

Press Release

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AEON CREDIT'S Q4 REVENUE INCREASES BY 14.9%

12MFYE20 revenue steadily increased by 17.1%

Total FYE20 Dividend payout ratio 31.5%

KUALA LUMPUR, 9 APRIL 2020 – AEON Credit Service (M) Berhad (“**AEON Credit**” or “**Company**”), posted a 14.9% rise in revenue of RM413.28 million for the fourth quarter ended 29 Feb 2020 (“**Q4FYE20**”) compared to the RM359.54 million achieved in the corresponding quarter of last year (“**Q4FYE19**”).

Both profit before tax (“**PBT**”) and profit after tax (“**PAT**”) recorded at RM118.03 million and RM88.39 million, marginally increased by 2.5% and 0.9% compared to RM115.12 million and RM87.61 million recorded for Q4FYE19 respectively.

The Company's total transaction and financing volume in Q4FYE20 had increased by 17.5% to RM1.646 billion compared to Q4FYE19.

The Company's gross financing receivables in Q4FYE20 has an increase of RM1.702 billion to RM10.395 billion compared to RM8.692 billion recorded in Q4FYE19. The Non-Performing Loans (“**NPL**”) ratio stood at 1.92% as at 29 Feb 2020 compared to 2.04% as at 28 Feb 2019, under the continuous prudent approach on asset quality strategies.

The ratio of total operating expense against revenue was recorded at 60.4% for the current quarter as compared to 62.3% in Q4FYE19. The decrease was mainly due to lower allowance for impairment losses on financing receivables.

In respect of the financial year ending 29 Feb 2020 (“**FYE20**”), a final single-tier dividend 14.00 sen per ordinary share has been recommended by the Board to be paid on 16 July 2020, subject to the approval of shareholders at the forthcoming Annual General Meeting to be held on a date which shall be announced later. Total dividend payable for FYE20 amounted to 36.25 sen with payout ratio of 31.5%.

On a full year financial review (“**12MFYE20**”), revenue increased by 17.1% to RM1.599 billion compared to RM1.366 billion recorded in the preceding financial year ended 28 Feb 2019 (“**12MFYE19**”). PBT and PAT posted at RM390.44 million

and RM292.05 million respectively for 12MFYE20, decreased by 17.3% and 17.6% compared to RM472.19 million and RM354.62 million for 12MFYE19 respectively.

The lower PBT and PAT for the 12MFYE20 were attributed by the increased impairment losses on financing receivables of RM450.31 million as compared to RM308.37 million recorded in 12MFYE19 in line with the growth of receivables during the year under review. Loan loss coverage ratio stood at 346% for 12MFYE20 as compared to 331% for 12MFYE19.

AEON Credit Managing Director, Yuro Kisaka said, “The Malaysian economy posted a GDP growth of 3.6% in the fourth quarter (2019). The Company nonetheless showed an improved revenue of 17.1% for the year ended 29 February 2020 despite the challenging operating environment. It is predicted that domestic demand will continue to be key driver, as household spending is likely to be supported by the government in driving the economic demand. Nevertheless, downside risks are expected to continue to dominate the trade outlook for the country given the unfavourable economic conditions from the recent COVID-19 pandemic.

“Taking consideration of the COVID-19 pandemic affecting business in a global scale, not excluding the essential services industry and Movement Control Order imposed by the government, business and operations will be affected for most part of the year. Also, with the implementation of additional measures directed by Bank Negara Malaysia in assisting borrowers and customers who experience financial constraints from the pandemic, the Company has taken necessary measures to face the imminent challenges,” he added.

“Moving forward, taking full consideration of the COVID-19 pandemic and the uncertainties which lies ahead, the Company will continue to remain prudent and cautious, placing emphasis on growing quality assets as well as enhancing financing and operational efficiency by leveraging on its business fundamentals based on the scheduled implementation of our business plan”, he concluded.

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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