
AUDITED FINANCIAL STATEMENTS OF ACSD FOR THE FPE 28 FEBRUARY 2023

Registration No. 202201026163 (1471860-K)

ACS DIGITAL BERHAD
(Registration No. 202201026163 (1471860-K))
(Incorporated in Malaysia)

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE PERIOD FROM
19 JULY 2022 (DATE OF INCORPORATION)
TO 28 FEBRUARY 2023
(In Ringgit Malaysia)**

AUDITED FINANCIAL STATEMENTS OF ACSD FOR THE FPE 28 FEBRUARY 2023 (CONT'D)

ACS DIGITAL BERHAD

(Incorporated in Malaysia)

Registration No. 202201026163 (1471860-K)

FINANCIAL STATEMENTS

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AUDITED FINANCIAL STATEMENTS OF ACSD FOR THE FPE 28 FEBRUARY 2023 (CONT'D)

ACS DIGITAL BERHAD

(Incorporated in Malaysia)

Registration No. 202201026163 (1471860-K)

DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Company for the financial period from 19 July 2022 (date of incorporation) to 28 February 2023.

INCORPORATION AND PRINCIPAL ACTIVITY

The Company was incorporated on 19 July 2022 and is principally engaged in Financial Technology business. The Company is targeting to complete its operational readiness in the business operation of Islamic digital bank by 2024.

RESULTS**RM**

Loss for the financial period	<u>(15,451,578)</u>
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In the opinion of the Directors, the results of the Company during the financial period have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

No dividend has been paid or declared by the Company since the date of incorporation. The Directors do not propose any final dividend for the financial period from 19 July 2022 (date of incorporation) to 28 February 2023.

ISSUE OF SHARES AND DEBENTURES

The Company was incorporated on 19 July 2022 with issued and paid up ordinary shares of RM10,000.

Subsequently, the Company has increased its issued and paid up ordinary share capital from 10,000 to 140,000,000 by way of issuance of 139,990,000 new ordinary shares of RM1 each through cash consideration of RM139,990,000.

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

There was no issuance of debentures during the financial period.

AUDITED FINANCIAL STATEMENTS OF ACSD FOR THE FPE 28 FEBRUARY 2023 (CONT'D)**ACS DIGITAL BERHAD**

(Incorporated in Malaysia)

Registration No. 202201026163 (1471860-K)

DIRECTORS' REPORT (CONTINUED)**SHARE OPTIONS**

No options have been granted by the Company to any parties during the financial period to take up unissued shares of the Company.

No shares have been issued during the financial period by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial period, there were no unissued shares of the Company under options.

DIRECTORS

The Directors of the Company in office during the financial period and during the period from the end of the financial period to the date of this report are:

Daisuke Maeda	(Appointed on 19 July 2022)
Raja Maimunah Binti Raja Abdul Aziz	(Appointed on 21 February 2023)
Tsutomu Kamagata	(Appointed on 21 February 2023)
Datuk Adinan Bin Maning	(Appointed on 21 February 2023)
Mohammad Ridzuan Bin Abdul Aziz	(Appointed on 21 February 2023)
Ajith A/L Jayaram	(Appointed on 19 July 2022 and resigned on 21 February 2023)

DIRECTORS' INTERESTS

None of the Directors in office at the end of the financial period held any shares or had any beneficial interest in the shares of the Company and of its related corporation during or at the beginning and end of the financial period.

DIRECTORS' BENEFITS

Since the date of incorporation, none of the Directors of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than a benefit included in the aggregate of remuneration received or due and receivable by directors; or fixed salary of a full-time employee of the Company, as disclosed below:

AUDITED FINANCIAL STATEMENTS OF ACSD FOR THE FPE 28 FEBRUARY 2023 (CONT'D)**ACS DIGITAL BERHAD**

(Incorporated in Malaysia)

Registration No. 202201026163 (1471860-K)

DIRECTORS' REPORT (CONTINUED)**DIRECTORS' BENEFITS (CONTINUED)**

	RM
Remuneration	384,095
Other short term employee benefits (including estimated monetary value of benefits-in-kind)	5,524
	<u>389,619</u>

During and at the end of the financial period, no arrangement subsisted to which the Company was a party whereby Directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial period other than those disclosed in the financial statements.

OTHER STATUTORY INFORMATION

Before the financial statements of the Company were made out, the Directors took reasonable steps:

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied that there were no known bad debts to be written off and there was no allowance for doubtful debts was necessary; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (i) which would require the writing off of bad debts or the setting up of allowance for doubtful debts in the financial statements of the Company; or
- (ii) which would render the values attributed to current assets in the financial statements of the Company misleading; or

AUDITED FINANCIAL STATEMENTS OF ACSD FOR THE FPE 28 FEBRUARY 2023 (CONT'D)**ACS DIGITAL BERHAD**

(Incorporated in Malaysia)

Registration No. 202201026163 (1471860-K)

DIRECTORS' REPORT (CONTINUED)**OTHER STATUTORY INFORMATION (CONTINUED)**

At the date of this report, the Directors are not aware of any circumstances (continued):

- (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate; or
- (iv) not otherwise dealt with in this report or the financial statements of the Company which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Company which has arisen since the end of the financial period which secures the liability of any other person; or
- (ii) any contingent liability of the Company which has arisen since the end of the financial period.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Company to meet its obligations when they fall due.

In the opinion of the Directors:

- (i) the results of the Company's operations during the financial period were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) there has not arisen in the interval between the end of the financial period and the date of this report, any item, transaction or event of a material and unusual nature which is likely to affect substantially the results of the Company's operations for the financial period in which this report is made.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

There was no indemnity given to, or insurance effected for any Directors, Officers and auditors of the Company in accordance with Section 289 of the Companies Act 2016.

HOLDING COMPANIES

The immediate and ultimate holding companies are AEON Financial Service Co., Ltd. and AEON Co., Ltd respectively. Both companies were incorporated in Japan and are listed on the Tokyo Stock Exchange.

AUDITED FINANCIAL STATEMENTS OF ACSD FOR THE FPE 28 FEBRUARY 2023 (CONT'D)

ACS DIGITAL BERHAD

(Incorporated in Malaysia)

Registration No. 202201026163 (1471860-K)

DIRECTORS' REPORT (CONTINUED)**AUDITORS' REMUNERATION**

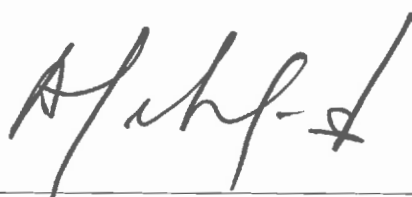
The amount paid/payable as remuneration of the auditors for the financial period from 17 July 2022 (date of incorporation) to 28 February 2023 is amounting to RM13,000.

