



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 29 FEBRUARY 2024

	Note	Unaudited Individual quarter			Unaudited Cumulative quarter		
		3 months ended			12 months ended		
		29.2.2024 RM'000	28.2.2023 RM'000	Changes %	29.2.2024 RM'000	28.2.2023 RM'000	Changes %
Revenue	B4	501,574	432,664	15.9%	1,912,491	1,640,245	16.6%
Total operating expenses		(272,571)	(270,654)	0.7%	(1,166,564)	(974,644)	19.7%
Other income		47,144	48,562	-2.9%	194,365	197,296	-1.5%
Profit from operations	B5(a)	276,147	210,572	31.1%	940,292	862,897	9.0%
Interest expense	B6	(96,977)	(80,761)	20.1%	(358,543)	(315,921)	13.5%
Operating profit		179,170	129,811	38.0%	581,749	546,976	6.4%
Share of results in an associate		(16,575)	-	0.0%	(16,575)	-	0.0%
Profit before tax		162,595	129,811	25.3%	565,174	546,976	3.3%
Taxation	B7	(43,675)	(34,471)	26.7%	(141,156)	(129,291)	9.2%
Profit for the period/year		118,920	95,340	24.7%	424,018	417,685	1.5%
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		23,074	(26,785)	186.1%	38,188	38,951	-2.0%
<i>Item that will not be reclassified subsequently to profit or loss:</i>							
Net fair value changes through other comprehensive income		(12,979)	262	-5053.8%	(12,748)	896	-1522.8%
Total comprehensive income for the period/year		129,015	68,817	87.5%	449,458	457,532	-1.8%



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(Continued)

	Note	Unaudited Individual quarter			Unaudited Cumulative quarter		
		3 months ended			12 months ended		
		29.2.2024	28.2.2023	Changes	29.2.2024	28.2.2023	Changes
		RM'000	RM'000	%	RM'000	RM'000	%
Profit attributable to equity holders of the Company		118,920	95,340	24.7%	424,018	417,685	1.5%
Total comprehensive income attributable to equity holders of the Company		129,015	68,817	87.5%	449,458	457,532	-1.8%
Earnings per share attributable to owners of the Company (sen)							
Basic	B14	22.32	17.67*	26.3%	81.08	79.81*	1.6%

* For comparative purpose, the earnings per share for the quarter and year-to-date ended 28 February 2023 have been restated to reflect the Bonus Issue of 1 for 1 which was completed on 21 November 2023.

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 2023 and the accompanying notes to the quarterly report attached hereto.



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 29 FEBRUARY 2024

	Note	Unaudited As at 29.2.2024 RM'000	Audited As at 28.2.2023 RM'000
ASSETS			
Non-current Assets			
Plant and equipment		105,389	114,999
Right-of-use assets		48,549	37,887
Investment in an associate		158,425	-
Other investments		13,873	26,621
Goodwill on consolidation		511	511
Deferred tax assets		168,192	197,708
Financing receivables		8,031,227	6,896,996
Total Non-current Assets		8,526,166	7,274,722
Current Assets			
Financing receivables		3,504,430	3,151,617
Trade receivables		3,226	1,080
Other receivables, deposits and prepayments		66,852	60,494
Amount owing by related companies		14,030	11,182
Amount owing by an associate		447	-
Derivative financial assets	B8	361,618	226,666
Cash, bank balances and deposits		143,568	391,337
Total Current Assets		4,094,171	3,842,376
TOTAL ASSETS		12,620,337	11,117,098
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital		584,012	584,012
Hedging reserve		27,940	(10,248)
Fair value reserve		(7,790)	4,958
Retained earnings		2,033,469	1,746,108
Equity attributable to ordinary equity holders of the Company		2,637,631	2,324,830
Perpetual notes and sukuk		-	200,000
Total Equity		2,637,631	2,524,830



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 29 FEBRUARY 2024 (Continued)

