



5.4.2024

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

**FY2023 Revenue Up 31.8% to HK\$1,623.3 Million with
Healthy Sales and Receivables Growth**

Drives Digitalization to Increase Operational Efficiency
Well-positioned to Capitalize on Growing Consumer Finance Market

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(Hong Kong, 5 April 2024) – **AEON Credit Service (Asia) Company Limited** (“AEON Credit” or the “Group”; Stock Code: 00900) today announced its annual results for the year ended 29th February 2024 (“FY2023” or the “Reporting Year”).

During the Reporting Year, the Group’s revenue surged by 31.8% year-on-year to HK\$1,623.3 million, as the Group achieved a steady increase in credit card receivables and personal loan receivables, and recorded a significant growth in net interest income despite the increase in funding cost and bank borrowings. With the cost-to-income ratio decreasing to 46.9% from 53.8% in the Previous Year due to the increase in operating income and enhanced operational efficiency, the Group recorded an operating profit of HK\$807.9 million for the Reporting Year, representing an increase of 45.1% over the Previous Year. Profit after tax increased by 5.0% to HK\$392.3 million in FY2023, with earnings per share increasing to 93.67 HK cents (FY2022: 89.22 HK cents).

The Board has recommended a final dividend of 24.0 HK cents per share, bringing the total dividend for FY2023 to 48.0 HK cents per share, representing a dividend payout ratio of 51.2%.

The Group took a number of timely initiatives during the Reporting Year to drive healthy growth in both sales and receivables for a quality portfolio that provides income, growth and resilience. The Group achieved another year of overall sales growth of 12.4% when compared to the year ended 28th February 2023 (“FY2022” or the “Previous Year”). The total advances and receivables balance continued its upward trend, recording an increase of 19.3% as at 29th February 2024 compared to the balance as at 28th February 2023.

To propel digital transformation, the Group successfully launched the new card and loan system, and the revamped AEON Netmember website and “AEON HK” mobile application (“Mobile App”) during the Reporting Year. This provides a flexible and integrated platform for the creation and delivery of new payment solutions and product benefits. With the rollout of data lake, the Group has developed the ability to utilize data analytics for marketing activities more effectively.



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As for customer experience, following the revamp of the new mobile application with biometric authentication and one-time password for online transactions in the first quarter, the Group further added “QR Pay” and “QR Cash” functions to the AEON UnionPay Card and introduced Apple Pay and Google Pay to provide customers with a safer, more secure and convenient way to make payments and withdraw cash. Meanwhile, the Group continued to revamp its branches with dedicated insurance consultation counters and expand its branch network, transforming its physical branch network to a one-stop financial center that delivers face-to-face financial and related advisory services.

The card acquiring business of the Group took a major step forward in FY2023, with more transactions processed for sizeable merchants through cooperation with payment gateways to expand the merchant acquiring channel, which also facilitated the growth of the credit purchase card installment plan business. For the insurance intermediary business, through the development of its sales channels at its branches as well as on its website and mobile application, the Company have enhanced the convenience for customers to access and purchase a wide range of insurance products.

Besides business growth, the Group also places great emphasis on integrating sustainability into its business operations. In the first quarter, new branch uniforms made from environmentally friendly materials were introduced. Since the third quarter, the Group has gradually removed traditional first-use PVC plastics from its credit cards in favor of post-consumer recycled polyvinyl chloride (“rPVC”) plastics approved by the Global Recycled Standard. During the Reporting Year, the Company also renovated its head office, incorporating energy-efficient and environmentally friendly designs such as social hub, motion sensor controls and waste recycling facilities to create a more sustainable and health workplace.

Looking ahead, the Group will strive to accelerate the momentum of sales and receivables growth, while improving the credit assessment and monitoring technique to maintain stable asset quality. On the marketing side, the Group will continue to launch mass promotion initiatives for both its credit card and personal loan businesses. In addition, the Group will continue to refine its credit assessment policy with the aim of maximizing profitability by extending credit facilities to customers on a bespoke and sustainable basis.

As the contactless mobile payment solution is maturing into mass-market deployment in Hong Kong, the Group will invest additional resources to develop related products in the areas of virtual card and e-wallet. With the development of advanced technology in credit assessment and drawdown functions, the Mobile App is expected to become the main channel for credit card and personal loan services.

To further develop the peripheral business, the Group will continue to enhance the operating model of the acquiring and insurance intermediary businesses. The Group expects to secure acquiring licenses from new payment gateways for further expansion of its payment services scope and merchant network. For the insurance intermediary business, the Group will shift the business model to be more customer-centric, with the expansion of the contact center network and the addition of more varieties of insurance products to meet customer needs.



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Mr. Wei Aiguo, Managing Director of AEON Credit, said, “We are pleased to have delivered another year of favourable growth despite an uncertain operating environment. We remain committed to meeting the evolving needs of customers and to expand our customer base with more innovative and tailored products. With our responsiveness and strong business relationships with our partners, complemented with a solid liquidity position and balance sheet as well as proven management capabilities, we are well positioned to capture the vast opportunities in the growing consumer finance market and achieve sustainable growth.”

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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.