



## AEON Credit Service (M) Berhad

(Registration No. 199601040414 (412767-V))

(Incorporated in Malaysia)

### CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2021

	Note	Unaudited Individual quarter			Unaudited Cumulative quarter		
		3 months ended			6 months ended		
		31.8.2021 RM'000	31.8.2020 RM'000	Changes %	31.8.2021 RM'000	31.8.2020 RM'000	Changes %
Revenue	B4	374,475	363,967	2.9%	785,441	753,845	4.2%
Total operating expenses		(225,763)	(236,651)	-4.6%	(384,431)	(514,168)	-25.2%
Other income		38,566	41,695	-7.5%	87,759	58,842	49.1%
<b>Profit from operations</b>	B5(a)	<b>187,278</b>	169,011	10.8%	<b>488,769</b>	298,519	63.7%
Interest expense	B6	(85,133)	(92,525)	-8.0%	(170,766)	(184,947)	-7.7%
Profit before tax		102,145	76,486	33.5%	318,003	113,572	180.0%
Taxation	B7	(26,662)	(24,676)	8.0%	(79,428)	(35,483)	123.8%
<b>Profit for the period</b>		<b>75,483</b>	51,810	45.7%	<b>238,575</b>	78,089	205.5%
<b>Other comprehensive income/(loss), net of tax</b>	B5(b)						
<i>Item that may be reclassified subsequently to profit or loss:</i>							
Net changes in cash flow hedge		5,913	(8,953)	166.0%	17,935	(65,046)	127.6%
<i>Item that will not be reclassified subsequently to profit or loss:</i>							
Net fair value changes through other comprehensive income		(219)	(10,508)	-97.9%	(450)	(14,646)	-96.9%
<b>Total comprehensive income for the period</b>		<b>81,177</b>	32,349	150.9%	<b>256,060</b>	(1,603)	16,073.8%
<b>Profit attributable to equity holders of the Company</b>		<b>75,483</b>	51,810	45.7%	<b>238,575</b>	78,089	205.5%
<b>Total comprehensive income attributable to equity holders of the Company</b>		<b>81,177</b>	32,349	150.9%	<b>256,060</b>	(1,603)	16,073.8%
<b>Earnings per share attributable to owners of the Company (sen)</b>							
Basic	B14	27.59	18.31	50.7%	91.47	28.60	219.8%

The Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements of the Company for the financial year ended 28 February 2021 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 31 AUGUST 2021

	Note	Unaudited As at 31.8.2021 RM'000	As at 28.2.2021 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment		142,542	137,843
Right-of-use assets		45,734	53,535
Investments		27,195	27,645
Deferred tax assets		220,287	247,816
Financing receivables		<u>6,044,955</u>	<u>6,302,925</u>
<b>Total non-current assets</b>		<u><b>6,480,713</b></u>	<u><b>6,769,764</b></u>
<b>Current assets</b>			
Financing receivables		2,841,826	2,933,121
Other receivables, deposits and prepayments		41,821	63,375
Amount owing by related companies		20,563	25,612
Derivative financial assets	B8	9,253	-
Cash, bank balances and deposits		<u>1,073,322</u>	<u>439,549</u>
<b>Total current assets</b>		<u><b>3,986,785</b></u>	<u><b>3,461,657</b></u>
<b>TOTAL ASSETS</b>		<u><b>10,467,498</b></u>	<u><b>10,231,421</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital		584,012	584,012
Hedging reserve		(110,327)	(128,262)
Fair value reserve		6,067	6,517
Retained earnings		<u>1,413,398</u>	<u>1,230,925</u>
<b>Equity attributable to ordinary equity holders of the Company</b>		<u><b>1,893,150</b></u>	<u><b>1,693,192</b></u>
Perpetual notes and sukuk		<u>200,000</u>	<u>200,000</u>
<b>Total equity</b>		<u><b>2,093,150</b></u>	<u><b>1,893,192</b></u>



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### CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2021 (Continued)

