



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 2022

	Note	Unaudited Individual quarter			Unaudited Cumulative quarter		
		3 months ended			12 months ended		
		28.2.2022 RM'000	28.2.2021 RM'000	Changes %	28.2.2022 RM'000	28.2.2021 RM'000	Changes %
Revenue	B4	362,968	406,348	-10.7%	1,524,880	1,561,660	-2.4%
Total operating expenses		(282,212)	(215,834)	30.8%	(848,531)	(1,024,164)	-17.1%
Other income		43,139	46,852	-7.9%	181,357	145,284	24.8%
Profit from operations	B5(a)	123,895	237,366	-47.8%	857,706	682,780	25.6%
Interest expense	B6	(79,106)	(83,736)	-5.5%	(330,886)	(357,873)	-7.5%
Profit before tax		44,789	153,630	-70.8%	526,820	324,907	62.1%
Taxation	B7	(21,409)	(39,911)	-46.4%	(161,401)	(90,950)	77.5%
Profit for the period/year		23,380	113,719	-79.4%	365,419	233,957	56.2%
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		34,677	43,830	-20.9%	79,063	(12,392)	738.0%
<i>Item that will not be reclassified subsequently to profit or loss:</i>							
Net fair value changes through other comprehensive income		(250)	(945)	-73.5%	(2,455)	(21,054)	-88.3%
Total comprehensive income for the period/year		57,807	156,604	-63.1%	442,027	200,511	120.5%
Profit attributable to equity holders of the Company		23,380	113,719	-79.4%	365,419	233,957	56.2%
Total comprehensive income attributable to equity holders of the Company		57,807	156,604	-63.1%	442,027	200,511	120.5%
Earnings per share attributable to owners of the Company (sen)							
Basic	B14	7.17	42.56	-83.1%	139.17	87.67	58.7%

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 2021 and the accompanying notes to the quarterly report attached hereto.



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2022

	Note	Unaudited As at 28.2.2022 RM'000	Audited As at 28.2.2021 RM'000
ASSETS			
Non-current assets			
Plant and equipment		144,289	137,843
Right-of-use assets		44,678	53,535
Other investments		25,725	27,645
Goodwill on consolidation		511	-
Deferred tax assets		211,797	247,816
Financing receivables		<u>6,170,956</u>	<u>6,302,925</u>
Total non-current assets		<u>6,597,956</u>	<u>6,769,764</u>
Current assets			
Financing receivables		2,930,155	2,933,121
Trade receivables		1,508	-
Other receivables, deposits and prepayments		56,998	63,375
Amount owing by related companies		19,235	25,612
Derivative financial assets	B8	26,057	-
Tax recoverable		5	-
Cash, bank balances and deposits		<u>508,960</u>	<u>439,549</u>
Total current assets		<u>3,542,918</u>	<u>3,461,657</u>
TOTAL ASSETS		<u><u>10,140,874</u></u>	<u><u>10,231,421</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		584,012	584,012
Hedging reserve		(49,199)	(128,262)
Fair value reserve		4,062	6,517
Retained earnings		<u>1,462,411</u>	<u>1,230,925</u>
Equity attributable to ordinary equity holders of the Company		<u>2,001,286</u>	<u>1,693,192</u>
Perpetual notes and sukuk		<u>200,000</u>	<u>200,000</u>
Total equity		<u><u>2,201,286</u></u>	<u><u>1,893,192</u></u>



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2022 (Continued)

		Unaudited As at 28.2.2022 RM'000	Audited As at 28.2.2021 RM'000
Non-current liabilities			
Borrowings	B11	6,791,891	6,542,946
Lease liabilities		26,797	35,801
Total non-current liabilities		6,818,688	6,578,747
Current liabilities			
Borrowings	B11	598,605	1,119,964
Trade payables		26,148	21,163
Other payables and accruals		364,513	226,847
Amount owing to immediate holding company		7,731	6,586
Amount owing to related companies		4,842	20,267
Derivative financial liabilities	B8	69,655	281,903
Lease liabilities		18,941	18,230
Tax liabilities		30,465	64,522
Total current liabilities		1,120,900	1,759,482
Total liabilities		7,939,588	8,338,229
TOTAL EQUITY AND LIABILITIES		10,140,874	10,231,421
Net assets per share (RM)		7.84	6.63
Number of ordinary shares ('000)		255,308	255,308
Capital adequacy ratio (%)		26.85	23.98

