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## **AEON Credit 1H2022 Revenue Up by 11.8% to HK\$571.7 Million Through Successful Mass Promotion Activities and Brand Building**

### **To Drive Business Growth with Enhanced Customer Engagement**

(Hong Kong, 26 September 2022) – **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 2022 (“1H2022” or the “reporting period”).

During the reporting period, the Group’s revenue was up by 11.8% year-on-year to HK\$571.7 million and profit after tax increased by 2.6% to HK\$176.8 million, with earnings per share rising to 42.21 HK cents (1H2021: 41.15 HK cents). In view of the Group’s sound fundamentals and to share its fruitful results with shareholders, the Board has resolved to declare an interim dividend of 22.0 HK cents per share (1H2021: 22.0 HK cents per share), representing a dividend payout ratio of 52.1%.

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, as the market in Hong Kong was on a gradual recovery following an array of economic stimulus measures launched by the government. With an increase in the overall sales and receivables balance, the Group recorded an increase in interest income of 10.4% to HK\$479.7 million 1H2022. The solid growth in revenue was also attributable to a 30.8%, or HK\$14.0 million, increase in overall fees and commissions, which was driven by the continued increase in credit card sales throughout 1H2022 and the launch of the acquiring service for AEON Stores in the second half of the previous financial year.

Among its various initiatives to drive business growth during the reporting period, the Group resumed mass promotion activities, and engaged celebrities for promotion as part of its brand building efforts. The Group also enhanced the reach and use cases of its existing products and services by running new promotions with a major payment solution provider in the market and revamping its physical branch network. As a result, the Group achieved a 24.2% increase in overall sales year-on-year, while the gross advance and receivable balance at 31st August 2022 recorded an increase of 12.8% when compared with the balance at 28th February 2022.

Looking ahead, while the uncertainty of the Covid-19 pandemic (the “pandemic”), the spread of global inflationary pressure and the adjustment to the Hong Kong base rate in response to the interest rate hike by the US Federal Reserve are expected to affect consumer sentiment to a certain extent in 2H2022, the easing of pandemic restrictions is



anticipated to facilitate economic recovery.

Presented with both challenges and opportunities, the Group will primarily focus on maintaining the momentum of sales and receivables growth, while also closely monitoring asset quality. On the marketing side, the Group will continue to launch mass promotion activities to capture any possible surge in consumer spending in the market. Moreover, the Group will further strengthen its customer relationship management and foster customer engagement through different channels. Besides, new products and digital services will be explored, and new branches will be opened in convenient locations to enable customers to experience its services.

For the Mainland China businesses, the microfinance subsidiary in Shenzhen will continue to focus on seeking business opportunities in the Greater Bay Area to grow its receivables with sound asset quality. The Group will also make better use of recently acquired subsidiary as a business process centre to enhance the Group's operational effectiveness.

Embracing sustainability, the Group believes that the improvement of its ESG performance is crucial to its long-term business development. The Group will continue to commit significant resources to digitalization to improve its internal operations to achieve greater sustainability and enhance its ability to respond both the continuously evolving market environment and climate change.

**Mr. Tomoharu Fukayama, Managing Director of AEON Credit**, said, "We are pleased to have rolled out various timely initiatives in the first half of this financial year to capture the recovering consumer spending market, and thus achieved solid top-line growth. With a strong liquidity position and balance sheet, the Group is well prepared to move forward and capture new potential business opportunities to outperform and stay ahead of its peers in the face of a competitive market environment."

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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.