AUDITORS

The auditors, Deloitte PLT, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors,



DATUK ADINAN BIN MANING

RAJA MAIMUNAH BINTI RAJA ABDUL AZIZ

Kuala Lumpur
28 April 2023



Deloitte PLT (LLP0010145-LCA)
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
ACS DIGITAL BERHAD**
(Incorporated in Malaysia)
Registration No. 202201026163 (1471860-K)

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of **ACS DIGITAL BERHAD**, which comprise the statement of financial position of the Company as at 28 February 2023, and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the period from 19 July 2022 (date of incorporation) to 28 February 2023, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 10 to 49.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 28 February 2023, and of its financial performance and its cash flows for the period from 19 July 2022 (date of incorporation) to 28 February 2023 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (*on Professional Ethics, Conduct and Practice*) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

AUDITED FINANCIAL STATEMENTS OF ACSD FOR THE FPE 28 FEBRUARY 2023 (CONT'D)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

AUDITED FINANCIAL STATEMENTS OF ACSD FOR THE FPE 28 FEBRUARY 2023 (CONT'D)

Other Matter

This report is made solely to the member of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



DELOITTE PLT (LLP0010145-LCA)
Chartered Accountants (AF 0080)



WONG KAR CHOON
Partner - 03153/08/2024 J
Chartered Accountant

28 April 2023

AUDITED FINANCIAL STATEMENTS OF ACSD FOR THE FPE 28 FEBRUARY 2023 (CONT'D)**ACS DIGITAL BERHAD**

(Incorporated in Malaysia)

Registration No. 202201026163 (1471860-K)

STATEMENT OF FINANCIAL POSITION**AS AT 28 FEBRUARY 2023**

	Note	RM
ASSETS		
Non-current Assets		
Plant and equipment	2	121,435
Intangible asset	3	50,880,000
Right-of-use assets	4	190,723
Total Non-current Assets		<u>51,192,158</u>
Current Assets		
Bank balances	5	127,845,832
Other receivable, deposits and prepayments	6	1,698,116
Total Current Assets		<u>129,543,948</u>
TOTAL ASSETS		<u><u>180,736,106</u></u>

The accompany accounting policies and notes form an integral part of the financial statements

AUDITED FINANCIAL STATEMENTS OF ACSD FOR THE FPE 28 FEBRUARY 2023 (CONT'D)**ACS DIGITAL BERHAD**

(Incorporated in Malaysia)

Registration No. 202201026163 (1471860-K)

**STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2023
(CONTINUED)**

	Note	RM
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	7	140,000,000
Accumulated losses		(15,451,578)
Total Equity		<u>124,548,422</u>
Non-current Liabilities		
Lease liabilities	8	<u>89,070</u>
Total Non-current Liabilities		<u>89,070</u>
Current Liabilities		
Other payables and accruals	9	55,344,735
Amount owing to a related company	10	456,513
Tax liabilities		194,978
Lease liabilities	8	<u>102,388</u>
Total Current Liabilities		<u>56,098,614</u>
Total Liabilities		<u>56,187,684</u>
TOTAL EQUITY AND LIABILITIES		<u><u>180,736,106</u></u>

The accompany accounting policies and notes form an integral part of the financial statements

AUDITED FINANCIAL STATEMENTS OF ACSD FOR THE FPE 28 FEBRUARY 2023 (CONT'D)**ACS DIGITAL BERHAD**

(Incorporated in Malaysia)

Registration No. 202201026163 (1471860-K)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD FROM 19 JULY 2022 (DATE OF INCORPORATION)
TO 28 FEBRUARY 2023**

	Note	RM
OTHER INCOME		
Profit income	11	812,407
		<u>812,407</u>
EXPENSES		
Staff costs	12	(7,680,714)
Depreciation of plant and equipment	2	(647)
Depreciation of right-of-use assets	4	(17,338)
Operating expenses		(7,493,594)
Other expenses		(780,945)
		<u>(15,973,238)</u>
Loss from operations		(15,160,831)
Finance cost	13	(95,769)
Loss before tax	11	(15,256,600)
Taxation	14	(194,978)
Loss after tax and other comprehensive loss		<u>(15,451,578)</u>

The accompany accounting policies and notes form an integral part of the financial statements

AUDITED FINANCIAL STATEMENTS OF ACSD FOR THE FPE 28 FEBRUARY 2023 (CONT'D)**ACS DIGITAL BERHAD**

(Incorporated in Malaysia)

Registration No. 202201026163 (1471860-K)

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 19 JULY 2022 (DATE OF INCORPORATION)
TO 28 FEBRUARY 2023**

	Note	Share Capital RM	Accumulated Losses RM	Total Equity RM
Balance as at 19 July 2022 (Date of incorporation)	7	10,000	-	10,000
Loss for the financial period		-	(15,451,578)	(15,451,578)
Issuance of shares	7	139,990,000	-	139,990,000
Balance as at 28 February 2023		140,000,000	(15,451,578)	124,548,422

The accompany accounting policies and notes form an integral part of the financial statements

AUDITED FINANCIAL STATEMENTS OF ACSD FOR THE FPE 28 FEBRUARY 2023 (CONT'D)**ACS DIGITAL BERHAD**

(Incorporated in Malaysia)

Registration No. 202201026163 (1471860-K)

**STATEMENT OF CASH FLOWS
FOR THE PERIOD 19 JULY 2022 (DATE OF INCORPORATION)
TO 28 FEBRUARY 2023**

	Note	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax		(15,256,600)
Adjustments for:		
Profit income	11	(812,407)
Depreciation of plant and equipment	2	647
Depreciation of right-of-use assets	4	17,338
Interest expense on lease liabilities	13	1,597
Interest expense on amount owing to a related company	13	94,172
Operating loss before working capital changes		(15,955,253)
Changes in working capital:		
Other receivable, deposits and prepayments		(1,336,927)
Other payables and accruals		4,351,975
Net cash used in operating activities		(12,940,205)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	2	(9,322)
Profit income		451,218
Net cash from investing activities		441,896

The accompany accounting policies and notes form an integral part of the financial statements

AUDITED FINANCIAL STATEMENTS OF ACSD FOR THE FPE 28 FEBRUARY 2023 (CONT'D)**ACS DIGITAL BERHAD**

(Incorporated in Malaysia)

Registration No. 202201026163 (1471860-K)

STATEMENT OF CASH FLOWS**FOR THE PERIOD 19 JULY 2022 (DATE OF INCORPORATION)****TO 28 FEBRUARY 2023****(CONTINUED)**

	Note	RM
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of new shares		139,990,000
Net advances from a related company		456,513
Interest expense on amount owing to a related company	13	(94,172)
Repayment of lease liabilities	8	(18,200)
Net cash from financing activities		<u>140,334,141</u>
Net increase in cash and cash equivalents		127,835,832
Cash and cash equivalents:		
As at date of incorporation	7	<u>10,000</u>
As at end of the financial period		<u><u>127,845,832</u></u>

The accompany accounting policies and notes form an integral part of the financial statements

AUDITED FINANCIAL STATEMENTS OF ACSD FOR THE FPE 28 FEBRUARY 2023 (CONT'D)**ACS DIGITAL BERHAD**

(Incorporated in Malaysia)

Registration No. 202201026163 (1471860-K)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2023**(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements. These accounting policies have been consistently applied to all the financial years presented, unless otherwise stated.

1) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency.

The financial statements of the Company have been prepared under the historical cost convention unless otherwise stated in the significant accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

(a) Adoption of Amendments to MFRSs

From the date of incorporation, the Company adopted all the Amendments to MFRSs issued by Malaysian Accounting Standards Board ("MASB") that are relevant to its operations and effective for financial periods commencing on or after 1 March 2022.