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 28 February 2021 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 2022

	← <u>Non-distributable</u> →				→ <u>Distributable</u>		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	
At 1 March 2020	565,448	14,107	200,000	(115,870)	27,571	1,066,103	1,757,359
Cash flow hedge, net of tax	-	-	-	(12,392)	-	-	(12,392)
Fair value through other comprehensive income	-	-	-	-	(21,054)	-	(21,054)
Profit for the year	-	-	-	-	-	233,957	233,957
Total comprehensive income for the year	-	-	-	(12,392)	(21,054)	233,957	200,511
Conversion of ICULS equity	14,101	(14,101)	-	-	-	-	-
Conversion of ICULS liabilities	4,463	-	-	-	-	-	4,463
Deferred tax effects on ICULS	-	(6)	-	-	-	-	(6)
Distribution on perpetual notes and sukuk, net of tax	-	-	-	-	-	(10,136)	(10,136)
Dividends	-	-	-	-	-	(58,999)	(58,999)
At 28 February 2021	584,012	-	200,000	(128,262)	6,517	1,230,925	1,893,192
	← <u>Non-distributable</u> →				→ <u>Distributable</u>		
	Share capital RM'000	notes and sukuk RM'000	Perpetual	Hedging reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total 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

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 2021 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 2022

	28.2.2022	28.2.2021
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	526,820	324,907
Adjustments for:		
Interest income	(13,553)	(4,842)
Finance costs	328,580	355,056
Interest on lease liabilities	2,306	2,817
Gain on disposal of plant and equipment	(144)	(131)
Depreciation of plant and equipment	47,100	49,083
Depreciation of right-of-use assets	22,401	22,009
Impairment loss on financing receivables	303,285	508,422
Write-off of plant and equipment	34	2,410
Operating profit before changes in working capital	1,216,829	1,259,731
Changes in working capital:		
Financing receivables	(168,350)	(40,347)
Trade receivables	(1,467)	-
Other receivables, deposits and prepayments	6,402	20,192
Amount owing by related companies	6,377	(14,906)
Trade payables	4,936	(11,750)
Other payables and accruals	140,591	21,266
Amount owing to immediate holding company	1,145	(392)
Amount owing to related companies	(15,427)	14,565
Cash held in trust for customers	(7,132)	(13,451)
Cash held in trust for a related company	-	1,841
Cash generated from operations	1,183,904	1,236,749
Tax paid	(181,214)	(78,642)
Net cash from operating activities	1,002,690	1,158,107
Cash flows from investing activities		
Acquisition of plant and equipment	(53,759)	(48,206)
Proceeds from disposal of plant and equipment	326	162
Addition of other investments	(535)	-
Acquisition of a subsidiary, net of cash acquired	(449)	-
Interest received	13,553	4,842
Net cash used in investing activities	(40,864)	(43,202)



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2022 (Continued)

	28.2.2022	28.2.2021
	RM'000	RM'000
Cash flows from financing activities		
Dividend paid to shareholders of the Company	(123,825)	(58,999)
Proceeds from bank borrowings	750,000	4,047,000
Repayment of bank borrowings	(1,156,688)	(4,375,630)
Coupon payment of ICULS	-	(636)
Repayment of lease liabilities	(24,171)	(24,511)
(Increase)/decrease in deposit held in trust account	(1)	28
Distribution paid to perpetual notes and sukuk holders	(13,300)	(13,337)
Finance costs paid	(331,563)	(349,353)
Net cash used in financing activities	(899,548)	(775,438)
Net increase in cash and cash equivalents	62,278	339,467
Cash and cash equivalents at beginning of year	405,955	66,488
Cash and cash equivalents at end of year	468,233	405,955

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

	28.2.2022	28.2.2021
	RM'000	RM'000
Cash and bank balances	96,729	112,334
Deposits placed with licensed financial institutions	412,231	327,215
	508,960	439,549
Cash held in trust for customers	(40,564)	(33,432)
Deposit held in trust account	(163)	(162)
	468,233	405,955

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements 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 year ended 28 February 2022

A EXPLANATORY NOTES PURSUANT TO MFRS 134

A1 Basis of Preparation

The condensed consolidated 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 Group 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 Group 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.

