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AEON CREDIT SERVICE (ASIA) COMPANY LIMITED
AEON 信貸財務（亞洲）有限公司
(Incorporated in Hong Kong with limited liability)

Revenue Up 37.0% to HK\$783.1 Million in 1H2023
Profit Increases 8.3% to HK\$191.4 Million

Celebrates 30th Anniversary of Credit Card Business

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(Hong Kong, 28 September 2023) – **AEON Credit Service (Asia) Company Limited** (“AEON Credit” or the “Group”; Stock Code: 00900) today announced its interim results for the six months ended 31st August 2023 (“1H2023” or the “Reporting Period”).

During the Reporting Period, the Group’s revenue surged by 37.0% year-on-year to HK\$783.1 million, driven by a significant increase in interest income, as the Group’s various marketing programs resulted in a continued increase in revolving credit card receivables and personal loan receivables, coupled with an increase in fees and charges. Meanwhile, profit after tax rose 8.3% to HK\$191.4 million. The Board has resolved to declare an interim dividend of 24.0 HK cents per share (1H2022: 22.0 HK cents per share), representing a dividend payout ratio of 52.5%.

As market recovery continued to gain momentum, the Group took a number of timely initiatives during the Reporting Period to drive healthy growth in both sales and receivables and maintain a quality portfolio that offers income, growth and resilience, all at the same time. The Group achieved an overall increase in sales of 24.6% year-on-year, and the gross advances and receivables balance increased by 10.3% from the end of February 2023. With effective credit risk management, the percentage of credit impaired advances and receivables to total advances and receivables maintained at a similar level as at 31st August 2023 and 28th February 2023.

With regard to marketing, the Group utilized targeted marketing and attractive marketing promotions to better make known to the right customers its competitive products and services and boost sales and receivables growth momentum. Given the popularity of the cash-back loyalty incentive scheme established under AEON Card Wakuwaku, the Group also launched similar incentive programs to stimulate local dining and overseas spending. Besides, the Group continued to revamp and expand its branch network to meet customers’ growing demand for face-to-face advisory services.

Regarding credit management, the continued enhancement of the Group’s credit assessment model with updated market indicators has allowed customers to get access to flexible credit facilities that remain relevant and affordable. At the same time, the implementation of a new analytical tool has gone some significant ways to control the increase in delinquent receivables. As for information technology, the rollout of the new card and loan system and “AEON HK” Mobile App are expected to provide a flexible and integrated platform for the creation and delivery of new payment solutions and product benefits.



In parallel with its business growth, the Group has also placed great emphasis on integrating sustainability into its business operations. Among its various sustainability efforts, the new branch uniforms made from environmentally friendly materials were introduced in early April 2023.

Looking ahead, in the face of a recovering but still competitive and challenging market, the Group will strive to accelerate the momentum of sales and receivables growth, while improving the credit assessment technique to maintain a stable asset quality. On the marketing side, the Group will continue to launch mass promotion initiatives and others with exciting gamification and incentives to capture the expected surge in consumer spending in the market. Moreover, the Group will further strengthen its customer relationship management and foster customer engagement through various channels. New contactless payment products and digital services are expected to be launched to enrich customer experience and ensure that the Group stays ahead in the market competition.

To further reduce its carbon footprint and energy consumption, the Group will accelerate its efforts to gradually remove traditional first-use PVC plastics from its credit cards. From September 2023, the newly produced AEON Card WAKUWAKU will be the first batch of credit cards to be made from more sustainable plastic approved by the Global Recycled Standard. This initiative is in line with the Group's commitment to sustainability and expands the accessibility of more sustainable card offerings to the more environmentally conscious consumers

Mr. Tomoharu Fukayama, Managing Director of AEON Credit, said, "This year, we are delighted to celebrate the 30th anniversary of AEON card since our first credit card was issued in 1993, commemorating three decades of innovation and success. The Group's relentless pursuit of excellence has yielded remarkable results, as evidenced by the strong revenue growth achieved in the first half of this year. Going forward, the Group will remain committed to providing exceptional credit card services, meeting the evolving needs of its customers and expanding its customer base with more robust offerings. With the Group's strong liquidity position and balance sheet, it will strive to capture the vast opportunities in the growing consumer finance market and deliver sustainable growth in the years ahead."

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About AEON Credit Service (Asia) Company Limited (Stock Code: 00900)

AEON Credit Service (Asia) Company Limited, a subsidiary of AEON Financial Service Co., Ltd. (TSE: 8570) and a member of the AEON Group, was set up in 1987 and listed on the Main Board of The Stock Exchange of Hong Kong Limited in 1995. The Group is principally engaged in the consumer finance business, which includes the issuance of credit cards and the provision of personal loan financing, card payment processing services, insurance agency and brokerage business in Hong Kong and microfinance business in Mainland China.