



AEON CREDIT RECORDS IMPROVED PBT AND PAT Y-o-Y FOR Q2FYE22

The Company declares an interim dividend of 28.50 sen per share

KUALA LUMPUR, 28 SEPTEMBER 2021 – AEON Credit Service (M) Berhad (“**AEON Credit**” or the “**Company**”) today announced revenue for the second quarter ended 31 August 2021 (“**Q2FYE22**”) of RM374.48 million compared to the RM363.97 million recorded in the preceding year’s corresponding quarter ended 31 August 2020 (“**Q2FYE21**”).

The Company’s transaction and financing volume for Q2FYE22 had decreased by 26.3% to RM708.83 million as compared to RM962.39 million in Q2FYE21 which was impacted by implementation of Full Movement Control Order (“**FMCO**”) nationwide from 1 June 2021, Enhanced Movement Control Order (“**EMCO**”) in the Klang Valley from 3 July 2021 and subsequently the National Recovery Plan (“**NRP**”) where most states are still under Phase 1 and Phase 2 of the NRP and only selected essential economic sectors are allowed to operate.

Despite the challenging business environment, profit before tax (“**PBT**”) and profit after tax (“**PAT**”) were recorded at RM102.15 million and RM75.48 million, registering an increase of 33.5% and 45.7% as compared to Q2FYE2021 of RM76.49 million and RM51.81 million respectively. The improvement in performance was driven by higher interest income and lower operating expenses mainly due to lower impairment losses on financing receivables of RM92.27 million as compared to RM112.01 million for the preceding year corresponding quarter, partially offset by higher personnel and operational expenses.

The Company’s gross financing receivables contracted by 6.2% to RM9.63 billion in Q2FYE22 compared to RM10.26 billion recorded in Q2FYE2021 due to the challenging pandemic economic environment. The Non-Performing Loans (“**NPL**”) ratio was 2.24% as compared to 1.95% as at 31 August 2020.

On a half-year financial review basis (“**6MFYE22**”), revenue increased by 4.2% to RM785.44 million compared to RM753.85 million recorded in the preceding year’s half-year ended 31 August 2020 (“**6MFYE2021**”) mainly attributed to higher interest income as previous year’s revenue was impacted by Day-One net modification loss related to AEON Relief Programme of RM28.41 million.

Both PBT and PAT stood at RM318.00 million and RM238.58 for 6MFYE22, an increase of 180.0% and 205.5% respectively, compared to the same period last year. The higher earnings were mainly due to higher revenue and lower allowance for impairment losses of RM170.86 million.

The Company's transaction and financing volume for 6MFYE22 registered an increase of 21.6% with RM2.1 billion as compared to RM1.7 billion in 6MFYE21.

Prospects

Malaysia's economy is now on the path to recovery and is projected to chart better growth this year. Brighter economic prospect was attributable to rising global demand, increased public and private sector spending, as well as continued policy support. With the reopening of various business sectors and relaxed COVID-19 controls, the local economy is on the positive outlook.

AEON Credit's sturdy performance serves as a testament of AEON Credit's continuing effort and commitment towards the Company's growth. Nonetheless, the Company remain a cautious yet optimistic outlook on its business prospects as it closely monitor and assess the inherent credit risks in its financing portfolio, with proactive attention focused on enhancement of asset quality, prudent cost management and improvement on financial and operational efficiencies by leveraging on AEON Credit's positive business fundamentals. With that said, AEON Credit will continuously invest in information technology to drive digitalisation in its business and to deliver long-term sustainable growth while adhering to strict Environmental, Social and Governance standards to bring immense value to the Company's shareholders and stakeholders alike.

In respect of the financial year ending 28 February 2022, an interim single-tier dividend of 28.50 sen per share has been recommended by the Board to be paid on 3 November 2021, with dividend payout ratio of 30.5%.

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, Prepaid Card, Easy Payment, hire purchases financing for motor vehicles, Personal Financing schemes, insurance sales business and other services.

The Company currently has five Regional Offices, 64 branches and service centres located in the major shopping centres and towns and a network of more than 13,479 participating merchant outlets nationwide.

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

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