

# **Press Release**

**For Immediate Release**

## **AEON CREDIT POSTS PBT OF RM76.5 MILLION FOR Q2FYE21**

*Maintain Dividend Payout Ratio at 30.1%*

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**KUALA LUMPUR, 29 SEPTEMBER 2020** – AEON Credit Service (M) Berhad (“**AEON Credit**” or the “**Company**”) announced revenue for the second quarter ended 31 August 2020 (“**Q2FYE21**”) of RM363.97 million compared to the RM404.45 million recorded in the preceding year’s corresponding quarter ended 31 August 2019 (“**Q2FYE20**”) mainly due to the recognition of Day-One net modification loss of RM28.41 million relating to AEON Relief Programme launched in June 2020 to provide financial assistance to the customers and lower revenue from fee income.

Total transaction and financing volume for Q2FYE21 stood at RM962.39 million, a decrease of 38.4% compared to RM1.56 billion for Q2FYE20.

The Company’s gross financing receivables in Q2FYE21 increased by 6.9% to RM10.26 billion, compared to RM9.60 billion recorded for Q2FYE20. The Non-Performing Loans (“**NPL**”) ratio stood at 1.95% as at 31 August 2020 compared to 2.00% as at 31 August 2019.

Despite the challenging business environment, profit before tax (“**PBT**”) rose 14.4% to RM76.49 million, compared to RM66.88 million recorded in Q2FYE20 while profit after tax (“**PAT**”) grew by 5.5% to RM51.81 million compared to RM49.13 million recorded in Q2FYE20. This was mainly due to lower impairment losses on financing receivables, personnel expenses and advertising expenses recorded for Q2FYE21.

On a half-year financial review basis (“**6MFYE21**”), the Company posted RM753.85 million in revenue, representing a marginal decline of 3.7% compared to the preceding year’s half-year ended 31 August 2019 (“**6MFYE20**”) due to lower fee income in line with weaker transaction and financing volume for 6MFYE21. Both PBT and PAT stood at RM113.57 million and RM78.09 million for 6MFYE21, a decrease of 36.7% and 41.6% respectively, compared to the same period last year. The decline in profit was largely due to lower revenue from fee income and lower bad debts recovered impacted by Movement Control Order (“**MCO**”) which had caused major disruptions to the operations in the preceding quarter, higher impairment losses in anticipation of the effects of COVID-19 pandemic and higher interest expenses, but this was mitigated by lower operating expenses.

The ratio of total operating expenses excluding impairment loss provision against total income recorded for 6MFYE21 stood at 28.0% compared to 31.9% for 6MFYE20 as a result of lower personnel expenses and advertising expenses translating into improved operational efficiency.

**AEON Credit Managing Director, Yuro Kisaka** said, “The Company has navigated this unprecedented crisis by focusing on manpower allocation, sales growth and receivables collection. We will continue to closely monitor and assess the inherent credit risk in our financing portfolio by emphasising on enhancement of asset quality, embracing prudent cost and cash management and improving on financial and operational efficiencies through leveraging on our positive business fundamentals and extensive customer reach”.

“The pandemic has increased the digital acceptance in the market. In FYE21, we will accelerate the deployment and rollout of our digitisation efforts to improve our customers’ touch points and user experience. Meanwhile, we continue to leverage on the AEON Group’s established customer database to capture better asset quality customers and re-strategise our capital investment plan this year on projects that drive efficiencies,” added Kisaka.

In respect of the financial year ending 28 February 2021, an interim single-tier dividend of 9.20 sen per share has been recommended, to be paid on 5 November 2020.

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#### **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, 69 branches and Service Centres located in the major shopping centres and towns and a network of more than 12,000 participating merchant outlets nationwide.

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

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