	Note	Unaudited As at 31.8.2021 RM'000	As at 28.2.2021 RM'000
<b>Non-current liabilities</b>			
Borrowings	B11	6,726,601	6,542,946
Lease liabilities		31,888	35,801
<b>Total non-current liabilities</b>		<b>6,758,489</b>	<b>6,578,747</b>
<b>Current liabilities</b>			
Borrowings	B11	1,139,049	1,119,964
Trade payables		3,439	21,163
Other payables and accruals		226,977	226,847
Amount owing to immediate holding company		7,330	6,586
Amount owing to related companies		9,361	20,267
Derivative financial liabilities	B8	164,918	281,903
Lease liabilities		14,031	18,230
Tax liabilities		50,754	64,522
<b>Total current liabilities</b>		<b>1,615,859</b>	<b>1,759,482</b>
<b>Total liabilities</b>		<b>8,374,348</b>	<b>8,338,229</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,467,498</b>	<b>10,231,421</b>
Net assets per share (RM)		7.42	6.63
Number of ordinary shares ('000)		255,308	255,308
Capital adequacy ratio (%)		26.97	23.98

The Condensed Statement of Financial Position should be read in conjunction with the audited financial statements of the Company for the financial year ended 28 February 2021 and the accompanying notes to the quarterly report attached hereto.



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### CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2021

	← Non-distributable →				Distributable		Total RM'000
	Share capital RM'000	ICULS equity RM'000	Perpetual notes and sukuk RM'000	Hedging reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	
<b>At 1 March 2020</b>	565,448	14,107	200,000	(115,870)	27,571	1,066,103	1,757,359
Cash flow hedge, net of tax	-	-	-	(65,046)	-	-	(65,046)
Fair value through other comprehensive income	-	-	-	-	(14,646)	-	(14,646)
Profit for the period	-	-	-	-	-	78,089	78,089
<b>Total comprehensive income for the period</b>	-	-	-	(65,046)	(14,646)	78,089	(1,603)
Conversion of ICULS equity	358	(358)	-	-	-	-	-
Conversion of ICULS liabilities	12	-	-	-	-	-	12
Distribution on perpetual notes and sukuk, net of tax	-	-	-	-	-	(5,068)	(5,068)
Dividends	-	-	-	-	-	(35,511)	(35,511)
<b>At 31 August 2020</b>	<b>565,818</b>	<b>13,749</b>	<b>200,000</b>	<b>(180,916)</b>	<b>12,925</b>	<b>1,103,613</b>	<b>1,715,189</b>

	← Non-distributable →				Distributable		Total RM'000
	Share capital RM'000	ICULS equity RM'000	Perpetual notes and sukuk RM'000	Hedging reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	
<b>At 1 March 2021</b>	584,012		200,000	(128,262)	6,517	1,230,925	1,893,192
Cash flow hedge, net of tax	-	-	-	17,935	-	-	17,935
Fair value through other comprehensive income	-	-	-	-	(450)	-	(450)
Profit for the period	-	-	-	-	-	238,575	238,575
<b>Total comprehensive income for the period</b>	-	-	-	17,935	(450)	238,575	256,060
Distribution on perpetual notes and sukuk, net of tax	-	-	-	-	-	(5,040)	(5,040)
Redemption of perpetual note	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	(51,062)	(51,062)
<b>At 31 August 2021</b>	<b>584,012</b>	<b>200,000</b>	<b>(110,327)</b>	<b>6,067</b>	<b>1,413,398</b>	<b>2,093,150</b>	

The Condensed Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Company for the financial year ended 28 February 2021 and the accompanying notes to the quarterly report attached hereto.



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### CONDENSED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2021