- Amendments to MFRS 16 *COVID-19 Related Rent Concessions*
- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 *Interest Rate Benchmark Reform – Phase 2*

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

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 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 10 *Consolidated Financial Statements*
- MFRS 13 *Fair Value Measurement*
- 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*
- Amendments to MFRS 101 *Classification 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*

Effective for annual periods beginning on or after 1 January 2026

- MFRS 14 *Regulatory Deferral Accounts*

The Group 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 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 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 period 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 Year-To-Date <u>28.2.2022</u> RM'000	Preceding Year Year-To-Date <u>28.2.2021</u> RM'000
Final dividend in respect of the financial year ended 29 February 2020		
- 14.00 sen single-tier dividend per ordinary share	-	35,511
Interim dividend in respect of the financial year ended 28 February 2021		
- 9.20 sen single-tier dividend per ordinary share	-	23,488
Final dividend in respect of the financial year ended 28 February 2021		
- 20.00 sen single-tier dividend per ordinary share	51,062	-
Interim dividend in respect of the financial year ended 28 February 2022		
- 28.50 sen single-tier dividend per ordinary share	72,763	-
	123,825	58,999

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/e-wallet businesses, all of which are categorised under consumer financing business. The contribution from the newly acquired 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 restructuring and discontinuing operations other than as disclosed below and in Note B10.

On 30 September 2021, the Company acquired 100% equity interest in Insurepro Sdn. Bhd. (“Insurepro”), representing 1,440,000 ordinary shares for a purchase consideration of RM0.489 million. As a result, Insurepro became a wholly-owned subsidiary of the Company.



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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).

<u>28.2.2022</u>	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

28.2.2021

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

Financial liabilities

Derivatives designated as hedging instruments	-	281,903	-	281,903
Total financial liabilities carried at fair value	-	281,903	-	281,903

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 2022 and up to the date of this announcement.

A13 Related Party Transactions

During the current quarter under review and up to the date of this announcement, the Group did not enter into any significant Related Party Transactions or Recurrent Related Party Transactions of revenue or trading nature other than those that had been mandated by the shareholders during the Annual General Meeting held on 23 June 2021.

A14 Capital Commitments

Capital commitments for plant and equipment which have been authorised and contracted, but not provided for amounted to RM51.968 million as at 28 February 2022.



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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

B1 Performance Review

	Individual quarter 3 months ended			Cumulative quarter 12 months ended		
	28.2.2022 RM'000	28.2.2021 RM'000	Changes %	28.2.2022 RM'000	28.2.2021 RM'000	Changes %
Transaction and financing volume	1,463,400	1,263,369	15.8%	4,768,607	4,228,760	12.8%
Revenue	362,968	406,348	-10.7%	1,524,880	1,561,660	-2.4%
Total operating expenses	(282,212)	(215,834)	30.8%	(848,531)	(1,024,164)	-17.1%
Other income	43,139	46,852	-7.9%	181,357	145,284	24.8%
Profit from operations	123,895	237,366	-47.8%	857,706	682,780	25.6%
Profit before tax	44,789	153,630	-70.8%	526,820	324,907	62.1%
Profit for the period/year	23,380	113,719	-79.4%	365,419	233,957	56.2%

i) Current Quarter vs Previous Year Corresponding Quarter

Total transaction and financing volume in the current quarter of RM1.463 billion was higher by 15.8% as compared to corresponding preceding year. The Group recorded a total revenue of RM362.968 million, which was lower by 10.7% as compared to the corresponding preceding year quarter mainly attributable to lower average financing receivables as compared to corresponding preceding year.

The gross financing receivables as at 28 February 2022 of RM9.857 billion was lower by RM200.749 million as compared to 28 February 2021. The net financing receivables after allowance for impairment loss was RM9.101 billion as at 28 February 2022 as compared to RM9.236 billion as at 28 February 2021. Non-Performing Loans (“NPL”) ratio was 2.66% as at 28 February 2022 as compared to 2.46% as at 28 February 2021.