	Note	Unaudited As at 29.2.2024 RM'000	Audited As at 28.2.2023 RM'000
Non-current Liabilities			
Borrowings	B11	6,603,008	6,178,775
Lease liabilities		<u>28,174</u>	<u>20,389</u>
Total Non-current Liabilities		<u>6,631,182</u>	<u>6,199,164</u>
Current Liabilities			
Borrowings	B11	2,801,538	1,828,194
Trade payables		41,644	32,510
Other payables and accruals		390,565	406,806
Amount owing to immediate holding company		6,227	10,355
Amount owing to related companies		7,523	5,091
Derivative financial liabilities	B8	48,929	52,776
Lease liabilities		21,850	17,704
Tax liabilities		<u>33,248</u>	<u>39,668</u>
Total Current Liabilities		<u>3,351,524</u>	<u>2,393,104</u>
Total Liabilities		<u>9,982,706</u>	<u>8,592,268</u>
TOTAL EQUITY AND LIABILITIES		<u>12,620,337</u>	<u>11,117,098</u>
Net assets per share (RM)		5.17	4.55 *
Number of ordinary shares ('000)		510,615	255,308
Capital adequacy ratio (%)		24.42	27.11

* For comparative purpose, the net assets per share has been restated to reflect the Bonus Issue of 1 for 1 which was completed on 21 November 2023.

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 28 February 2023 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 29 FEBRUARY 2024

	<div>← <u>Non-distributable</u> →</div>			<u>Distributable</u>		
	Perpetual					
	Share capital RM'000	notes and sukuk RM'000	Hedging reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total equity 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

	<div>← <u>Non-distributable</u> →</div>			<u>Distributable</u>		
	Perpetual					
	Share capital RM'000	notes and sukuk RM'000	Hedging reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total equity RM'000
At 1 March 2023	584,012	200,000	(10,248)	4,958	1,746,108	2,524,830
Cash flow hedge, net of tax	-	-	38,188	-	-	38,188
Fair value through other comprehensive income	-	-	-	(12,748)	-	(12,748)
Profit for the year	-	-	-	-	424,018	424,018
Total comprehensive income for the year	-	-	38,188	(12,748)	424,018	449,458
Distribution on perpetual notes and sukuk, net of tax	-	-	-	-	(9,997)	(9,997)
Redemption of perpetual note	-	(200,000)	-	-	-	(200,000)
Bonus issuance expenses	-	-	-	-	(283)	(283)
Dividends	-	-	-	-	(126,377)	(126,377)
At 29 February 2024	584,012	-	27,940	(7,790)	2,033,469	2,637,631

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 2023 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 29 FEBRUARY 2024

	29.2.2024	28.2.2023
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	565,174	546,976
Adjustments for:		
Interest income	(9,147)	(8,496)
Dividend income	(4)	(9)
Finance costs	356,976	314,078
Interest expenses on lease liabilities	1,567	1,843
Gain on disposal of plant and equipment	(41)	(27)
Depreciation of plant and equipment	38,698	41,876
Depreciation of right-of-use assets	21,420	21,013
(Reversal)/Allowance for impairment loss on financing receivables	(90,528)	30,887
Write-off on financing receivables	660,440	416,945
Allowance for impairment loss on trade receivables	29	12
Write-off of plant and equipment	2,280	4,716
Share of results in an associate	16,575	-
Operating profit before changes in working capital	1,563,439	1,369,814
Changes in working capital:		
Financing receivables	(2,056,956)	(1,395,334)
Trade receivables	(2,175)	416
Other receivables, deposits and prepayments	(6,358)	(3,496)
Amount owing by related companies	(2,848)	8,053
Amount owing by an associate	(447)	-
Trade payables	9,134	6,362
Other payables and accruals	(26,971)	37,002
Amount owing to immediate holding company	(4,128)	2,624
Amount owing to related companies	2,432	249
Cash held in trust for customers	(2,373)	(8,847)
Cash used in operations	(527,251)	16,843
Tax paid	(126,963)	(115,086)
Net cash used in operating activities	(654,214)	(98,243)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of plant and equipment	(31,761)	(17,350)
Proceeds from disposal of plant and equipment	434	75
Investment in an associate	(175,000)	-
Interest received	9,147	8,496
Dividend received	4	9
Net cash used in investing activities	(197,176)	(8,770)



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024 (Continued)

	29.2.2024 RM'000	28.2.2023 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to equity holders of the Company	(126,377)	(123,825)
Proceeds from bank borrowings	4,950,000	1,050,000
Repayment of bank borrowings	(3,640,594)	(599,764)
Bonus issuance expenses	(283)	-
Redemption of perpetual notes and sukuk	(200,000)	-
Repayment of lease liabilities	(23,497)	(23,710)
Increase in deposits held in trust account	(24)	27
Distribution paid to perpetual notes and sukuk holders	(13,154)	(13,371)
Finance costs paid	(344,847)	(308,787)
Net cash from/(used in) financing activities	601,224	(19,430)
Net decrease in cash and cash equivalents	(250,166)	(126,443)
Cash and cash equivalents at beginning of year	341,790	468,233
Cash and cash equivalents at end of year	91,624	341,790

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

	29.2.2024 RM'000	28.2.2023 RM'000
Cash and bank balances	82,872	95,993
Deposits placed with licensed financial institutions	60,696	295,344
	143,568	391,337
Cash held in trust for customers	(51,784)	(49,411)
Deposits held in trust account	(160)	(136)
	91,624	341,790

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 28 February 2023 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 29 February 2024

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 2023. 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 2023.