	31.8.2021	31.8.2020
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	318,003	113,572
Adjustments for:		
Interest income	(6,321)	(1,851)
Finance costs	169,636	183,443
Interest on lease liabilities	1,130	1,504
(Gain)/Loss on disposal of plant and equipment	(69)	1
Depreciation of plant and equipment	23,809	25,214
Depreciation of right-of-use assets	11,115	10,951
Impairment loss on financing receivables	115,519	286,380
Write-off of plant and equipment	34	444
Operating profit before changes in working capital	632,856	619,658
Changes in working capital:		
Financing receivables	233,746	(7,957)
Other receivables, deposits and prepayments	21,554	(19,498)
Amount owing by related companies	5,049	(10,663)
Trade payables	(17,724)	(24,167)
Other payables and accruals	(2,982)	(39,629)
Amount owing to immediate holding company	744	(315)
Amount owing to related companies	(10,906)	36,581
Cash held in trust for customers	(3,544)	(3,557)
Cash held in trust for a related company	-	1,841
Cash generated from operations	858,793	552,294
Tax paid	(69,739)	(40,460)
<b>Net cash from operating activities</b>	789,054	511,834
<b>Cash flows from investing activities</b>		
Acquisition of plant and equipment	(28,709)	(25,172)
Proceeds from disposal of plant and equipment	236	7
Interest received	6,321	1,851
<b>Net cash used in investing activities</b>	(22,152)	(23,314)



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### CONDENSED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2021 (Continued)

	<b>31.8.2021</b>	31.8.2020
	<b>RM'000</b>	RM'000
<b>Cash flows from financing activities</b>		
Dividend paid to shareholders of the Company	(51,062)	(35,511)
Proceeds from bank borrowings	400,000	2,948,942
Repayment of bank borrowings	(299,899)	(3,009,027)
Repayment of lease liabilities	(12,556)	(12,245)
Increase in deposit held in trust account	-	(2)
Distribution paid to perpetual notes and sukuk holders	(6,632)	(6,668)
Finance costs paid	(166,524)	(171,544)
<b>Net cash used in financing activities</b>	<b>(136,673)</b>	<b>(286,055)</b>
Net increase in cash and cash equivalents	630,229	202,465
Cash and cash equivalents at beginning of year	405,955	66,488
<b>Cash and cash equivalents at end of period</b>	<b>1,036,184</b>	<b>268,953</b>

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

	<b>31.8.2021</b>	31.8.2020
	<b>RM'000</b>	RM'000
Cash and bank balances	84,332	120,279
Deposits placed with licensed financial institutions	988,990	176,453
	<b>1,073,322</b>	296,732
Bank overdrafts	-	(4,049)
Cash held in trust for customers	(36,976)	(23,538)
Deposit held in trust account	(162)	(192)
	<b>1,036,184</b>	<b>268,953</b>

The Condensed Statement of Cash Flows should be read in conjunction with the audited financial statements of the Company for the financial year ended 28 February 2021 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 31 August 2021

#### A EXPLANATORY NOTES PURSUANT TO MFRS 134

##### A1 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 (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 28 February 2021. 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 Company since the financial year ended 28 February 2021.

##### 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 Company adopted all the new MFRS, amendments to MFRSs and IC Interpretation issued by the Malaysian Accounting Standards Board that are effective for annual financial periods beginning on or after 1 March 2021.

*Effective for annual periods beginning on or after 1 January 2021*

- *Interest Rate Benchmark Reform - Phase 2* (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)

The application of this amendment to MFRSs did not have any material impact on the financial performance or position of the Company.

###### 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 Company are as listed below:

*Effective for annual periods beginning on or after 1 April 2021*

- Amendment to MFRS 16 Leases – *Covid-19 – Related Rent Concessions beyond 30 June 2021*

*Effective for annual periods beginning on or after 1 January 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*



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### A2 Significant accounting policies (Continued)

*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 Current and Non-current and Disclosure of Accounting Policies*
- Amendments to MFRS 108 *Definition of Accounting Estimates*

The Company will adopt the above 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 Company in the period of initial application.

### A3 Seasonal or Cyclical Factors

The Company 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 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 period 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

	<b>Cumulative quarter</b>	
	<b>Current Year</b>	<b>Preceding Year</b>
	<b>Year-To-Date</b>	<b>Year-To-Date</b>
	<b><u>31.8.2021</u></b>	<b><u>31.8.2020</u></b>
	<b>RM'000</b>	<b>RM'000</b>
Final dividend in respect of the financial year ended 29 February 2020		
- 14.00 sen single-tier dividend per ordinary share	-	35,511
Final dividend in respect of the financial year ended 28 February 2021		
- 20.00 sen single-tier dividend per ordinary share	51,062	-
	<b><u>51,062</u></b>	<b><u>35,511</u></b>





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### 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.