- Amendments to MFRS 16 *COVID-19 Related Rent Concessions beyond 30 June 2022*
- Amendments to MFRSs *Annual Improvements to MFRSs Standards 2019 - 2021*
- Amendments to MFRS 3 *Reference to Conceptual Framework*
- Amendments to MFRS 116 *Property, Plant and Equipment - Proceeds before Intended Use*
- Amendments to MFRS 137 *Onerous Contracts - Costs of Fulfilling a Contract*

The adoption of these Amendments to MFRSs did not have any material impact on the amounts reported in the financial statements of the Company.

AUDITED FINANCIAL STATEMENTS OF ACSD FOR THE FPE 28 FEBRUARY 2023 (CONT'D)

ACS DIGITAL BERHAD

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL
ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL PERIOD
ENDED 28 FEBRUARY 2023
(CONTINUED)**
(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**1) BASIS OF PREPARATION OF FINANCIAL STATEMENTS
(CONTINUED)****(b) New and Revised Standards and Amendments in issue but not yet effective**

At the date of authorisation for issue of these financial statements, the relevant Standards, and 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 January 2023

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

Effective for annual periods beginning on or after 1 January 2024

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

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

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

The Company is still in the process of assessing the impact of implementing these Standards and Amendments, and will adopt them when they become effective. It is expected that the adoption of the above Amendments will have no material impact on the financial statements of the Company in the period of initial application.

AUDITED FINANCIAL STATEMENTS OF ACSD FOR THE FPE 28 FEBRUARY 2023 (CONT'D)**ACS DIGITAL BERHAD**

(Incorporated in Malaysia)

Registration No. 202201026163 (1471860-K)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2023
(CONTINUED)****(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2) PLANT AND EQUIPMENT**

Plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are recognised as expense in income statements during the financial period in which they are incurred.

Capital work-in-progress are not depreciated until they are ready for use. Other plant and equipment are depreciated on a straight-line basis to write down their costs to their residual values over their estimated useful lives.

The principal annual rates are as follows:

Office equipment	2 - 7 years
Furniture and fittings	2 - 4 years

The depreciable amount is determined after deducting the residual value.

Depreciation methods, useful lives and residual values are reassessed at end of each reporting period.

AUDITED FINANCIAL STATEMENTS OF ACSD FOR THE FPE 28 FEBRUARY 2023 (CONT'D)**ACS DIGITAL BERHAD**

(Incorporated in Malaysia)

Registration No. 202201026163 (1471860-K)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2023
(CONTINUED)****(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3) INTANGIBLE ASSETS**

Internally-generated intangible assets - research and development expenditure.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- The intention to complete the intangible asset and use or sell it
- The ability to use or sell the intangible asset
- How the intangible asset will generate probable future economic benefits
- The availability of adequate technical, financial and other resources to complete the development and to use sell the intangible asset
- The ability to measure reliably the expenditure attributable to the intangible asset during its development

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

AUDITED FINANCIAL STATEMENTS OF ACSD FOR THE FPE 28 FEBRUARY 2023 (CONT'D)**ACS DIGITAL BERHAD**

(Incorporated in Malaysia)

Registration No. 202201026163 (1471860-K)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2023
(CONTINUED)****(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****4) LEASE – WHERE THE COMPANY IS LESSEE****(a) Definition of a lease**

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assess whether:

- the contract involves the use of an identified asset that may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

(b) Recognition and initial measurement

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

AUDITED FINANCIAL STATEMENTS OF ACSD FOR THE FPE 28 FEBRUARY 2023 (CONT'D)**ACS DIGITAL BERHAD**

(Incorporated in Malaysia)

Registration No. 202201026163 (1471860-K)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2023
(CONTINUED)****(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****4) LEASE – WHERE THE COMPANY IS LESSEE (CONTINUED)****(b) Recognition and initial measurement (continued)**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Company uses their incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments less any incentives receivable;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee;
- The exercise price under a purchase option that the Company is reasonably certain to exercise the option; and
- Payments of penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease unless the Company is reasonably certain not to terminate early.

The Company has excluded variable lease payments that are linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognises the lease payments associated with these leases as an operating expense on a straight-line basis over the lease term.

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2023
(CONTINUED)****(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****4) LEASE – WHERE THE COMPANY IS LESSEE (CONTINUED)****(c) Subsequent measurement**

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Company's estimates of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether they will exercise a purchase, extension or termination option.

5) CASH AND CASH EQUIVALENTS

The Company adopted the indirect method in the preparation of the statement of cash flows.

Cash and cash equivalents comprise cash and bank balances, deposits placed with licensed banks and short-term highly liquid investments which are subject to an insignificant risk of changes in value. For the purposes of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts, cash held in trust of a related party and customers.

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2023
(CONTINUED)****(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****6) EMPLOYEE BENEFITS****(a) Short-term employee benefits**

Wages, salaries, bonuses and social security contributions are recognised as an expense in the period in which the associated services are rendered by employees of the Company. Short-term accumulating compensated absences for paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(b) Defined contribution plan

The Company is required by law to make monthly contributions to the Employees Provident Fund ("EPF"), a statutory defined contribution plan, for all its eligible employees based on certain prescribed rates of the employees' salaries. The Company's contributions to EPF are disclosed separately. The employees' contributions to EPF are included in staff costs.

7) CURRENT AND DEFERRED INCOME TAXES

The tax expense for the period comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period. Current tax for current and prior years is recognised as a liability (or asset) to the extent that it is unpaid (or recoverable).

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2023
(CONTINUED)****(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****7) CURRENT AND DEFERRED INCOME TAXES (CONTINUED)**

Deferred tax is recognised using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiary except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is charged or credited to profit or loss, except when it arises from a transaction which is recognised in other comprehensive income or directly in equity, in which case the deferred tax is also charged or credited directly in other comprehensive income or to equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2023
(CONTINUED)****(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****8) PROVISIONS**

Provisions are made when the Company has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. Provisions are measured at the Company's best estimate of the amount required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material.

At the end of the reporting period, provisions are reviewed and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that the Company will be required to settle the obligation.

9) IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amounts of assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL
ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL PERIOD
ENDED 28 FEBRUARY 2023
(CONTINUED)**
(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**10) SHARE CAPITAL**

Ordinary shares are classified as equity instruments. Costs directly attributable to equity transactions are accounted for as a deduction, net of tax, from equity.

Distributions to holders of ordinary shares are debited directly to equity and interim dividends declared on or before the end of the reporting date are recognised as liabilities. Final dividends are recognised upon the approval of shareholders in a general meeting.

11) FOREIGN CURRENCY TRANSLATIONS

The financial statements of the Company are presented in RM, the currency of the primary economic environment in which the Company operates (its functional currency).

In preparing the financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

12) FINANCIAL ASSETS**(a) Initial recognition and measurement**

Financial assets are recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instruments.

AUDITED FINANCIAL STATEMENTS OF ACSD FOR THE FPE 28 FEBRUARY 2023 (CONT'D)**ACS DIGITAL BERHAD**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2023
(CONTINUED)****(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****12) FINANCIAL ASSETS (CONTINUED)****(a) Initial recognition and measurement (continued)**

A financial asset is initially measured at fair value plus or minus, for an item not measured at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance.

