Press Release

AEON CREDIT POSTS STEADY RESULTS FOR ITS 2QFY19 RECORDING RM332.1 MILLION IN REVENUE

Overall, the Company recorded improved financial results for its 6MFY19

KUALA LUMPUR, 4 OCTOBER 2018 - **AEON Credit Service (M) Berhad** (**"AEON Credit"** or **"Company"**) announced its financial results for the second quarter ended 31 August 2018 ("**2QFY19**") posting RM332.1 million in revenue, a marginal increase of 6.7% as compared to RM311.3 million recorded in the preceding year's corresponding quarter ended 31 August 2017 (**"2QFY18"**). Accordingly, both Profit Before Tax ("**PBT**") and Profit After Tax ("**PAT**") posted an increase of 11.9% at RM107.2 million and 13.0% at RM80.6 million respectively for 2QFY19 as compared to RM95.8 million and RM71.4 million recorded for 2QFY18.

AEON Credit's improved revenue for 2QFY19 was mainly attributed to the increase in financing receivables for its motorbike financing, auto financing and personal financing businesses. Additionally, other income was recorded at RM48.3 million for 2QFY19, mainly comprising successful recovery of bad debts, commission income from sale of insurance products and loyalty programme processing fees. The total transaction and financing volume for 2QFY19 increased by 26.8% to RM1.3 billion, as compared to 2QFY18 recorded at RM1.0 billion.

The Company's consolidated revenue for its six months ended 31 August 2018 ("**6MFY19**"), recorded an increase of 7.2% at RM657.8 million, compared to RM613.6 million noted in the preceding's year consolidated six months ended 31 August 2017 ("**6MFY18**"). PBT and PAT for 6MFY19 rose by 20.9% at RM239.0 million and 22.2% at RM179.9 million respectively as compared to RM197.7 million and RM147.2 million recorded for 6MFY18 correspondingly.

Additionally, both gross financing receivables and net financing receivables after impairment posted an increase of 11.5% at RM7.9 billion and 5.5% RM7.3 billion respectively as at 31 August 2018 as compared to RM7.0 billion and RM6.9 billion noted as at 31 August 2017 correspondingly. Whilst, the Non-Performing Loans ratio recorded 2.07% as at 31 August 2018 compared to 2.48% as at 31 August 2017. The total transaction and financing volume for 6MFY19 rose by 15.4% to RM2.4 billion as compared to RM2.1 billion for 6MFY18.

Mr Kenji Fujita, Managing Director of the Company expressed: "We are optimistic for our performance for the financial year ending 28 February 2019 ("**FYE 2019**") based on the scheduled implementation of our business plan.

In addition, we are targeted to launch our E-Wallet and E-Money by this quarter, and we are confident that this will bring us further in our journey to expand our brand recognition nationwide."

"We are also confident that the current economic landscape will spur further growth for our business, strongly driven by domestic demand and household spending given the support for the Malaysian economy, which posted a Gross Domestic Products growth of 4.5% in the second half of 2018, while the annual economic growth forecast for 2018 is 5.4% by the World Bank." Mr Kenji Fujita further added.

In respect of FYE 2019, the Board has recommended an interim single tier dividend of 22.25 sen per share as compared to the previous corresponding period of 21.13 sen per share.

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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.

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