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

### 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 Company

There were no changes in the composition of the Company during the quarter under review, including business combinations, acquisition or disposal of subsidiaries and restructuring and discontinuing operations other than as disclosed in Note B10.

### 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).

<b>31.8.2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<u>Financial assets</u>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Investments	-	-	27,195	27,195
Derivatives designated as hedging instruments	-	9,253	-	9,253
Total financial assets carried at fair value	-	9,253	27,195	36,448

<u>Financial liabilities</u>				
Derivatives designated as hedging instruments	-	164,918	-	164,918
Total financial liabilities carried at fair value	-	164,918	-	164,918

<b>28.2.2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<u>Financial assets</u>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Investments	-	-	27,645	27,645
Total financial assets carried at fair value	-	-	27,645	27,645

<u>Financial liabilities</u>				
Derivatives designated as hedging instruments	-	281,903	-	281,903
Total financial liabilities carried at fair value	-	281,903	-	281,903



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### **A12 Contingent Liabilities and Contingent Assets**

The Company did not have any contingent liabilities, either secured or unsecured, or contingent assets as at 31 August 2021 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 Company 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 Meetings held on 23 June 2021.

### **A14 Capital Commitments**

Capital commitments for plant and equipment which have been authorised and contracted, but not provided for amounted to RM77.701 million as at 31 August 2021.



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

#### B1 Performance Review

	Individual quarter 3 months ended			Cumulative quarter 6 months ended		
	31.8.2021 RM'000	31.8.2020 RM'000	Changes %	31.8.2021 RM'000	31.8.2020 RM'000	Changes %
Transaction and financing volume	<b>708,827</b>	962,393	-26.3%	<b>2,116,881</b>	1,740,964	21.6%
Revenue	<b>374,475</b>	363,967	2.9%	<b>785,441</b>	753,845	4.2%
Total operating expenses	<b>(225,763)</b>	(236,651)	-4.6%	<b>(384,431)</b>	(514,168)	-25.2%
Other income	<b>38,566</b>	41,695	-7.5%	<b>87,759</b>	58,842	49.1%
Profit from operations	<b>187,278</b>	169,011	10.8%	<b>488,769</b>	298,519	63.7%
Profit before tax	<b>102,145</b>	76,486	33.5%	<b>318,003</b>	113,572	180.0%
Profit for the period	<b>75,483</b>	51,810	45.7%	<b>238,575</b>	78,089	205.5%

#### i) Current Quarter vs Previous Year Corresponding Quarter

The Company recorded a total revenue of RM374.475 million, which was higher by 2.9% as compared to the preceding year corresponding quarter. Total transaction and financing volume in the current quarter of RM708.827 million was lower by 26.3% as compared to previous year corresponding quarter due to the implementation of Full Movement Control Order (“FMCO”) nationwide from 1 June 2021, Enhanced Movement Control Order (“EMCO”) in the Klang Valley from 3 July 2021 and subsequently the National Recovery Plan (“NRP”) where most states are still under Phase 1 and Phase 2 of the NRP and only selected essential economic sectors are allowed to operate.

The gross financing receivables as at 31 August 2021 of RM9.625 billion was lower by RM634.231 million as compared to 31 August 2020. The net financing receivables after allowance for impairment loss was RM8.887 billion as at 31 August 2021 as compared to RM9.426 billion as at 31 August 2020. Non-Performing Loans (“NPL”) ratio was 2.24% as at 31 August 2021 as compared to 1.95% as at 31 August 2020.

Other income for the current quarter was recorded at RM38.566 million mainly comprising bad debts recovered, insurance commission and interest/profit income from deposits with licensed financial institutions.

Ratio of total operating expenses against revenue was recorded at 60.3% for the current quarter as compared to 65.0% in the preceding year corresponding quarter. The decrease in operating expenses was mainly due to lower impairment losses on financing receivables of RM92.266 million as compared to RM112.012 million for the preceding year corresponding quarter, partially offset by higher personnel and operating expenses.

Funding cost for the current quarter was lower compared to the preceding year corresponding quarter mainly due to reduced borrowings and lower cost of funds. The nominal value of borrowings as at 31 August 2021 was RM7.876 billion as compared to RM8.049 billion as at 31 August 2020.