(b) Classification and subsequent measurement

The Company has applied MFRS 9 and classifies its financial assets in the following measurement categories – amortised cost, fair value through other comprehensive income (“FVOCI”) or fair value through profit or loss (“FVTPL”).

The Company determines the classification of financial assets at initial recognition. The financial assets are not subsequently reclassified unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

(i) Amortised cost

Financial assets are measured at amortised cost if the financial assets are held within a business model whose objective is to collect contractual cash flows and its contractual terms give rise to specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, these financial assets are measured at amortised cost using the EIR method. Interest income/profit revenue and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL
ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL PERIOD
ENDED 28 FEBRUARY 2023
(CONTINUED)**
(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**12) FINANCIAL ASSETS (CONTINUED)****(b) Classification and subsequent measurement (continued)****(ii) FVOCI**

The Company designated all investments in equity instruments that are not held for trading as financial assets measured at FVOCI on initial recognition. Investments in equity instruments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments; instead, it is transferred to retained earnings.

Dividends on equity instruments are recognised in profit or loss when the Company's right to receive payment is established.

(iii) FVTPL

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. This includes derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Financial assets categorised as FVTPL are subsequently measured at their fair value with gains or losses recognised in the profit or loss.

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2023
(CONTINUED)****(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****12) FINANCIAL ASSETS (CONTINUED)****(c) Derecognition of financial assets****(i) Derecognition due to substantial modification of terms and conditions**

The Company derecognises a financial asset, such as a financing to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new financing, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised financing are classified as Stage 1 for ECL measurement purposes.

When assessing whether or not to derecognise a financing to a customer, amongst others, the Company considers the following factors:

- If the customer is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the customer is expected to be able to pay;
- Significant extension of the financing term when the customer is not in financial difficulty; and
- Significant change in the interest/profit rate.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2023
(CONTINUED)****(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****12) FINANCIAL ASSETS (CONTINUED)****(c) Derecognition of financial assets (continued)****(ii) Derecognition other than for substantial modification**

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. On derecognition of an investment in an equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2023
(CONTINUED)****(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****13) FINANCIAL LIABILITIES**

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. Financial liabilities are classified as either financial liabilities at “FVTPL” or “other financial liabilities”.

Other financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the EIR method.

The EIR method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the differences in the respective carrying amount is recognised in profit or loss.

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2023
(CONTINUED)****(B) CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS****1) Critical judgement in applying the Company's accounting policies**

In the process of applying the Company's accounting policies, which, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

2) Key sources of estimation uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

AUDITED FINANCIAL STATEMENTS OF ACSD FOR THE FPE 28 FEBRUARY 2023 (CONT'D)**ACS DIGITAL BERHAD**

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 19 JULY 2022 (DATE OF INCORPORATION)
TO 28 FEBRUARY 2023****1) GENERAL INFORMATION**

The Company is a public limited liability company, incorporated and domiciled in Malaysia.

The Company was incorporated on 19 July 2022 and the principal activity of the Company is Financial Technology business. The Company is targeting to complete its operational readiness in the business operation of Islamic digital bank by 2024. There has been no significant change in the nature of the principal activity of the Company during the financial period.

The registered office of the Company is located at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor.

The principal place of business of the Company is located at Level 18, UOA Corporate Tower, Avenue 10 The Vertical, Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.

The immediate and ultimate holding companies are AEON Financial Service Co., Ltd. and AEON Co., Ltd. respectively. Both companies were incorporated in Japan and are listed on the Tokyo Stock Exchange.

The financial statements were approved and authorised for issue in accordance with a Board of Directors' resolution dated 28 April 2023.

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**NOTES TO THE FINANCIAL STATEMENTS
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TO 28 FEBRUARY 2023
(CONTINUED)**

2) PLANT AND EQUIPMENT

	Office Equipment	Furniture and Fittings	Capital Work-in- Progress	Total
	RM	RM	RM	RM
<u>Cost</u>				
At the date of incorporation	-	-	-	-
Additions	6,222	3,100	112,760	122,082
At 28 February 2023	6,222	3,100	112,760	122,082
<u>Accumulated Depreciation</u>				
At the date of incorporation	-	-	-	-
Charge for the financial period	518	129	-	647
At 28 February 2023	518	129	-	647
Carrying amount as at 28 February 2023	5,704	2,971	112,760	121,435

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 19 JULY 2022 (DATE OF INCORPORATION)
TO 28 FEBRUARY 2023
(CONTINUED)**
2) PLANT AND EQUIPMENT (CONTINUED)

The net cash outflow for the acquisition of the plant and equipment is as follows:

	RM
Acquisition cost	122,082
Less: Accruals	(112,760)
Net cash outflow	<u>9,322</u>

3) INTANGIBLE ASSET

	Capitalised work-in-progress development costs RM
<u>Cost</u>	
At the date of incorporation	-
Additions	50,880,000
At 28 February 2023	<u>50,880,000</u>
Carrying amount as at 28 February 2023	<u>50,880,000</u>

The designing, developing and testing costs of the internally developed software are capitalised as work-in-progress development costs. The Company retains full ownership, rights, title and interest of the software upon completion of the development.

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE PERIOD FROM 19 JULY 2022 (DATE OF INCORPORATION)****TO 28 FEBRUARY 2023****(CONTINUED)****3) INTANGIBLE ASSET (CONTINUED)**

The net cash outflow for the acquisition of the intangible asset is as follows:

	RM
Acquisition cost	50,880,000
Less: Accruals	<u>(50,880,000)</u>
Net cash outflow	<u><u>-</u></u>

4) RIGHT-OF-USE ASSETS

	RM
Residential Units	
<u>Cost</u>	
At the date of incorporation	-
Additions	<u>208,061</u>
At 28 February 2023	<u>208,061</u>
 <u>Accumulated Depreciation</u>	
At the date of incorporation	-
Charge for the financial period	<u>17,338</u>
At 28 February 2023	<u>17,338</u>
 Carrying amount as at 28 February 2023	<u><u>190,723</u></u>

The Company leases 2 residential floors as expatriates' accommodation. The lease term is two years for both residential floors.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 19 JULY 2022 (DATE OF INCORPORATION)
TO 28 FEBRUARY 2023
(CONTINUED)**
5) BANK BALANCES

	RM
Bank balances	345,832
Deposits placed with licensed financial institutions	127,500,000
	<u>127,845,832</u>

Deposits placed with licensed financial institutions at the rate ranging from 2.75% to 3.75% per annum and with the maturity date between 7 March 2023 to 11 April 2023.

6) OTHER RECEIVABLE, DEPOSITS AND PREPAYMENTS

	RM
Other receivable	361,189
Deposits	13,300
Prepayments	1,323,627
	<u>1,698,116</u>

7) SHARE CAPITAL

	Number of ordinary shares	Amount RM
Issued and fully paid:		
At date of incorporation	10,000	10,000
Issued during the financial period	139,990,000	139,990,000
At 28 February 2023	<u>140,000,000</u>	<u>140,000,000</u>

The Company was incorporated with issued and paid up ordinary shares of RM10,000. Subsequently, the Company has issued 139,990,000 new ordinary shares of RM1 each through cash consideration of RM139,990,000.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 19 JULY 2022 (DATE OF INCORPORATION)
TO 28 FEBRUARY 2023
(CONTINUED)**

8) LEASE LIABILITIES

The lease liabilities component is analysed as follows:

	RM
Non-current	89,070
Current	102,388
	<u>191,458</u>

The movements of lease liabilities during the financial period are as follows:

	Note	RM
At the date of incorporation		-
Additions		208,061
Repayment of lease liabilities		(18,200)
Interest expense on lease liabilities	13	1,597
At 28 February 2023		<u>191,458</u>

The maturity analysis of lease liabilities is presented in Note 17.