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 s beginning on or after 1 March 2023:

- MFRS 17 *Insurance Contracts*
- Amendments to MFRS 4 *Extension of the Temporary Exemption from Applying MFRS 9*
- 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 MFRS 17 - Comparative Information*

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 2024

- Amendments to MFRS 16 *Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101 *Non-current Liabilities with Covenants*
- Amendments to MFRS 107 and MFRS 7 *Supplier Finance Arrangements*

Effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121 *Lack of Exchangeability*



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A2 Significant accounting policies (Continued)

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 the initial period of 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 financial periods 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 except as disclosed below:

- a) Bonus Issue of shares of 255,307,690 new ordinary shares in AEON Credit Service (M) Berhad ("AEON Credit Shares" or "Shares") ("Bonus Shares") on the basis of entitlement of 1 Bonus Share for every 1 AEON Credit Share**

Subsequent to the approvals obtained from Bursa Securities on 31 July 2023 and shareholders' approval via an Extraordinary General Meeting held on 16 October 2023, the Company had on 21 November 2023 announced the listing and quotation of 255,307,690 Bonus Shares. Upon completion of the Bonus Issue, the total issued and paid-up share capital of the Company is RM584,011,570 comprising 510,615,380 ordinary shares.

- b) Redemption of Unrated Subordinated Perpetual Notes and Perpetual Sukuk**

On 8 December 2023, upon obtaining the approval from Bank Negara Malaysia ("BNM"), the Company has fully redeemed the RM100.0 million in nominal value of Perpetual Notes and RM100.0 million in nominal value of Perpetual Sukuk which were issued on 10 December 2018.



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A7 Dividend Paid

	Cumulative quarter	
	Current Year	Preceding Year
	Year-To-Date	Year-To-Date
	<u>29.2.2024</u>	<u>28.2.2023</u>
	RM'000	RM'000
In respect of the financial year ended 28 February 2022		
- 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
- Final single-tier dividend of 21.00 sen per ordinary share	53,614	-
In respect of the financial year ended 29 February 2024		
- Interim single-tier dividend 28.50 sen per ordinary share	72,763	-
	<u>126,377</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 company which is principally engaged in the business operation as an insurance broker 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 except as disclosed below:

Subsequent to the approvals obtained from shareholders via an Extraordinary General Meeting held on 16 October 2023, the Company had on 1 December 2023 subscribed for 175.0 million ordinary shares in AEON Bank (M) Berhad (formerly known as ACS Digital Berhad) (“AEON Bank”) for a cash consideration of RM175.0 million. As at 29 February 2024, AEON Bank has an issued and paid-up share capital of RM350.0 million, contributed equally by AEON Financial Service Co., Ltd. (“AFS”) and the Company. As a result, AEON Bank became an associate company of the Group.

BNM had vide its letter dated 8 January 2024 notified AFS and the Company that BNM is satisfied with the outcome of the operational readiness review of AEON Bank and the Minister of Finance has agreed to the issuance of the Islamic banking licence to AEON Bank and that the said licence is to take effect on 15 January 2024.



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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).

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
29.2.2024				
<u>Financial assets</u>				
Other investments	150	-	13,723	13,873
Derivatives designated as hedging instruments	-	361,618	-	361,618
Total financial assets carried at fair value	150	361,618	13,723	375,491
<u>Financial liabilities</u>				
Derivatives designated as hedging instruments	-	48,929	-	48,929
Total financial liabilities carried at fair value	-	48,929	-	48,929
28.2.2023				
<u>Financial assets</u>				
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
<u>Financial liabilities</u>				
Derivatives designated as hedging instruments	-	52,776	-	52,776
Total financial liabilities carried at fair value	-	52,776	-	52,776

A12 Contingent Liabilities and Contingent Assets

The Group did not have any contingent liabilities, either secured or unsecured, or contingent assets as at 29 February 2024 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 21 June 2023.