As a result, the profit before tax (“PBT”) for the current quarter of RM102.145 million increased by 33.5% as compared to the preceding year corresponding quarter.



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### B1 Performance Review (Continued)

#### ii) Current Year-to-date vs Previous Year-to-date

Total revenue registered for the financial period-to-date of RM785.441 million was higher by 4.2% compared to RM753.845 million recorded in the preceding year corresponding period. The higher revenue was mainly attributable to higher interest income as the previous year's revenue was impacted by Day-One net modification loss related to AEON Relief Programme of RM28.409 million.

The Company recorded a higher PBT of RM318.003 million for the financial period-to-date as compared to RM113.572 million in the preceding year corresponding period. The increase was mainly due to the higher revenue and lower allowance for impairment losses by RM170.861 million. Loan loss coverage ratio stood at 343% as at 31 August 2021 as compared to 417% as at 31 August 2020.

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

	Current Quarter 31.8.2021 RM'000	Immediate Preceding Quarter 31.5.2021 RM'000	Changes %
Transaction and financing volume	708,827	1,408,054	-49.7%
Revenue	374,475	410,966	-8.9%
Total operating expenses	(225,763)	(158,668)	42.3%
Other income	38,566	49,193	-21.6%
Profit from operations	187,278	301,491	-37.9%
Profit before tax	102,145	215,858	-52.7%
Profit for the period	75,483	163,092	-53.7%

PBT for the current quarter was recorded at RM102.145 million, a decrease of 52.7% compared to RM215.858 million recorded in the immediate preceding quarter. The lower PBT was mainly due to revenue contraction and lower other income resulting from the FMCO, EMCO and NRP imposed by Malaysian Government which had impeded the business operations of the Company and its merchants nationwide. In addition, the lower PBT was due to higher impairment losses of RM92.226 million recorded in the current quarter as compared to RM23.253 for the immediate preceding quarter.

### B3 Current Year Prospects

In the second quarter of 2021, the Malaysian Gross Domestic Product ("GDP") expanded by 16.1% year-on-year compared to 0.5% contraction in first quarter supported mainly by the improvement in domestic demand and continued robust exports performance. Meanwhile, Bank Negara Malaysia ("BNM") has revised Malaysia's economic growth forecast to between 3.0% and 4.0% for 2021 after taking into account the re-imposition of nationwide containment measures. The pace of recovery will depend on the positive developments related to the COVID-19 pandemic, including the opening up of more economic sectors, easing of containment measures, and the continued challenges that affect the rollout of vaccines both globally and domestically.



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### B3 Current Year Prospects (Continued)

Businesses are facing unprecedented social and economic challenges in view of the Covid-19 pandemic. Accordingly, the Company will continue to closely monitor and assess the inherent credit risks in its financing portfolio, 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. The Company is committed to strive in building its business sustainability agenda as recently announced and will be continuously investing in information technology to drive the digitalisation of its operations. Barring any unforeseen circumstances, the Company expects to be able to maintain its financial performance for the financial year ending 28 February 2022.

### B4 Revenue

	Individual quarter		Cumulative quarter	
	3 months ended		6 months ended	
	<u>31.8.2021</u>	<u>31.8.2020</u>	<u>31.8.2021</u>	<u>31.8.2020</u>
	RM'000	RM'000	RM'000	RM'000
Revenue comprises:				
Interest income, profit revenue and finance charges	351,173	325,454	717,757	684,451
Fee income	23,302	38,513	67,684	69,394
	<u>374,475</u>	<u>363,967</u>	<u>785,441</u>	<u>753,845</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		Cumulative quarter	
	3 months ended		6 months ended	
	<u>31.8.2021</u>	<u>31.8.2020</u>	<u>31.8.2021</u>	<u>31.8.2020</u>
	RM'000	RM'000	RM'000	RM'000
(a) Included in Profit from operations:				
Bad debts recovered	32,482	35,505	76,201	49,867
Interest income	3,931	944	6,321	1,851
Gain/(Loss) on disposal of plant and equipment	21	(4)	69	(1)
Depreciation of plant and equipment	(12,169)	(12,530)	(23,809)	(25,214)
Depreciation of right-of-use assets	(5,406)	(5,669)	(11,115)	(10,951)
Impairment loss on financing receivables	(92,266)	(112,012)	(115,519)	(286,380)
Write off of plant and equipment	9	(442)	(34)	(444)
(b) Included in Other comprehensive income/(loss):				
Net changes in cash flow hedge	5,913	(8,953)	17,935	(65,046)
Net fair value changes on equity instruments through other comprehensive income	(219)	(10,508)	(450)	(14,646)



