

# **Press Release**

**For Immediate Release**

## **AEON CREDIT POSTS IMPROVED REVENUE OF RM385.27 MILLION FOR Q1FYE21**

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**KUALA LUMPUR, 25 JUNE 2020** – AEON Credit Service (M) Berhad (“**AEON Credit**” or the “**Company**”) announced its financial results today for the first quarter ended 31 May 2020 (“**Q1FYE21**”), posting a 1.8% rise in revenue of RM385.27 million, compared to RM378.59 million recorded in the preceding year’s corresponding quarter ended 31 May 2019 (“**Q1FYE20**”).

Both profit before tax (“**PBT**”) and profit after tax (“**PAT**”) were documented at RM37.09 million and RM26.28 million respectively for Q1FYE21, decreased by 67.1% and 68.9%, compared to RM112.67 million and RM84.60 million recorded in Q1FYE20 correspondingly.

AEON Credit’s total transaction and financing volume for Q1FYE21 stood at RM778.57 million, decreased by 50.9% compared to Q1FYE20.

The lower PBT was mainly due to higher allowance for impairment loss and lower income resulting from the Movement Control Order (“**MCO**”) imposed by the Malaysian Government since 18 March 2020, which had caused major disruptions to the Company’s operations nationwide. In addition, the lower PBT was also due to higher impairment losses of RM174.37 million recorded for Q1FYE21.

The Company’s gross financing receivables in Q1FYE21 noted an increase of RM1.374 billion to RM10.518 billion, compared to RM9.144 billion recorded for Q1FYE20. The Non-Performing Loans (“**NPL**”) ratio stood at 1.42% as at 31 May 2020, compared to 1.92% as at 31 May 2019.

The ratio of total operating expenses excludes impairment loss provision against revenue recorded for Q1FYE21 was at 26.8% as compared to 34.0% for Q1FYE20, in line with the prudent cost management during the quarter under review.

**AEON Credit Managing Director, Yuro Kisaka** said, “The year 2020 is expected to be an unprecedented year of challenge and uncertainty, having the COVID-19 pandemic significantly impacted economic activities globally. Within the first half of 2020, unstable business conditions paired with the MCO had caused some business sectors to come to a halt until conditions are stabilised. Despite this, we at AEON Credit took proactive measures to protect our customers and employees by ceasing customer-facing and other frontline operations across our entire branch network while maintaining critical business operations during the MCO. We also took this opportunity to execute our digitalisation initiatives, which increases efficiency and reduces cost.”

**Kisaka** added, “Moving forward, we will continue to focus on growing quality assets, enhancing cost and operational efficiencies while increasing our growth momentum and delivering invaluable value to our stakeholders. We aim to remain relevant and competitive in the market based on several key strategies, namely the intensification of our existing core business. This includes the Company’s movement towards transitioning to digitisation from our current business strategy with the aim to enhance our customers’ experience and improve the Company’s profitability. Leverage for further business growth is the successful integration of the AEON Group’s established customer database platform in 2018 to enable the provision of secured payment via the introduction of the AEON Member Plus Card.

We also intend to expand our core businesses to create new business opportunities to support the customer lifecycle. Lastly, we will be changing the Company's current system to ensure we have a seamless end-to-end business system."

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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, 70 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**

For more information, please contact:

**Ms. Noor Nazatul Janah (Naza)**

Tel : +603 2772 8532

Email : [nazatul.janah@aeoncredit.com.my](mailto:nazatul.janah@aeoncredit.com.my)

**Ms. Leanne Tan**

Tel : +603 6419 9501

Email : [leanne@esente.com.my](mailto:leanne@esente.com.my)

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