The following are amount recognised in the statement of profit or loss:

	Note	RM
Depreciation of right-of-use assets	11	17,338
Interest expense on lease liabilities	13	1,597
		<u>18,935</u>

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Registration No. 202201026163 (1471860-K)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 19 JULY 2022 (DATE OF INCORPORATION)
TO 28 FEBRUARY 2023
(CONTINUED)****9) OTHER PAYABLES AND ACCRUALS**

	RM
Other payables	3,041,811
Accruals	52,302,924
	<u>55,344,735</u>

Included in accruals is accrual cost for the development of the core banking system amounting to RM50,880,000.

10) AMOUNT OWING TO A RELATED COMPANY

Amount owing to a related company is non-trade, unsecured and bears interest at 4.70% per annum. The credit term granted to the Company is 30 days.

11) LOSS BEFORE TAX

	Note	RM
Loss before tax is arrived at after charging:		
Audit fees		13,000
Depreciation of plant and equipment	2	647
Depreciation of right-of-use assets	4	17,338
Management fees		<u>262,001</u>
And after crediting		
Profit income		<u>812,407</u>

AUDITED FINANCIAL STATEMENTS OF ACSD FOR THE FPE 28 FEBRUARY 2023 (CONT'D)

ACS DIGITAL BERHAD

(Incorporated in Malaysia)

Registration No. 202201026163 (1471860-K)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 19 JULY 2022 (DATE OF INCORPORATION)
TO 28 FEBRUARY 2023
(CONTINUED)**
11) LOSS BEFORE TAX (CONTINUED)**Compensation of Key Management Personnel**

The remuneration of the Directors during the financial period are as follows:

	RM
Directors' remuneration:	
Remuneration	384,095
Other short term employee benefits (including estimated monetary value of benefits-in-kind)	5,524
	<u>389,619</u>

12) STAFF COSTS

	RM
Salaries, wages, bonuses and allowances	6,113,537
Defined contribution plan	802,744
Other staff benefits	764,433
	<u>7,680,714</u>

13) FINANCE COSTS

	Note	RM
Interest expense on:		
Amount owing to a related company		94,172
Lease liabilities	8	1,597
		<u>95,769</u>

AUDITED FINANCIAL STATEMENTS OF ACSD FOR THE FPE 28 FEBRUARY 2023 (CONT'D)**ACS DIGITAL BERHAD**

(Incorporated in Malaysia)

Registration No. 202201026163 (1471860-K)

NOTES TO THE FINANCIAL STATEMENTS**FOR THE PERIOD FROM 19 JULY 2022 (DATE OF INCORPORATION)****TO 28 FEBRUARY 2023****(CONTINUED)****14) TAXATION****RM**

Income tax payable:

Current year

194,978

A reconciliation of tax expense applicable to loss before tax at the applicable statutory income tax rate to tax expense at the effective income tax rate of the Company is as follows:

RM

Loss before tax

(15,256,600)

Tax calculated using Malaysian income tax rate of 24%

(3,661,584)

Expenses not deductible for tax purposes

3,856,562

Tax expense for the financial period

194,978

The expenses are not deductible for tax purposes as the Company has yet to commence its business operation as disclosed in Note 1 to the financial statements.

15) RELATED PARTY DISCLOSURES**(a) Identity of related parties**

For the purposes of this financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel who are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly.

AUDITED FINANCIAL STATEMENTS OF ACSD FOR THE FPE 28 FEBRUARY 2023 (CONT'D)

ACS DIGITAL BERHAD

(Incorporated in Malaysia)

Registration No. 202201026163 (1471860-K)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 19 JULY 2022 (DATE OF INCORPORATION)
TO 28 FEBRUARY 2023
(CONTINUED)**
15) RELATED PARTY DISCLOSURES (CONTINUED)**(a) Identity of related parties (continued)**

The amount owing to a related company is solely from AEON Credit Services (M) Berhad. As at 28 February 2023, the amount owing to a related company is amounting to RM456,513.

(b) Significant related party transactions

The significant related party transactions of the Company are shown below:

	RM
Related company	
Non-Trade	
Expenses	
Payment on behalf through cash advances	10,190,729
Management fee	262,001
Interest expenses	94,172
	10,546,902

Key management personnel

The remuneration of the key management personnel, including Directors, during the financial year are as follows:

	RM
Salaries, allowances and bonuses	332,828
Defined contribution plan	51,267
Other short-term employee benefits	5,524
	389,619

AUDITED FINANCIAL STATEMENTS OF ACSD FOR THE FPE 28 FEBRUARY 2023 (CONT'D)

ACS DIGITAL BERHAD

(Incorporated in Malaysia)

Registration No. 202201026163 (1471860-K)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 19 JULY 2022 (DATE OF INCORPORATION)
TO 28 FEBRUARY 2023
(CONTINUED)**
16) CAPITAL COMMITMENT**RM****Capital expenditure**

Authorised and contracted for

45,200,000

Authorised and not contracted for

22,456,227**17) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Company's business whilst managing its risks. The Company operates within clearly defined guidelines that are approved by the Board of Directors and the Company's policy is not to engage in speculative transactions.

Significant Accounting Policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement, and the basis for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in Summary of Significant Accounting Policies.

Categories of Financial Instruments**RM****Financial assets at amortised cost**

Bank balances

127,845,832

Other receivables and deposits (net of prepayment)

374,489**128,220,321**

AUDITED FINANCIAL STATEMENTS OF ACSD FOR THE FPE 28 FEBRUARY 2023 (CONT'D)

ACS DIGITAL BERHAD

(Incorporated in Malaysia)

Registration No. 202201026163 (1471860-K)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 19 JULY 2022 (DATE OF INCORPORATION)
TO 28 FEBRUARY 2023
(CONTINUED)**

**17) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES
(CONTINUED)**

Categories of Financial Instruments (continued)

	RM
Financial liabilities at amortised costs	
Other payables and accruals	55,344,735
Amount owing to a related company	456,513
Lease liabilities	191,458
	55,992,706

Financial risk management

Risk management forms an integral part of the Company's activities and remains an important feature in all its business, operations, delivery channels and decision making processes. The extent to which the Company is able to identify, assess, monitor, manage and report each of the various types of risk is critical to its strength, soundness and profitability.

Various risk management policies are made and approved by the Board of Directors for observation in the day-to-day operations for the controlling and management of the risks associated with financial instruments.

(a) Credit risk

Credit risk is the risk of a financial loss to the Company due to the deterioration in credit worthiness of its borrowers and consequently, their ability to discharge their contractual obligations to the Company. Credit risk remains the most significant risk to which the Company is exposed. The purpose of credit risk management is to manage or maintain credit risk exposure to an acceptable level, in line with the Company's risk appetite and to ensure that the returns commensurate to the risk.

