

**e-pay Asia expands business with Malaysian bank alliance**

Sydney, 23 April 2007

e-pay Asia Limited is pleased to announce that its 60% owned subsidiary, e-pay (M) Sdn Bhd ("e-pay Malaysia"), has formed a strategic alliance with AmBank (M) Berhad ("AmBank") to recruit new retailers throughout Malaysia for AmBank's credit card transaction services.

Under the partnership, e-pay Malaysia will expand its network of terminals to support both pre-paid and AmBank credit card transactions.

This alliance is highly synergistic with e-pay Malaysia's current offering and will thus enable e-pay Malaysia to benefit from two revenue streams. Firstly, it will share in the handling charge levied by AmBank on each credit card transaction whilst also receiving monthly income from terminal rental. Secondly, where AmBank retailers wish to offer sales of prepaid products alongside the credit offering, e-pay Malaysia will receive income from the commission on these transactions.

In addition, this new venture diversifies e-pay Malaysia's offering and further enhances its competitiveness by providing its existing retailers the option to conduct sales of prepaid products either by cash or by credit card.

e-pay Malaysia aims to roll out a total of 3,000 terminals over the next 24 months, of which 1,200 will be from its existing retailer network. Capex will thus be limited. The venture is expected to be cashflow positive from launch as terminals will be rolled out in controlled phases.

Once deployment is complete, it is anticipated that this joint venture has the potential to generate significant net fee income to e-pay Malaysia.

Use of credit cards in Malaysia is growing rapidly. The total value of credit card transactions in Malaysia in 2006 exceeded A\$15.7 billion, compared to only A\$6.8 billion in 2001. Penetration rates are still low, however, at around 33% with 8.83 million cards issued in 2006 compared to Malaysia's total population of 26.64 million. Credit card usage is expected to achieve further rapid growth going forward, driven by the key 15-64 year old demographic which, at end 2006, represented 63% of Malaysia's population. (source: Central Bank of Malaysia and Department of Statistics of Malaysia)

Executive Director of e-pay Asia Limited, Dato' Hassan commented

"We are delighted to be able to offer another Master Merchant Program from a prominent banking institution, besides our first Master Merchant tie up with Bank Islam Malaysia Bhd. The payments market landscape is changing rapidly, driven by consumer lifestyle and a shift towards credit sales. This presents a tremendous growth opportunity as credit sales become a major payment model. In addition, we will also be able to provide newly acquired AmBank retailers the opportunity to promote our electronic prepaid products."

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## **About AmBank Group**

AmBank is the commercial and retail banking arm of the financial services group, AMMB Holdings Berhad (“AMMB”). AmBank is also Malaysia’s third largest credit card financier with a network of 170 branches. The Australia and New Zealand Banking Group Limited recently obtained approval to acquire a 24.95% equity stake in AMMB, paving the way for a strategic partnership between the two companies.

## **About EPY**

e-pay Asia Limited (ASX/AIM: EPY), dual listed on Australia Stock Exchange and the AIM segment of the London Stock Exchange, is a leading provider of prepaid mobile airtime and electronic payment solutions in South East Asia. Headquartered in Kuala Lumpur with its corporate office in Sydney, e-pay Asia operates in Malaysia, Indonesia, Pakistan and Thailand. For more information on the Company, please visit our corporate website: [www.epay-asia.com](http://www.epay-asia.com).

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