A14 Capital Commitments

Capital commitments for plant and equipment which have been authorised and contracted, but not provided for amounted to RM33.449 million as at 29 February 2024.



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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		
	29.2.2024 RM'000	28.2.2023 RM'000	Changes %	29.2.2024 RM'000	28.2.2023 RM'000	Changes %
Transaction and financing volume	1,853,537	1,599,316	15.9%	7,299,671	6,246,992	16.9%
Revenue	501,574	432,664	15.9%	1,912,491	1,640,245	16.6%
Total operating expenses	(272,571)	(270,654)	0.7%	(1,166,564)	(974,644)	19.7%
Other income	47,144	48,562	-2.9%	194,365	197,296	-1.5%
Profit from operations	276,147	210,572	31.1%	940,292	862,897	9.0%
Share of results in an associate	(16,575)	-	0.0%	(16,575)	-	0.0%
Profit before tax	162,595	129,811	25.3%	565,174	546,976	3.3%
Profit for the period/year	118,920	95,340	24.7%	424,018	417,685	1.5%

i) Current Quarter vs Preceding Year Corresponding Quarter

Total transaction and financing volume in the current quarter of RM1.854 billion was higher by 15.9% as compared to preceding year corresponding quarter. The Group recorded a total revenue of RM501.574 million, which was higher by 15.9% as compared to the preceding year corresponding quarter mainly attributable to stronger loan and financing growth.

The gross financing receivables as at 29 February 2024 of RM12.232 billion was higher by RM1.397 billion as compared to 28 February 2023. The net financing receivables after allowance for impairment loss was RM11.536 billion as at 29 February 2024 as compared to RM10.049 billion as at 28 February 2023. Non-Performing Loans ("NPL") ratio has reduced to 2.57% as at 29 February 2024 as compared to 2.89% as at 28 February 2023, resulting from positive actions taken.

Other income for the current quarter was recorded at RM47.144 million mainly due to bad debt recoveries.

The ratio of total operating expenses against revenue for the current quarter was recorded at 54.3% as compared to 62.6% in the preceding year corresponding quarter. The decrease in the ratio of operating expenses was mainly attributable to the higher interest income and profit revenue in tandem with the growth in transaction and financing volume.

Interest expense for the current quarter was higher 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 29 February 2024 was RM9.13 billion as compared to RM7.82 billion as at 28 February 2023.

Following the subscription of shares in AEON Bank on 1 December 2023, the Group has equity accounted for its proportionate share of losses in AEON Bank during the quarter amounting to RM16.575 million.

Profit before tax ("PBT") for the current quarter of RM162.595 million increased by 25.3% 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 year-to-date grew by 16.9% to RM7.300 billion compared to corresponding preceding year. As a result, total revenue registered for the financial year-to-date of RM1.912 billion increased by 16.6% compared to RM1.640 billion recorded in the corresponding preceding year.

The Group registered a PBT of RM565.174 million, an increase of 3.3% as compared to RM546.976 million for the corresponding preceding year. The increase was mainly attributable to the incremental increase in revenue of RM272.246 million, partially offset by higher impairment losses on financing receivables that reflected an increase of RM122.080 million and higher other operating expenses in line with increased transaction and financing volume. Loan loss coverage ratio stood at 221% as at 29 February 2024 as compared to 252% as at 28 February 2023.

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

	Current Quarter 29.2.2024 RM'000	Immediate Preceding Quarter 30.11.2023 RM'000	Changes %
Transaction and financing volume	1,853,537	1,823,911	1.6%
Revenue	501,574	486,513	3.1%
Total operating expenses	(272,571)	(333,556)	-18.3%
Other income	47,144	48,519	-2.8%
Profit from operations	276,147	201,476	37.1%
Share of results in an associate	(16,575)	-	0.0%
Profit before tax	162,595	111,434	45.9%
Profit for the period	118,920	85,546	39.0%

PBT for the current quarter increased by 39.0% to RM162.595 million from RM111.434 million recorded in the immediate preceding quarter. The higher PBT was mainly due to the lower impairment losses on financing receivables of RM113.984 million as compared to RM182.818 million recorded in the immediate preceding quarter, offset by the share of losses in AEON Bank of RM16.575 million.



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B3 Current Year Prospects

Malaysia's Gross Domestic Product expanded by 3.0% in the fourth quarter of 2023 as compared to 3.3% in the third quarter of 2023, with exports remaining subdued over the quarter on prolonged weakness in external demand. BNM forecasted the Malaysian economy to grow between 4% to 5% in 2024 driven by resilient domestic expenditure and improvement in external demand.