The Company's exposure to credit risk arises principally from its financing receivables from customers, cash, bank balances and deposits.

AUDITED FINANCIAL STATEMENTS OF ACSD FOR THE FPE 28 FEBRUARY 2023 (CONT'D)

ACS DIGITAL BERHAD

(Incorporated in Malaysia)

Registration No. 202201026163 (1471860-K)

NOTES TO THE FINANCIAL STATEMENTS**FOR THE PERIOD FROM 19 JULY 2022 (DATE OF INCORPORATION)****TO 28 FEBRUARY 2023****(CONTINUED)****17) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES
(CONTINUED)****Financial risk management (continued)****(a) Credit risk (continued)****Cash, bank balances and deposits**

The cash, bank balances and deposits are placed only with reputable licensed banks and financial institutions and have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Company is of the view that the loss allowance is not material and hence, it is not provided for.

(b) Liquidity and cash flow risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company maintains a level of cash and cash equivalents deemed adequate by the management to ensure that they will have sufficient liquidity to meet their liabilities when they fall due. The Company manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flow, with financial support from its ultimate holding company when required.

AUDITED FINANCIAL STATEMENTS OF ACSD FOR THE FPE 28 FEBRUARY 2023 (CONT'D)

ACS DIGITAL BERHAD

(Incorporated in Malaysia)

Registration No. 202201026163 (1471860-K)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 19 JULY 2022 (DATE OF INCORPORATION)
TO 28 FEBRUARY 2023
(CONTINUED)**

17) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Financial risk management (continued)

(b) Liquidity and cash flow risk (continued)

The table below summarises the maturity profile of the Company's non-derivative financial assets as at the end of the reporting period based on remaining contractual maturity.

	Average contractual interest rate %	Carrying amount RM	Under 1 year RM	More than 2 – 5 years RM	Total RM
As at 28 February 2023					
Financial assets					
Other receivable and deposits	-	374,489	374,489	-	374,489
Bank balances	-	345,832	345,832	-	345,832
Deposits placed with licensed financial institutions	3.66	127,500,000	127,500,000	-	127,500,000
Total assets		128,220,321	128,220,321	-	128,220,321

AUDITED FINANCIAL STATEMENTS OF ACSD FOR THE FPE 28 FEBRUARY 2023 (CONT'D)

ACS DIGITAL BERHAD

(Incorporated in Malaysia)

Registration No. 202201026163 (1471860-K)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 19 JULY 2022 (DATE OF INCORPORATION)
TO 28 FEBRUARY 2023
(CONTINUED)**

17) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Financial risk management (continued)

(b) Liquidity and cash flow risk (continued)

The table below summarises the maturity profile of the Company's non-derivative financial liabilities as at the end of the reporting period based on remaining contractual maturity.

	Average contractual interest rate %	Carrying amount RM	Under 1 year RM	More than 2 – 5 years RM	Total RM
As at 28 February 2023					
Financial liabilities					
Other payables and accruals	-	(55,344,735)	(55,344,735)	-	(55,344,735)
Amount owing to a related company	-	(456,513)	(456,513)	-	(456,513)
Lease liabilities	4.70	(191,458)	(102,388)	(89,070)	(191,458)
Total liabilities		(55,992,706)	(55,903,636)	(89,070)	(55,992,706)
Net liquidity gap		72,227,615	72,316,685	(89,070)	72,227,615

AUDITED FINANCIAL STATEMENTS OF ACSD FOR THE FPE 28 FEBRUARY 2023 (CONT'D)

ACS DIGITAL BERHAD

(Incorporated in Malaysia)

Registration No. 202201026163 (1471860-K)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 19 JULY 2022 (DATE OF INCORPORATION)
TO 28 FEBRUARY 2023
(CONTINUED)**

17) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**Financial risk management (continued)****(b) Liquidity and cash flow risk (continued)**

The table below summarises the maturity profile of the Company's non-derivative financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM	Contractual cash flows RM	Under 1 year RM	More than 2 – 5 years RM
As at 28 February 2023				
Financial liabilities				
Other payables and accruals	(55,344,735)	(55,344,735)	(55,344,735)	-
Amount owing to a related company	(456,513)	(456,513)	(456,513)	-
Lease liabilities	(191,458)	(200,200)	(109,200)	(91,000)
Total liabilities	(55,992,706)	(56,001,448)	(55,910,448)	(91,000)

AUDITED FINANCIAL STATEMENTS OF ACSD FOR THE FPE 28 FEBRUARY 2023 (CONT'D)

ACS DIGITAL BERHAD

(Incorporated in Malaysia)

Registration No. 202201026163 (1471860-K)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 19 JULY 2022 (DATE OF INCORPORATION)
TO 28 FEBRUARY 2023
(CONTINUED)****17) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES
(CONTINUED)****(c) Fair values**

The carrying amount of the financial assets and financial liabilities recognised at amortised cost in the statement of financial position approximate their fair values because of the short maturity of these instruments.

AUDITED FINANCIAL STATEMENTS OF ACSD FOR THE FPE 28 FEBRUARY 2023 (CONT'D)

ACS DIGITAL BERHAD

(Incorporated in Malaysia)

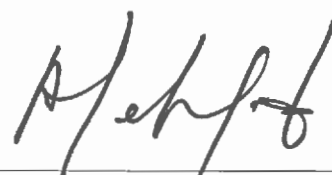
Registration No. 202201026163 (1471860-K)

STATEMENT BY DIRECTORS**PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016**

The Directors of **ACS DIGITAL BERHAD** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 28 February 2023 and of the financial performance and the cash flows of the Company for the financial period from 19 July 2022 (date of incorporation) to 28 February 2023.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 28 April 2023.



DATUK ADINAN BIN MANING


**RAJA MAIMUNAH BINTI RAJA
ABDUL AZIZ**

Kuala Lumpur
28 April 2023

AUDITED FINANCIAL STATEMENTS OF ACSD FOR THE FPE 28 FEBRUARY 2023 (CONT'D)**ACS DIGITAL BERHAD**

(Incorporated in Malaysia)

Registration No. 202201026163 (1471860-K)

STATUTORY DECLARATION PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, **POORANI A/P K P RAMACHANDRAN**, being the officer primarily responsible for the financial management of **ACS DIGITAL BERHAD**, do solemnly and sincerely declare that the accompanying financial statements are in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.


POORANI A/P K P RAMACHANDRAN

MIA Membership No: 37460

Subscribed and solemnly declared by the abovenamed **POORANI A/P K P RAMACHANDRAN** at **KUALA LUMPUR** on this 28th day of April, 2023.

Before me



A-15-02, Vertical Business Suite,
Bangsar South, No. 8, Jalan Kerinchi,
59200 Kuala Lumpur

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our Board and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there is no false or misleading statement or other facts the omission of which would make any information in this Circular false or misleading.

Information on and relating to AFS and ACSD have been extracted from information provided by AFS and ACSD or extracted from publicly available sources and records. Therefore, the responsibility of our Board is limited to ensuring that such information is accurately reproduced in this Circular and our Board accepts no further or other responsibility in respect of such information.

