and equipment	(17,350)	(53,759)
Proceeds from disposal of plant and equipment	75	326
Addition of other investments	-	(535)
Acquisition of a subsidiary, net of cash acquired	-	(449)
Interest received	8,496	13,553
Dividend received	9	-
Net cash used in investing activities	(8,770)	(40,864)



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2023 (Continued)

	28.2.2023 RM'000	28.2.2022 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to equity holders of the Company	(123,825)	(123,825)
Proceeds from bank borrowings	1,050,000	750,000
Repayment of bank borrowings	(599,764)	(1,156,688)
Repayment of lease liabilities	(23,710)	(24,173)
Decrease/(Increase) in deposits held in trust account	27	(1)
Distribution paid to perpetual notes and sukuk holders	(13,371)	(13,300)
Finance costs paid	(308,787)	(331,563)
Net cash used in financing activities	(19,430)	(899,550)
Net (decrease)/increase in cash and cash equivalents	(126,443)	62,278
Cash and cash equivalents at beginning of year	468,233	405,955
Cash and cash equivalents at end of year	341,790	468,233

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

	28.2.2023 RM'000	28.2.2022 RM'000
Cash and bank balances	95,993	96,729
Deposits placed with licensed financial institutions	295,344	412,231
	391,337	508,960
Cash held in trust for customers	(49,411)	(40,564)
Deposits held in trust account	(136)	(163)
	341,790	468,233

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 year ended 28 February 2023

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 year.

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*



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A2 Significant accounting policies (Continued)

Effective for annual periods beginning on or after 1 January 2024

- MFRS 16 *Leases - Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 101 *Non-current Liabilities with Covenants*

Effective date of these Amendments to Standards has been deferred, and yet to be announced

- Amendments to MFRS 10 and MFRS 128 - *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group will adopt the above standards 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.

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 year 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 year 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 year under review.



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A7 Dividend Paid

	Cumulative quarter	
	Current Year	Preceding Year
	Year-To-Date	Year-To-Date
	<u>28.2.2023</u>	<u>28.2.2022</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 ended 28 February 2023		
- Interim single-tier dividend 28.50 sen per ordinary share	72,763	-
	123,825	123,825

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 year under review.

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

A9 Subsequent Event

There were no material events subsequent to the end of the current year 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 Note B10. ACSD has an issued and paid-up share capital of RM10,000 and is wholly-owned by the Company.

On 30 December 2022, the Company transferred its entire equity interest in ACSD to its immediate holding company, AEON Financial Service Co., Ltd. for a cash consideration of RM10,000.



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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).

28.2.2023	Level 1	Level 2	Level 3	Total
<u>Financial assets</u>	RM'000	RM'000	RM'000	RM'000
Other investments	238	-	26,383	26,621
Derivatives designated as hedging instruments	-	226,666	-	226,666
Total financial assets carried at fair value	238	226,666	26,383	253,287

Financial liabilities

Derivatives designated as hedging instruments	-	52,776	-	52,776
Total financial liabilities carried at fair value	-	52,776	-	52,776

28.2.2022	Level 1	Level 2	Level 3	Total
<u>Financial assets</u>	RM'000	RM'000	RM'000	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

A12 Contingent Liabilities and Contingent Assets

The Group did not have any contingent liabilities, either secured or unsecured, or contingent assets as at 28 February 2023 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 RM22.708 million as at 28 February 2023.



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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

B1 Performance Review

	Individual quarter 3 months ended			Cumulative quarter 12 months ended		
	28.2.2023 RM'000	28.2.2022 RM'000	Changes %	28.2.2023 RM'000	28.2.2022 RM'000	Changes %
Transaction and financing volume	1,599,316	1,463,400	9.3%	6,246,992	4,768,607	31.0%
Revenue	432,664	362,968	19.2%	1,640,245	1,524,880	7.6%
Total operating expenses	(270,654)	(282,212)	-4.1%	(974,644)	(848,531)	14.9%
Other income	48,562	43,139	12.6%	197,296	181,357	8.8%
Profit from operations	210,572	123,895	70.0%	862,897	857,706	0.6%
Profit before tax	129,811	44,789	189.8%	546,976	526,820	3.8%
Profit for the period	95,340	23,380	307.8%	417,685	365,419	14.3%

i) Current Quarter vs Preceding Year Corresponding Quarter

Total transaction and financing volume in the current quarter of RM1.599 billion was higher by 9.3% as compared to preceding year corresponding quarter. The Group recorded a total revenue of RM432.664 million, which was higher by 19.2% as compared to the preceding year corresponding quarter mainly attributable to stronger loan and financing growth.