The Group remains cautious on the outlook in view of rising geopolitical tensions, inflationary pressures and prevailing volatility in the global financial markets. Nevertheless, the Group will continue to remain prudent and cautious, placing emphasis on growing quality asset and closely monitoring the inherent credit risks in its financing portfolios. The Group will continuously enhance its information technology capabilities to improve on operational efficiencies while establishing an ecosystem to be built from the AEON Group of Companies operating in Malaysia ("AEON Living Zone") to expand on its customer reach.

Barring any unforeseen circumstances, the Group expects to be able to maintain its business momentum by putting in place the appropriate measures for the financial year ending 28 February 2025.

B4 Revenue

	Individual quarter		Cumulative quarter	
	3 months ended		12 months ended	
	<u>29.2.2024</u>	<u>28.2.2023</u>	<u>29.2.2024</u>	<u>28.2.2023</u>
	RM'000	RM'000	RM'000	RM'000
Revenue comprises:				
Interest income, profit revenue and				
finance charges	446,642	384,644	1,695,714	1,446,240
Fee income	54,932	48,020	216,777	194,005
	501,574	432,664	1,912,491	1,640,245



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B5 Notes to the Statement of Comprehensive Income

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

	Individual quarter		Cumulative quarter	
	3 months ended		12 months ended	
	<u>29.2.2024</u>	<u>28.2.2023</u>	<u>29.2.2024</u>	<u>28.2.2023</u>
	RM'000	RM'000	RM'000	RM'000
(a) Included in Profit from operations:				
Bad debts recovered	45,785	44,083	183,470	181,665
Interest income	991	2,814	9,147	8,496
Dividend income	-	-	4	9
Gain on disposal of plant and equipment	2	17	41	27
Depreciation of plant and equipment	(9,144)	(10,397)	(38,698)	(41,876)
Depreciation of right-of-use assets	(6,287)	(5,106)	(21,420)	(21,013)
Reversal/(Allowance) for impairment loss on financing receivables	58,941	11,495	90,528	(30,887)
Write-off on financing receivables	(172,925)	(128,693)	(660,440)	(416,945)
Write-off of plant and equipment	(2,263)	(4,552)	(2,280)	(4,716)
Allowance for impairment loss on trade receivables	(2)	-	(29)	(12)
(b) Included in Other comprehensive income:				
Net changes in cash flow hedge	23,074	(26,785)	38,188	38,951
Net fair value changes on equity instruments through other comprehensive income	(12,979)	262	(12,748)	896



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B6 Interest expense

	Individual quarter 3 months ended		Cumulative quarter 12 months ended	
	<u>29.2.2024</u>	<u>28.2.2023</u>	<u>29.2.2024</u>	<u>28.2.2023</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	71,064	72,186	300,666	283,790
Senior and subordinated sukuk	12,930	6,752	36,178	27,364
Islamic commercial paper	244	119	2,683	417
Revolving credits	12,270	1,255	17,399	2,507
Bank overdraft	2	-	50	-
	<u>96,510</u>	<u>80,312</u>	<u>356,976</u>	<u>314,078</u>
Interest on lease liabilities	467	449	1,567	1,843
	<u>96,977</u>	<u>80,761</u>	<u>358,543</u>	<u>315,921</u>

B7 Taxation

	Individual quarter 3 months ended		Cumulative quarter 12 months ended	
	<u>29.2.2024</u>	<u>28.2.2023</u>	<u>29.2.2024</u>	<u>28.2.2023</u>
	RM'000	RM'000	RM'000	RM'000
Income tax payable:				
- current period/year	35,991	37,126	123,590	135,496
- under/(over) provision in prior years	195	86	110	(7,994)
	<u>36,186</u>	<u>37,212</u>	<u>123,700</u>	<u>127,502</u>
Deferred tax:				
- current period/year	7,489	(2,741)	18,985	505
- (over)/under provision in prior years	-	-	(1,529)	1,284
	<u>7,489</u>	<u>(2,741)</u>	<u>17,456</u>	<u>1,789</u>
	<u>43,675</u>	<u>34,471</u>	<u>141,156</u>	<u>129,291</u>

The Group's effective tax rate for the current quarter and the current year is higher than the statutory tax rate of 24% as certain expenses are not deductible for tax purpose.