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### B5 Notes to the Statement of Comprehensive Income (Continued)

Receivables amounting to RM73.674 million and RM219.216 million have been written off against allowance for impairment losses on receivables for the current quarter and financial period-to-date as compared with RM37.993 million and RM143.184 million written off in the previous year corresponding quarter and financial period-to-date respectively.

### B6 Interest expense

	Individual quarter		Cumulative quarter	
	3 months ended		6 months ended	
	<u>31.8.2021</u>	<u>31.8.2020</u>	<u>31.8.2021</u>	<u>31.8.2020</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:				
Commercial paper	119	1,159	250	4,188
Term loans/financing	77,579	80,354	155,641	159,983
Senior and subordinated sukuk	6,892	6,878	13,745	13,451
Revolving credits	-	1,443	-	2,570
Bank overdraft	-	1	-	3
ICULS interest	-	1,952	-	3,248
	<u>84,590</u>	<u>91,787</u>	<u>169,636</u>	<u>183,443</u>
Interest on lease liabilities	543	738	1,130	1,504
	<u>85,133</u>	<u>92,525</u>	<u>170,766</u>	<u>184,947</u>

### B7 Taxation

	Individual quarter		Cumulative quarter	
	3 months ended		6 months ended	
	<u>31.8.2021</u>	<u>31.8.2020</u>	<u>31.8.2021</u>	<u>31.8.2020</u>
	RM'000	RM'000	RM'000	RM'000
<b>Income tax payable:</b>				
- current year	24,051	49,510	57,563	55,857
<b>Deferred tax:</b>				
- current year	2,611	(24,834)	21,865	(20,374)
	<u>26,662</u>	<u>24,676</u>	<u>79,428</u>	<u>35,483</u>

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



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### B8 Derivatives and Fair Value Changes of Financial Liabilities

(a) Details of derivative financial instruments outstanding as at 31 August 2021 are as follows:

	Notional Amount		Fair Value	
	31.8.2021	28.2.2021	Assets / (Liabilities)	
	RM'000	RM'000	31.8.2021	28.2.2021
			RM'000	RM'000
<u>Derivative financial assets</u>				
<u>Cross currency swaps:</u>				
1 – 3 years	409,558	-	8,342	-
More than 3 years	102,667	-	911	-
Total	<u>512,225</u>	<u>-</u>	<u>9,253</u>	<u>-</u>
<u>Derivative financial liabilities</u>				
<u>Cross currency swaps:</u>				
Less than 1 year	939,049	819,964	(27,220)	(54,322)
1 – 3 years	557,853	935,969	(25,542)	(55,902)
More than 3 years	1,868,004	1,918,559	(112,156)	(171,679)
Total	<u>3,364,906</u>	<u>3,674,492</u>	<u>(164,918)</u>	<u>(281,903)</u>

(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 Company 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 31 August 2021.



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### B10 Status of Corporate Proposal

There was no corporate proposal announced but not completed as at the date of this report except as disclosed below:

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

On 30 June 2021, the Company announced to Bursa Securities that the Company and its holding company, AFS, have submitted a joint application to BNM for a digital bank license by combining their expertise and resources to establish in Malaysia a joint venture company to engage in the business of a digital bank upon obtaining a license. Subject to the Approvals from BNM and Minister of Finance (“MOF”), and subject to acceptance by the Company and AFS of the terms applicable for the digital bank license approvals obtained, the Company and AFS shall incorporate a company in Malaysia (“Joint Venture Company” or “JVC”) and if necessary, incorporate the financial holding company (“FHC”) of the Joint Venture Company under the Financial Services Act 2013. The FHC will own 100% of the issued share capital of the JVC.