The gross financing receivables as at 28 February 2023 of RM10.836 billion was higher by RM978.389 million as compared to 28 February 2022. The net financing receivables after allowance for impairment loss was RM10.049 billion as at 28 February 2023 as compared to RM9.101 billion as at 28 February 2022. Non-Performing Loans ("NPL") ratio was 2.89% as at 28 February 2023 as compared to 2.66% as at 28 February 2022.

Other income for the current quarter was higher at RM48.562 million mainly due to improved bad debt recoveries.

Ratio of total operating expenses against revenue was recorded at 62.6% for the current quarter as compared to 77.8% in the preceding year corresponding quarter. The decrease in operating expenses was mainly due to lower impairment losses on financing receivables of RM117.198 million as compared to RM154.676 million for the preceding year corresponding quarter, partially offset by higher other operating expenses.

Funding cost for the current quarter was marginally higher by 2.1% as compared to the preceding year corresponding quarter mainly due to higher borrowings in line with the receivables growth. The nominal value of borrowings as at 28 February 2023 was RM7.820 billion as compared to RM7.369 billion as at 28 February 2022.

Profit before tax ("PBT") for the current quarter of RM129.811 million increased by 189.8% as compared to the preceding year corresponding quarter mainly due to lower impairment losses on financing receivables and improved bad debt recoveries.



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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 year-to-date grew by 31.0% to RM6.247 billion compared to corresponding preceding year. Total revenue registered for the financial year-to-date of RM1.640 billion was higher by 7.6% compared to RM1.525 billion recorded in the corresponding preceding year.

The Group recorded a higher PBT of RM546.976 million for the financial year-to-date as compared to RM526.820 million in the preceding year-to-date. The increase was mainly due to the incremental increase in revenue and bad debt recoveries of RM115.365 million and RM25.301 million respectively coupled with the reduction in operating expenses of RM28.075 million. However, this was offset by higher impairment losses on financing receivables by RM144.547 million. Loan loss coverage ratio stood at 252% as at 28 February 2023 as compared to 289% as at 28 February 2022.

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

	Current Quarter 28.2.2023 RM'000	Immediate Preceding Quarter 30.11.2022 RM'000	Changes %
Transaction and financing volume	1,599,316	1,548,581	3.3%
Revenue	432,664	417,839	3.5%
Total operating expenses	(270,654)	(279,699)	-3.2%
Other income	48,562	42,201	15.1%
Profit from operations	210,572	180,341	16.8%
Profit before tax	129,811	101,583	27.8%
Profit for the period	95,340	83,627	14.0%

PBT for the current quarter increased by 27.8% to RM129.811 million from RM101.583 million recorded in the immediate preceding quarter. The higher PBT was mainly attributable to lower impairment losses of RM117.198 million recorded in the current quarter as compared to RM143.406 million for the immediate preceding quarter.

B3 Current Year Prospects

In the fourth quarter of 2022, the Malaysian Gross Domestic Product grew moderately by 7.0% as compared to 14.2% in the third quarter of 2022 on waning low base effect and cessation of COVID-19 stimulus measures. Amid a challenging external environment, Bank Negara Malaysia forecasted that the 2023 Malaysian economy will expand at a more moderate pace, driven by domestic demand, improving labour market conditions and realisation of multi-year investment projects.

The Group remains cautiously optimistic that business sentiment will gradually be improved to pre-pandemic levels. Nevertheless, 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 remains vigilant and is committed to building its long term business sustainability and will be continuously enhancing its information technology capabilities to support its growth. 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 29 February 2024.