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B8 Derivatives and Fair Value Changes of Financial Instruments

(a) Details of derivative financial instruments outstanding as at 29 February 2024 are as follows:

	Notional Amount		Fair Value	
	29.2.2024	28.2.2023	Assets/(Liabilities)	
	RM'000	RM'000	29.2.2024	28.2.2023
			RM'000	RM'000
<u>Derivative financial assets</u>				
<u>Cross currency swaps:</u>				
Less than 1 year	711,538	718,194	93,733	59,587
1 – 3 years	1,997,369	1,634,395	205,640	107,235
More than 3 years	391,759	864,165	62,245	59,844
Total	3,100,666	3,216,754	361,618	226,666
<u>Derivative financial liabilities</u>				
<u>Cross currency swaps:</u>				
1 – 3 years	211,298	145,417	(34,394)	(6,615)
More than 3 years	184,090	305,926	(14,535)	(46,161)
Total	395,388	451,343	(48,929)	(52,776)

(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 29 February 2024.

B10 Status of Corporate Proposal

There is no corporate proposal announced but not completed as at the date of this report.



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B11 Borrowings

The borrowings of the Group as at 29 February 2024 comprised the following:

	<u>29.2.2024</u>	<u>28.2.2023</u>
	Unsecured	Unsecured
	RM'000	RM'000
Non-current :		
- Term loans/financing	5,354,516	5,479,903
- Senior sukuk	1,048,673	499,150
- Subordinated sukuk	199,819	199,722
	<u>6,603,008</u>	<u>6,178,775</u>
Current :		
- Term loans/financing	2,491,538	1,678,194
- Revolving credit	310,000	150,000
	<u>2,801,538</u>	<u>1,828,194</u>
Total	<u>9,404,546</u>	<u>8,006,969</u>

The borrowings were denominated in the following currencies:

	<u>29.2.2024</u>		<u>28.2.2023</u>	
	Foreign		Foreign	
	Currency	Equivalent	Currency	Equivalent
	'000	RM'000	'000	RM'000
<u>Unsecured</u>				
Ringgit Malaysia		5,908,492		4,338,872
United States Dollar	652,442	3,100,666	749,058	3,362,171
Japanese Yen	12,451,597	395,388	9,318,765	305,926
		<u>9,404,546</u>		<u>8,006,969</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.



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B13 Dividends

- (a) (i) The Board has proposed the payment of a final single-tier dividend of 14.00 sen per share (previous corresponding period : 21.00 sen per share) in respect of the financial year ended 29 February 2024 amounting to RM71,486,000;
- (ii) Date payable : 25 July 2024; and
- (iii) In respect of deposited securities, entitlement to the dividend will be determined based on the record of depositors as at 5 July 2024.
- (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.

B14 Earnings per share

	Individual quarter		Cumulative quarter	
	3 months ended		12 months ended	
	<u>29.2.2024</u>	<u>28.2.2023</u>	<u>29.2.2024</u>	<u>28.2.2023</u>
	RM'000	RM'000	RM'000	RM'000
Profit attributable to equity holders	118,920	95,340	424,018	417,685
Distribution on perpetual notes and sukuk, net of tax	(4,957)	(5,123)	(9,997)	(10,163)
Profit attributable to ordinary equity holders	<u>113,963</u>	<u>90,217</u>	<u>414,021</u>	<u>407,522</u>

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 financial period/year.

	Individual quarter		Cumulative quarter	
	3 months ended		12 months ended	
	<u>29.2.2024</u>	<u>28.2.2023</u>	<u>29.2.2024</u>	<u>28.2.2023</u>
Profit attributable to ordinary equity holders (RM'000)	113,963	90,217	414,021	407,522
Weighted average number of ordinary shares ('000 unit)	510,615	510,615*	510,615	510,615*
Basic earnings per share (sen)	<u>22.32</u>	<u>17.67*</u>	<u>81.08</u>	<u>79.81*</u>

- * The weighted average number of ordinary shares for the quarter and year-to-date ended 28 February 2023 have been adjusted to reflect the Bonus Issue of 1 for 1 which was completed on 21 November 2023. Accordingly, the earnings per share for the comparative quarter and year-to-date have been restated.

Diluted Earnings Per Share

There were no dilutive potential ordinary shares outstanding as at 29 February 2024. As a result, the diluted earnings per share is equivalent to the basic earnings per share.



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B15 Auditors' Report on the Preceding Annual Financial Statements

There was no qualification in the auditors' 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 8 April 2024.

By Order of the Board
8 April 2024