Shareholders and other regulatory approvals will be sought to formalise the above upon receipt of the required license.

- ii) Proposed acquisition of Insurepro Sdn. Bhd. (“Insurepro”)

On 16 August 2021, the Company announced that it has obtained the approval from BNM to acquire 100% equity interest in Insurepro, representing 1,440,000 ordinary shares (“Sale Shares”) for a purchase consideration of up to RM1.7 million subject to certain potential adjustments upon completion of the financial and legal due diligence exercise in accordance with the terms and conditions provided in the Share Sale Agreement entered into between the Company and Trans Dimension Sdn. Bhd. (vendor of the Sale Shares). The proposed acquisition is expected to be completed by the end of October 2021, and Insurepro will become a wholly owned subsidiary of the Company upon completion.

### B11 Borrowings

The borrowings of the Company as at 31 August 2021 comprised the following:

	<u>31.8.2021</u>	<u>28.2.2021</u>
	<b>Unsecured</b>	<b>Unsecured</b>
	<b>RM’000</b>	<b>RM’000</b>
Non-current :		
- Term loans/financing	6,028,081	5,844,528
- Senior sukuk	498,856	498,771
- Subordinated sukuk	199,664	199,647
	<u>6,726,601</u>	<u>6,542,946</u>
Current :		
- Term loans/financing	1,139,049	1,119,964
Total	<u><u>7,865,650</u></u>	<u><u>7,662,910</u></u>





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### B11 Borrowings (Continued)

The borrowings were denominated in the following currencies:

	<u>31.8.2021</u>		<u>28.2.2021</u>	
	Foreign Currency '000	Unsecured Equivalent RM'000	Foreign Currency '000	Unsecured Equivalent RM'000
Ringgit Malaysia		3,988,519		3,988,418
United States Dollar	932,101	3,877,131	907,379	3,674,492
		<u>7,865,650</u>		<u>7,662,910</u>

### B12 Material Litigation

As at the 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.

### B13 Dividend

- (a) (i) An interim single-tier dividend has been recommended for the financial year ending 28 February 2022;
- (ii) Amount per share: 28.50 sen (previous year corresponding period: 9.20 sen per share);
- (iii) Total amount payable: RM72.763 million (previous year corresponding period: RM23.488 million);
- (iv) Date payable: 4 November 2021; and
- (v) In respect of deposited securities, entitlement to dividend will be determined based on the record of depositors as at 14 October 2021.
- (b) Total dividend paid during the period ended 31 August 2021: single-tier final dividend of 20.00 sen per share in respect of the financial year ended 28 February 2021 totalling RM51.062 million.

### B14 Earnings per share

	<b>Individual quarter</b>		<b>Cumulative quarter</b>	
	<b>3 months ended</b>		<b>6 months ended</b>	
	<u>31.8.2021</u>	<u>31.8.2020</u>	<u>31.8.2021</u>	<u>31.8.2020</u>
	RM'000	RM'000	RM'000	RM'000
Profit attributable to equity holders	75,483	51,810	238,575	78,089
Distribution on perpetual notes and sukuk, net of tax	(5,040)	(5,068)	(5,040)	(5,068)
Profit attributable to ordinary equity holders	<u>70,443</u>	<u>46,742</u>	<u>233,535</u>	<u>73,021</u>



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### B14 Earnings per share (Continued)

#### Basic Earnings Per Share

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		Cumulative quarter	
	3 months ended		6 months ended	
	<u>31.8.2021</u>	<u>31.8.2020</u>	<u>31.8.2021</u>	<u>31.8.2020</u>
Profit attributable to ordinary equity holders (RM'000)	70,443	46,742	233,535	73,021
Weighted average number of ordinary shares ('000 unit)	<u>255,308</u>	<u>255,308</u>	<u>255,308</u>	<u>255,308</u>
Basic earnings per share (sen)	<u>27.59</u>	<u>18.31</u>	<u>91.47</u>	<u>28.60</u>

#### Diluted Earnings Per Share

There were no dilutive potential ordinary shares outstanding as at 31 August 2021. 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

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 28 September 2021.

By order of the Board  
28 September 2021