

Press Release

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AEON CREDIT'S Q2 REVENUE INCREASES BY 22% *6MFYE20 revenue steadily increased by 19%*

KUALA LUMPUR, 26 SEPTEMBER 2019 – AEON Credit Service (M) Berhad (“**AEON Credit**” or “**Company**”), posted a 21.8% rise in revenue to RM404.45 million for the second quarter ended 31 August 2019 (“**Q2FYE20**”) compared to the RM332.09 million achieved in the corresponding quarter of last year (“**Q2FYE19**”). Total transaction and financing volume in Q2FYE20 had increased by 23.0% to RM1.562 billion compared to Q2FYE19.

The Company's gross financing receivables in Q2FYE20 increased by 22.2% to RM9.60 billion compared to RM7.86 billion recorded in Q2FYE19. The Non-Performing Loans (“**NPL**”) ratio stood at 2.00% in Q2FYE20 compared to 2.07% in Q2FYE19, under the continuous prudent approach on asset quality strategies.

The Company said today that impairment losses on financing receivables under Malaysian Financial Reporting Standards (MFRS 9) requirements rose to RM154.69 million for Q2FYE20 compared to RM95.24 million recorded in Q2FYE19 attributed to the growth of receivables.

Profit before tax (“**PBT**”) was 37.6% lower at RM66.88 million compared to Q2FYE19's RM107.23 million while profit after tax (“**PAT**”) declined 39.1% to RM49.13 million compared to the RM80.64 million recorded for Q2FYE19.

However, in respect of the financial year ending 29 February 2020, an interim single-tier dividend 22.25 sen per ordinary share has been recommended by the Board to be paid on 7 November 2019 with dividend payout ratio of 41.7%.

On a half-year financial review basis (“**6MFYE20**”), revenue increased by 19.0% to RM783.03 million compared to RM657.81 million recorded in the preceding year's half-year ended 31 August 2018 (“**6MFYE19**”). Both PBT and PAT posted at RM179.54 million and RM133.73 million for 6MFYE20, decreased by 24.9% and 25.7% compared to RM239.00 million and RM179.88 million for 6MFYE19 respectively. The lower PBT and PAT mainly due to the increase in impairment

losses provision on financing receivables of RM248.03 million under MFRS 9 requirements compared to RM152.33 million recorded in 6MFYE19, in line with the growth of receivables during the period under review. Loan loss coverage ratio stood at 342%% in Q2FYE20 as compared to 370% in Q2FYE19.

AEON Credit's Managing Director, Mr. Yuro Kisaka, expressed, "We are pleased with the Company having shown improvement for its top line despite the challenging operating environment. We will remain prudent and cautious, placing emphasis on growing our quality assets as well as enhancing cost and operational efficiency as we build on the momentum of strengthening our business fundamentals based on the scheduled implementation of our business plan and leveraging on the strength of the AEON group synergy".

He added, "In this rapid change of market needs, we will continue to improve our customer experience via technology enhancement for the betterment of our products and services as well as ensuring business sustainability".

ABOUT AEON CREDIT SERVICE (M) BERHAD

AEON Credit Service (M) Berhad ("AEON Credit" or the "Company") was incorporated on 6 December 1996 and was converted into a public limited company on 9 February 2007 and listed on the Main Market at Bursa Malaysia Securities Berhad on 12 December 2007. AEON Credit commenced operations in 1997 by providing Easy Payment schemes for purchase of consumer durables through appointed retail merchants and chain stores.

Today, the business of the Company had expanded to include issuance of Credit Cards, Easy Payment, hire purchases financing for motor vehicles, Personal Financing schemes, insurance sales business and other services.

The Company currently has five Regional Offices, 71 branches and Service Centres located in the major shopping centres and towns and a network of more than 12,000 participating merchant outlets nationwide.

Issued by Esente Communications (M) Sdn Bhd on behalf of AEON Credit Service (M) Berhad

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