B4 Revenue

	Individual quarter 3 months ended		Cumulative quarter 12 months ended	
	<u>28.2.2023</u>	<u>28.2.2022</u>	<u>28.2.2023</u>	<u>28.2.2022</u>
	RM'000	RM'000	RM'000	RM'000
Revenue comprises:				
Interest income, profit revenue and finance charges	384,644	316,180	1,446,240	1,371,385
Fee income	48,020	46,788	194,005	153,495
	<u>432,664</u>	<u>362,968</u>	<u>1,640,245</u>	<u>1,524,880</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 12 months ended	
	<u>28.2.2023</u>	<u>28.2.2022</u>	<u>28.2.2023</u>	<u>28.2.2022</u>
	RM'000	RM'000	RM'000	RM'000
(a) Included in Profit from operations:				
Bad debts recovered	44,083	38,458	181,665	156,364
Interest income	2,814	3,195	8,496	13,553
Dividend income	-	-	9	-
Gain on disposal of plant and equipment	17	75	27	144
Depreciation of plant and equipment	(10,397)	(11,424)	(41,876)	(47,100)
Depreciation of right-of-use assets	(5,106)	(5,528)	(21,013)	(22,401)
Reversal/(Allowance) for impairment loss on financing receivables	11,495	(66,343)	(30,887)	85,815
Write-off on financing receivables	(128,693)	(88,333)	(416,945)	(389,100)
Write-off of plant and equipment	(4,552)	-	(4,716)	(34)
(b) Included in Other comprehensive income/(loss):				
Net changes in cash flow hedge	(26,785)	34,677	38,951	79,063
Net fair value changes on equity instruments through other comprehensive income	262	(250)	896	(2,455)



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B6 Interest expense

	Individual quarter 3 months ended		Cumulative quarter 12 months ended	
	<u>28.2.2023</u>	<u>28.2.2022</u>	<u>28.2.2023</u>	<u>28.2.2022</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	72,186	71,764	283,790	300,860
Senior and subordinated sukuk	6,752	6,732	27,364	27,284
Islamic commercial paper	119	93	417	436
Revolving credit	1,255	-	2,507	-
	<u>80,312</u>	<u>78,589</u>	<u>314,078</u>	<u>328,580</u>
Interest on lease liabilities	449	517	1,843	2,306
	<u>80,761</u>	<u>79,106</u>	<u>315,921</u>	<u>330,886</u>

B7 Taxation

	Individual quarter 3 months ended		Cumulative quarter 12 months ended	
	<u>28.2.2023</u>	<u>28.2.2022</u>	<u>28.2.2023</u>	<u>28.2.2022</u>
	RM'000	RM'000	RM'000	RM'000
Income tax payable:				
- current period/year	37,126	32,970	135,496	149,406
- under/(over) provision in prior years	86	-	(7,994)	944
	<u>37,212</u>	<u>32,970</u>	<u>127,502</u>	<u>150,350</u>
Deferred tax:				
- current period/year	(2,741)	(10,680)	505	16,463
- (over)/under provision in prior years	-	(881)	1,284	(5,412)
	<u>(2,741)</u>	<u>(11,561)</u>	<u>1,789</u>	<u>11,051</u>
	<u>34,471</u>	<u>21,409</u>	<u>129,291</u>	<u>161,401</u>

The Group's effective tax rate for the current quarter was higher than the statutory tax rate of 24% as certain expenses are not deductible for tax purpose. However, the effective tax rate for the current financial year was marginally lower than the statutory tax rate mainly due to the reversal 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 28 February 2023 are as follows:

	Notional Amount		Fair Value	
	28.2.2023	28.2.2022	Assets/(Liabilities)	
	RM'000	RM'000	28.2.2023	28.2.2022
			RM'000	RM'000
<u>Derivative financial assets</u>				
<u>Cross currency swaps:</u>				
Less than 1 year	718,194	-	59,587	-
1 – 3 years	1,634,395	413,392	107,235	16,115
More than 3 years	864,165	449,728	59,844	9,942
Total	3,216,754	863,120	226,666	26,057
<u>Derivative financial liabilities</u>				
<u>Cross currency swaps:</u>				
Less than 1 year	-	298,605	-	(5,904)
1 – 3 years	145,417	887,004	(6,615)	(15,137)
More than 3 years	305,926	1,353,131	(46,161)	(48,614)
Total	451,343	2,538,740	(52,776)	(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 28 February 2023.