2. CONSENT AND DECLARATION OF CONFLICT OF INTEREST**2.1 AmlInvestment Bank**

AmlInvestment Bank, being the Principal Adviser for the Proposed Joint Venture and the Proposed Bonus Issue, has given and has not subsequently withdrawn their written consent for the inclusion in this Circular of their names, reports and/or letters (where applicable) and all references thereto in the form and context in which they appear in this Circular.

AmlInvestment Bank has given a written confirmation that it is not aware of any conflict of interest which exists or is likely to exist in its capacity as the Principal Adviser in respect of the Proposed Joint Venture and the Proposed Bonus Issue.

2.2 Public Investment Bank

Public Investment Bank, being the Independent Adviser for the Proposed Joint Venture, has given and has not subsequently withdrawn their written consent for the inclusion in this Circular of their names, reports and/or letters (where applicable) and all references thereto in the form and context in which they appear in this Circular.

Public Investment Bank has given a written confirmation that it is not aware of any conflict of interest which exist or is likely to exist in its capacity as the Independent Adviser in respect of the Proposed Joint Venture.

3. MATERIAL LITIGATION, CLAIM OR ARBITRATION

As at the LPD, our Group is not engaged in any material litigation, claim or arbitration either as plaintiff or defendant and our Board is not aware of any proceedings pending or threatened against our Group, or any fact likely to give rise to any proceeding which might materially or adversely affect the financial position or business of our Group.

FURTHER INFORMATION (CONT'D)

4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**4.1 Material commitments**

Save as disclosed below, as at the LPD, there are no material commitments incurred or known to be incurred by our Group, which upon becoming enforceable may have a material impact on the financial results or position of our Group.

	Amount RM'000
Capital commitments for plant and equipment:-	
Authorised and contracted but not provided for	18,085
	18,085

4.2 Contingent liabilities

As at the LPD, there are no material contingent liabilities incurred or known to be incurred by our Group which upon becoming enforceable may have material impact on the financial results or position of our Group.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor during normal business hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of our forthcoming EGM:

- (i) Constitution of our Company;
- (ii) Shareholders' Agreement;
- (iii) the audited consolidated financial statements of our Company for the past 2 FYEs 28 February 2022 and 28 February 2023 as well as the latest unaudited consolidated financial results for 6 months financial period ended 31 August 2023;
- (iv) the audited financial statements of ACSD from the incorporation date and up to 28 February 2023 as well as the latest unaudited financial results for 6 months financial period ended 31 August 2023; and
- (v) the letters of consent and declaration of conflict of interest referred to in Section 2 of the Appendix IV of this Circular.



AEON CREDIT SERVICE (M) BERHAD
(Registration No. 199601040414 (412767-V))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of AEON Credit Service (M) Berhad ("**AEON Credit**" or "**Company**") will be conducted on a virtual basis through live streaming and online remote voting using the Remote Participation and Electronic Voting facilities from the Broadcast Venue at Grand Studio Room, Level 1, Wyndham Grand Bangsar, 1, Jalan Pantai Baharu, Jaya Tower 3, 59200 Kuala Lumpur, Malaysia on Monday, 16 October 2023 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications the following resolutions by way of poll:

ORDINARY RESOLUTION 1

PROPOSED JOINT VENTURE BETWEEN AEON CREDIT SERVICE (M) BERHAD AND AEON FINANCIAL SERVICE CO., LTD. TO UNDERTAKE THE BUSINESS OF A DIGITAL ISLAMIC BANK ("PROPOSED JOINT VENTURE")

"**THAT** subject to the conditions precedent as set out in the Shareholders' Agreement dated 14 July 2023 ("**Shareholders' Agreement**") entered into between AEON Credit and AEON Financial Service Co., Ltd. ("**AFS**") being fulfilled, approval be and is hereby given to AEON Credit to operate a joint venture company, ACS Digital Berhad ("**ACSD**") together with AFS to engage in the business of a digital Islamic bank.

AND THAT the Board of Directors of AEON Credit ("**Board**"), be and is hereby authorised and empowered to give full effect to the Proposed Joint Venture with full power to deal with all matters incidental, ancillary and/or relating thereto and to do all such steps and do all acts, deeds and things to enter into any arrangements, transactions, agreements, indemnities and/or undertakings and to sign, execute and deliver on behalf of the Company, all such documents as may be necessary, expedient and/or appropriate to implement and give full effect to the Proposed Joint Venture and the Shareholders' Agreement (including but not limited to providing capital and liquidity support for the digital banking business and for implementing the exit plan measures in the event of an exit, including amongst others, to meet, pay and settle all outstanding customer deposits, and carrying out all undertakings committed to Bank Negara Malaysia) with full powers to assent to any conditions, variations, modifications and/or amendments as the Board may be in its absolute discretion deem fit, necessary or expedient and/or as may be imposed or permitted by any relevant authorities in connection with the Proposed Joint Venture and to do all such things as the Board consider necessary or expedient in the best interest of the Company."

ORDINARY RESOLUTION 2

PROPOSED BONUS ISSUE OF 255,307,690 NEW ORDINARY SHARES IN AEON CREDIT SERVICE (M) BERHAD ("AEON CREDIT SHARES") ("BONUS SHARES") ON THE BASIS OF 1 BONUS SHARE FOR EVERY 1 AEON CREDIT SHARE HELD BY THE ENTITLED SHAREHOLDERS ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED BONUS ISSUE")

"**THAT**, subject to the approvals of all relevant regulatory authorities or parties, including but not limited to the approval of Bursa Malaysia Securities Berhad ("**Bursa Securities**") being obtained, the Board of Directors of the Company ("**Board**") be and is hereby authorised to issue 255,307,690 Bonus Shares to be credited as fully paid-up on the basis of 1 Bonus Share for every 1 existing AEON Credit Share

held by the shareholders whose names appear in the Record of Depositors of the Company as at the close of business on the entitlement date to be determined and announced later by the Board.

THAT fractional entitlements arising from the Proposed Bonus Issue, if any, will be disregarded and/or dealt with by the Board in such manner as it may in its absolute discretion deem fit or expedient and to be in the best interest of the Company.

THAT such Bonus Shares shall, upon allotment and issuance, rank *pari passu* with the existing AEON Credit Shares.

AND THAT the Board be and is hereby authorised and empowered to do all acts, deeds and such things and to enter into, sign, execute and deliver or caused to be signed, executed or delivered on behalf of the Company, all necessary documents, agreements or arrangements to give effect and complete the Proposed Bonus Issue, including without limitation, with full power to assent to or make any modifications, variations and/or amendments as may be required or imposed by the relevant authorities and/or parties or as may be deemed necessary and/or expedient and/or appropriate by the Board in their absolute discretion and to take such steps as may be necessary or expedient to finalise, implement, give full effect and to complete the Proposed Bonus Issue.”