Overall performance for the quarter was also partly impacted by the highly contagious Omicron Covid-19 variant which caused a sharp rise in inflection among the public and also staffs.

Other income for the current quarter was lower at RM43.139 million mainly due to lower bad debt recoveries.

Ratio of total operating expenses against revenue was recorded at 77.8% for the current quarter as compared to 53.1% in the corresponding preceding year quarter. The increase in operating expenses was mainly due to higher impairment losses on financing receivables of RM154.676 million as compared to RM65.133 million for the corresponding preceding year quarter, partially offset by lower operating expenses.

Funding cost for the current quarter was lower compared to the corresponding preceding year quarter mainly due to reduced borrowings and lower cost of funds. The nominal value of borrowings as at 28 February 2022 was RM7.371 billion as compared to RM7.776 billion as at 28 February 2021.

As a result, the profit before tax (“PBT”) for the current quarter of RM44.789 million reflected a decrease of 70.8% as compared to the corresponding preceding year 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 year-to-date of RM1.525 billion was slightly lower by 2.4% as compared to RM1.562 billion recorded in the corresponding preceding year. The lower revenue was mainly due to lower interest income recorded from a lower average financing receivables base.

The Group recorded a higher PBT of RM526.820 million for the financial year-to-date as compared to RM324.907 million in the corresponding preceding year. The increase was mainly due to the year-to-date reduction in the allowance for impairment losses of RM205.137 million as a result of improved collections. Loan loss coverage ratio stood at 289% as at 28 February 2022 as compared to 339% as at 28 February 2021.

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

	Current Quarter 28.2.2022 RM'000	Immediate Preceding Quarter 30.11.2021 RM'000	Changes %
Transaction and financing volume	1,463,400	1,188,326	23.1%
Revenue	362,968	376,471	-3.6%
Total operating expenses	(282,212)	(181,888)	55.2%
Other income	43,139	50,459	-14.5%
Profit from operations	123,895	245,042	-49.4%
Profit before tax	44,789	164,028	-72.7%
Profit for the period	23,380	103,464	-77.4%

PBT for the current quarter was recorded at RM44.789 million, a decrease of 72.7% as compared to RM164.028 million recorded in the immediate preceding quarter. The lower PBT was mainly due to higher impairment losses of RM154.676 million recorded in the current quarter as compared to RM33.090 million for the immediate preceding quarter due to the reasons as disclosed in Note B1.

B3 Current Year Prospects

In the fourth quarter of 2021, the Malaysian Gross Domestic Product (“GDP”) improved by 3.6% year-on-year as compared to 4.5% contraction in the third quarter mainly supported by strong external demand. Meanwhile, Bank Negara Malaysia has forecasted that Malaysia’s economic growth is on track to expand by 5.3% - 6.3% for 2022 upon the reopening of economic and social sectors, as well as increased external demand from major trading partners. However, the resurgence of Covid-19 inflections brought on by the Omicron variant still pose downside risks.

Movement restrictions had since been progressively eased as the number of recorded infection cases declined with improved vaccination rates. This has allowed the Group to gradually reopen its branch operations to better serve customers and expand its business. In addition, the Malaysian Government has recently announced that the country will be entering into an endemic phase that will see the reopening of international borders with effective from 1 April 2022.

Nevertheless, the Group will continue to remain vigilant in assessing the inherent credit risks in its financing portfolios, with proactive attention focused on enhancement of asset quality, prudent cost management and improvement on financial and operational efficiencies by leveraging on its positive business fundamentals.