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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 arising from the desire of MLI to focus on its operations in the United States. Consequently, the Company and AFS as the remaining JV consortium parties shall continue with the implementation of the operational readiness plan to establish the DIB.

Subject to satisfying the operational readiness requirements as part of the licensing conditions imposed by BNM and barring any unforeseen circumstances, the DIB is expected to be operational within 24 months from the date of approval.

B11 Borrowings

The borrowings of the Group as at 28 February 2023 comprised the following:

	<u>28.2.2023</u>	<u>28.2.2022</u>
	Unsecured	Unsecured
	RM’000	RM’000
Non-current :		
- Term loans/financing	5,479,903	6,093,255
- Senior sukuk	499,150	498,953
- Subordinated sukuk	199,722	199,683
	<u>6,178,775</u>	<u>6,791,891</u>
Current :		
- Term loans/financing	1,678,194	598,605
- Revolving credit	150,000	-
	<u>1,828,194</u>	<u>598,605</u>
Total	<u>8,006,969</u>	<u>7,390,496</u>



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B11 Borrowings (Continued)

The borrowings was denominated in the following currencies:

	<u>28.2.2023</u>		<u>28.2.2022</u>	
	Foreign		Foreign	
	Currency	Equivalent	Currency	Equivalent
	'000	RM'000	'000	RM'000
<u>Unsecured</u>				
Ringgit Malaysia		4,338,872		3,988,636
United States Dollar	749,058	3,362,171	729,619	3,063,309
Japanese Yen	9,318,765	305,926	9,318,765	338,551
		<u>8,006,969</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

- (a) (i) The Board has proposed the payment of a final single-tier dividend of 21.00 sen per share (previous corresponding period : 15.00 sen per share and a special single-tier dividend: 5.00 sen per share) in respect of the financial year ended 28 February 2023 amounting to RM53,615,000;
- (ii) Date payable : 20 July 2023; and
- (iii) In respect of deposited securities, entitlement to the dividend will be determined based on the record of depositors as at 5 July 2023.
- (b) The above proposal is subject to the approval of shareholders at the forthcoming Annual General Meeting to be held on a date which shall be announced later.



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B14 Earnings per share

	Individual quarter		Cumulative quarter	
	3 months ended		12 months ended	
	<u>28.2.2023</u>	<u>28.2.2022</u>	<u>28.2.2023</u>	<u>28.2.2022</u>
	RM'000	RM'000	RM'000	RM'000
Profit attributable to equity holders	95,340	23,380	417,685	365,419
Distribution on perpetual notes and sukuk, net of tax	(5,123)	(5,068)	(10,163)	(10,108)
Profit attributable to ordinary equity holders	<u>90,217</u>	<u>18,312</u>	<u>407,522</u>	<u>355,311</u>

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/year.

	Individual quarter		Cumulative quarter	
	3 months ended		12 months ended	
	<u>28.2.2023</u>	<u>28.2.2022</u>	<u>28.2.2023</u>	<u>28.2.2022</u>
Profit attributable to ordinary equity holders (RM'000)	90,217	18,312	407,522	355,311
Weighted average number of ordinary shares ('000 unit)	255,308	255,308	255,308	255,308
Basic earnings per share (sen)	<u>35.34</u>	<u>7.17</u>	<u>159.62</u>	<u>139.17</u>

Diluted Earnings Per Share

There were no dilutive potential ordinary shares outstanding as at 28 February 2023. 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 11 April 2023.

By order of the Board
11 April 2023