By Order of the Board

TAI YIT CHAN

(SSM PC No. 202008001023) (MAICSA 7009143)

Company Secretary

Selangor Darul Ehsan

29 September 2023

Notes:-

1. The Company will conduct the Extraordinary General Meeting (“EGM”) on a virtual basis through live streaming and online remote voting using the Remote Participation and Electronic Voting (“RPEV”) facilities at <https://meeting.boardroomlimited.my>. Kindly refer to the attached Administrative Details for the EGM of the Company for more information.
2. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which specifies that the Chairman of the Meeting shall be present at the main venue of the EGM and is in accordance with Clause 86 of the Company’s Constitution which allows a meeting of members to be held at more than one (1) venue, using any technology or method so that all members of the Company can participate and be able to exercise their rights to participate and vote at the general meeting. The Broadcast Venue of the EGM is to inform members where the electronic EGM production and live streaming would be conducted from. No shareholder or proxy from the public should be physically present nor admitted at the Broadcast Venue on the day of the EGM.
3. As the EGM will be conducted via a virtual meeting platform, a member who is not able to participate in the EGM may appoint the Chairman of the EGM as his/her proxy and indicate the voting instruction in the Proxy Form.
4. A member of the Company entitled to attend, participate, speak and vote at the EGM is entitled to appoint up to two (2) proxies to attend, participate, speak and vote in his/her stead at the same meeting. Where a member appoints up to two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company.
5. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”) as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy by a member who is entitled to participate and vote at the EGM, shall be in writing, executed by the appointor or of his/her attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or the hand of its officer or its duly authorised attorney. The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office of the Company’s Share Registrar office at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time set for holding the meeting or adjourned meeting, otherwise the instrument of proxy should not be treated as valid. Alternatively, the instrument appointing a proxy can be electronically submitted via e-mail to bsr.helpdesk@boardroomlimited.com (for Corporate Shareholders, Authorised Nominee and Exempt Authorised Nominee only) or submitted through the Share Registrar’s website, Boardroom Smart Investor Online Portal at

<https://investor.boardroomlimited.com> (for individual shareholders only) before the Proxy Form lodgement cut-off time as mentioned above.

7. In respect of deposited securities, only members whose names appear on the Record of Depositors on 9 October 2023 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend, participate and/or vote on his/her behalf.
8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of the EGM will be put to vote by way of poll.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purpose, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.



AEON CREDIT SERVICE (M) BERHAD
(Registration No. 199601040414 (412767-V))
(Incorporated in Malaysia)

Proxy Form

I/We (name in full and in block letters) _____

(NRIC No./Passport No./Registration No. _____) of _____

_____ (full address)

being a *member/members of **AEON CREDIT SERVICE (M) BERHAD** ("Company"), hereby appoint (name in full and in block letters),

_____ (NRIC/Passport No. _____) of

_____ (full address/email/tel no.)

and/or failing *him/her, (name in full and in block letters) _____

(NRIC/Passport No. _____) of _____

_____ (full address/email/tel no.)

or failing *him/her, ***THE CHAIRMAN OF THE MEETING** as *my/our proxy/proxies to vote for *me/us on *my/our behalf at the Extraordinary General Meeting ("EGM") of the Company to be conducted on a virtual basis through live streaming and online remote voting using the Remote Participation and Voting facilities from the Broadcast Venue at Grand Studio Room, Level 1, Wyndham Grand Bangsar, 1, Jalan Pantai Baharu, Jaya Tower 3, 59200 Kuala Lumpur, Malaysia on Monday, 16 October 2023 at 10.00 a.m. or at any adjournment thereof.

** Strike out whichever is inapplicable*

** Please delete the words "THE CHAIRMAN OF THE MEETING" if you wish to appoint some other person to be your proxy.*

I/We indicate with an "x" in the spaces below how I/we wish my/our vote to be cast.

No.	Resolutions	For	Against
Ordinary Resolution 1	Proposed Joint Venture		
Ordinary Resolution 2	Proposed Bonus Issue		

Subject to the abovementioned voting instructions, my/our proxy/proxies may vote or abstain from voting on any resolutions as *he/*she/*they may think fit.

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:-

	Percentage
Proxy 1	%
Proxy 2	%
Total	100%

Signed this ____ day of _____ 2023.

<p>If appointment of proxy is under hand</p> <p>_____</p> <p>Signed by *individual member/*officer or attorney of member/*authorised nominee of _____</p> <p>(beneficial owner)</p>	<p>No. of shares held : _____</p> <p>Securities Account No. : _____</p> <p>(CDS Account No.)(Compulsory)</p> <p>Contact No. : _____</p> <p>Email address : _____</p> <p>Date : _____</p>
<p>If appointment of proxy is under seal</p> <p>The Common Seal of _____</p> <p>was hereto affixed in accordance with its Constitution in the presence of:</p> <p>_____ Director</p> <p>_____ Director/Secretary</p> <p>In its capacity as *member/*attorney of member/*authorised nominee of _____</p> <p>(beneficial owner)</p>	<p>Seal</p> <p>No. of shares held : _____</p> <p>Securities Account No. : _____</p> <p>(CDS Account No.)(Compulsory)</p> <p>Contact No. : _____</p> <p>Email address : _____</p> <p>Date : _____</p>

** Strike out whichever is not desired. Unless otherwise instructed, the proxy may vote as he/she thinks fit.*

Notes:-

1. The Company will conduct the Extraordinary General Meeting ("EGM") on a virtual basis through live streaming and online remote voting using the Remote Participation and Electronic Voting ("RPEV") facilities at <https://meeting.boardroomlimited.my>. Kindly refer to the attached Administrative Details for the EGM of the Company for more information.
2. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which specifies that the Chairman of the Meeting shall be present at the main venue of the EGM and is in accordance with Clause 86 of the Company's Constitution which allows a meeting of members to be held at more than one (1) venue, using any technology or method so that all members of the Company can participate and be able to exercise their rights to participate and vote at the general meeting. The Broadcast Venue of the EGM is to inform members where the electronic EGM production and live streaming would be conducted from. No shareholder or proxy from the public should be physically present nor admitted at the Broadcast Venue on the day of the EGM.
3. As the EGM will be conducted via a virtual meeting platform, a member who is not able to participate in the EGM may appoint the Chairman of the EGM as his/her proxy and indicate the voting instruction in the Proxy Form.
4. A member of the Company entitled to attend, participate, speak and vote at the EGM is entitled to appoint up to two (2) proxies to attend, participate, speak and vote in his/her stead at the same meeting. Where a member appoints up to two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company.
5. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy by a member who is entitled to participate and vote at the EGM, shall be in writing, executed by the appointor or of his/her attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or the hand of its officer or its duly authorised attorney. The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office of the Company's Share Registrar office at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time set for holding the meeting or adjourned meeting, otherwise the instrument of proxy should not be treated as valid. Alternatively, the instrument appointing a proxy can be electronically submitted via e-mail to bsr.helpdesk@boardroomlimited.com (for Corporate Shareholders, Authorised Nominee and Exempt Authorised Nominee only) or submitted through the Share Registrar's website, Boardroom Smart Investor Online Portal at <https://investor.boardroomlimited.com> (for individual shareholders only) before the Proxy Form lodgement cut-off time as mentioned above.
7. In respect of deposited securities, only members whose names appear on the Record of Depositors on 9 October 2023 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend, participate and/or vote on his/her behalf.
8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of the EGM will be put to vote by way of poll.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of the EGM dated 29 September 2023.

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AFFIX
STAMP

The Share Registrar

AEON CREDIT SERVICE (M) BERHAD

(Registration No. 199601040414 (412767-V))

Boardroom Share Registrars Sdn. Bhd.

11th Floor, Menara Symphony

No. 5, Jalan Prof. Khoo Kay Kim

Seksyen 13

46200 Petaling Jaya

Selangor Darul Ehsan

Malaysia

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