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B3 Current Year Prospects (Continued)

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

B4 Revenue

	Individual quarter		Cumulative quarter	
	3 months ended		12 months ended	
	<u>28.2.2022</u>	<u>28.2.2021</u>	<u>28.2.2022</u>	<u>28.2.2021</u>
	RM'000	RM'000	RM'000	RM'000
Revenue comprises:				
Interest income, profit revenue and finance charges	316,180	361,870	1,371,385	1,403,762
Fee income	46,788	44,478	153,495	157,898
	<u>362,968</u>	<u>406,348</u>	<u>1,524,880</u>	<u>1,561,660</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		12 months ended	
	<u>28.2.2022</u>	<u>28.2.2021</u>	<u>28.2.2022</u>	<u>28.2.2021</u>
	RM'000	RM'000	RM'000	RM'000
(a) Included in Profit from operations:				
Bad debts recovered	38,458	41,482	156,364	125,240
Interest income	3,195	1,348	13,553	4,842
Gain on disposal of plant and equipment	75	-	144	131
Depreciation of plant and equipment	(11,424)	(11,636)	(47,100)	(49,083)
Depreciation of right-of-use assets	(5,528)	(5,421)	(22,401)	(22,009)
Impairment loss on financing receivables	(154,676)	(65,133)	(303,285)	(508,422)
Write-off of plant and equipment	-	(1,481)	(34)	(2,410)
(b) Included in Other comprehensive income/(loss):				
Net changes in cash flow hedge	34,677	43,830	79,063	(12,392)
Net fair value changes on equity instruments through other comprehensive income	(250)	(945)	(2,455)	(21,054)

Receivables amounting to RM88.334 million and RM389.100 million have been written off against allowance for impairment losses on receivables for the current quarter and financial year-to-date as compared with RM157.795 million and RM356.845 million written off in the previous year corresponding quarter and financial year-to-date respectively.



AEON Credit Service (M) Berhad

(Registration No. 199601040414 (412767-V))
(Incorporated in Malaysia)

B6 Interest expense

	Individual quarter		Cumulative quarter	
	3 months ended		12 months ended	
	<u>28.2.2022</u>	<u>28.2.2021</u>	<u>28.2.2022</u>	<u>28.2.2021</u>
	RM'000	RM'000	RM'000	RM'000
Interest expense on financial liabilities that are not stated at fair value through profit or loss:				
Commercial paper	93	134	436	5,362
Term loans/financing	71,764	76,067	300,860	314,955
Senior and subordinated sukuk	6,732	6,744	27,284	26,969
Revolving credits	-	164	-	3,298
Bank overdraft	-	-	-	3
ICULS interest	-	-	-	4,469
	<u>78,589</u>	<u>83,109</u>	<u>328,580</u>	<u>355,056</u>
Interest on lease liabilities	517	627	2,306	2,817
	<u>79,106</u>	<u>83,736</u>	<u>330,886</u>	<u>357,873</u>

B7 Taxation

	Individual quarter		Cumulative quarter	
	3 months ended		12 months ended	
	<u>28.2.2022</u>	<u>28.2.2021</u>	<u>28.2.2022</u>	<u>28.2.2021</u>
	RM'000	RM'000	RM'000	RM'000
Income tax payable:				
- current period/year	32,970	38,953	149,406	113,168
- under provision in prior years	-	8,916	944	7,892
	<u>32,970</u>	<u>47,869</u>	<u>150,350</u>	<u>121,060</u>
Deferred tax:				
- current period/year	(10,680)	(7,957)	16,463	(31,082)
- (over)/under provision in prior years	(881)	(1)	(5,412)	972
	<u>(11,561)</u>	<u>(7,958)</u>	<u>11,051</u>	<u>(30,110)</u>
	<u>21,409</u>	<u>39,911</u>	<u>161,401</u>	<u>90,950</u>

The Group's effective tax rate is higher than the applicable statutory tax rate due to the following:

- Certain expenses are not deductible for tax purpose; and
- The effect of the imposition of Cukai Makmur at the rate of 33% on chargeable income exceeding RM100 million for the year of assessment 2022.



AEON Credit Service (M) Berhad

(Registration No. 199601040414 (412767-V))
(Incorporated in Malaysia)

B8 Derivatives and Fair Value Changes of Financial Liabilities

(a) Details of derivative financial instruments outstanding as at 28 February 2022 are as follows:

	Notional Amount		Fair Value	
			Assets / (Liabilities)	
	28.2.2022	28.2.2021	28.2.2022	28.2.2021
	RM'000	RM'000	RM'000	RM'000
<u>Derivative financial assets</u>				
<u>Cross currency swaps:</u>				
1 – 3 years	413,392	-	16,115	-
More than 3 years	449,728	-	9,942	-
Total	863,120	-	26,057	-
<u>Derivative financial liabilities</u>				
<u>Cross currency swaps:</u>				
Less than 1 year	298,605	819,964	(5,904)	(54,322)
1 – 3 years	887,004	935,969	(15,137)	(55,902)
More than 3 years	1,353,131	1,918,559	(48,614)	(171,679)
Total	2,538,740	3,674,492	(69,655)	(281,903)

(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 2022.

B10 Status of Corporate Proposal

Proposed joint venture between the Company and AEON Financial Service Co., Ltd. (“AFS”) and application to Bank Negara Malaysia (“BNM”) 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 proposal upon receipt of the required license.

Todate, the joint application is still pending a decision by BNM/MOF.



AEON Credit Service (M) Berhad

(Registration No. 199601040414 (412767-V))
(Incorporated in Malaysia)

B11 Borrowings

The borrowings of the Group as at 28 February 2022 comprised the following:

	<u>28.2.2022</u>	<u>28.2.2021</u>
	Unsecured	Unsecured
	RM'000	RM'000
Non-current :		
- Term loans/financing	6,093,255	5,844,528
- Senior sukuk	498,953	498,771
- Subordinated sukuk	199,683	199,647
	<u>6,791,891</u>	<u>6,542,946</u>
Current :		
- Term loans/financing	598,605	1,119,964
Total	<u>7,390,496</u>	<u>7,662,910</u>

The borrowings were denominated in the following currencies:

	<u>28.2.2022</u>		<u>28.2.2021</u>	
	Foreign	Unsecured	Foreign	Unsecured
	Currency	Equivalent	Currency	Equivalent
	'000	RM'000	'000	RM'000
Ringgit Malaysia		3,988,636		3,988,418
United States Dollar	729,619	3,063,309	907,379	3,674,492
Japanese Yen	9,318,765	338,551	-	-
		<u>7,390,496</u>		<u>7,662,910</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 for the payment of a final single-tier dividend of 15.00 sen per share (previous corresponding period : 20.00 sen per share) and a special single-tier dividend of 5.00 sen per share (previous corresponding period : nil) in respect of the financial year ended 28 February 2022 amounting to RM38,296,000 and RM12,766,000 respectively, totalling RM51,062,000;
- (ii) Date payable : 21 July 2022; and
- (iii) In respect of deposited securities, entitlement to dividend will be determined based on the record of depositors as at 7 July 2022.
- (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.



AEON Credit Service (M) Berhad

(Registration No. 199601040414 (412767-V))
(Incorporated in Malaysia)

B14 Earnings per share

	Individual quarter		Cumulative quarter	
	3 months ended		12 months ended	
	<u>28.2.2022</u>	<u>28.2.2021</u>	<u>28.2.2022</u>	<u>28.2.2021</u>
	RM'000	RM'000	RM'000	RM'000
Profit attributable to equity holders	23,380	113,719	365,419	233,957
Distribution on perpetual notes and sukuk, net of tax	(5,068)	(5,068)	(10,108)	(10,136)
Profit attributable to ordinary equity holders	<u>18,312</u>	<u>108,651</u>	<u>355,311</u>	<u>223,821</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 period/year.

	Individual quarter		Cumulative quarter	
	3 months ended		12 months ended	
	<u>28.2.2022</u>	<u>28.2.2021</u>	<u>28.2.2022</u>	<u>28.2.2021</u>
Profit attributable to ordinary equity holders (RM'000)	18,312	108,651	355,311	223,821
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>7.17</u>	<u>42.56</u>	<u>139.17</u>	<u>87.67</u>

Diluted Earnings Per Share

There were no dilutive potential ordinary shares outstanding as at 28 February 2022. As a result, the diluted earnings per share is equivalent to the basic earnings per share.

B15 Auditors' Report on the Preceding Annual Financial Statements

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

B16 Authorisation for Issue

This interim financial report was authorised for issue by the Board of Directors of the Company in accordance with a resolution of the Directors on 5 April 2022.

By order of the Board
5 April 2022