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Revenue Jumps 36.2% to HK\$380.0 Million in First Quarter of 2023/24 Profit Increases by 17.3% to HK\$97.0 Million

To Accelerate Digitalization and Capture Increasing Consumer Finance Product Demand with Enhanced Marketing Initiatives

(Hong Kong, 29 June 2023) – **AEON Credit Service (Asia) Company Limited** (“AEON Credit” or the “Group”; Stock Code: 00900) today announced its results for the three months ended 31 May 2023 (“Q12023” or the “Reporting Period”).

In Q12023, the Group’s revenue climbed by 36.2% year-on-year to HK\$380.0 million, and operating profit before impairment losses and impairment allowances surged by 39.4% to HK\$177.0 million. Meanwhile, profit after tax was up 17.3% to HK\$97.0 million, with earnings per share increasing to 23.16 HK cents (Q12022: 19.74 HK cents).

During the Reporting Period, the Group continued to use targeted marketing and successful marketing promotions to boost sales and receivables growth momentum, with overall sales increasing by 39.4% compared with the first quarter of last year (“1Q2022”, or the “Previous Period”), and the gross advances and receivables balance up by 5.5% from the end of February 2023. With the continued increase in the revolving credit card receivables and personal loan receivables balances, together with the increase in interest rates on card credit purchases, the Group recorded a 35.8% or HK\$83.7 million rise in interest income year-on-year, and accordingly a notable growth in the Group’s overall revenue. Handling and late charges meanwhile also recorded a significant rise of HK\$14.3 million in the Reporting Period as a result of higher demand for cash advances and increase in customers making minimum due payments. Besides, the Group recorded an increase of HK\$2.9 million in fees and commissions, largely driven by the card acquiring business that has undergone significant expansion in terms of merchant network and transaction size.

Among its business development initiatives, the Group’s new card and loan system project, AEON Netmember service and “AEON HK” Mobile App with enhanced cybersecurity protection were successfully rolled out in early March 2023 to accelerate digital transformation. The project facilitates more flexible creation and delivery of new payment solutions and product benefits, as well as easy access to better data analytics tools and services in the near future. The Group has also continued to revamp and expand its branch network to meet a growing demand for face-to-face advisory services from customers.



Looking forward, with strong government support to boost post-Pandemic recovery, economic activity in Hong Kong is expected to continue to rebound in the second quarter of 2023/24. Following successful marketing and brand building efforts, the Group will place greater emphasis on making the best use of both digital and traditional marketing channels to promote its credit card and personal loan products and to roll out unique mass marketing programs to enrich the customer experience and capture increasing demand of consumer finance products.

In terms of technology development, the Group will deploy the new card and loan system for enhancing its digital marketing and offering new payment solutions to its customers. In addition, data analytics tools are ready to further help improve the effectiveness of the Group's marketing, credit assessment and credit management activities.

For the Mainland China businesses, the microfinance subsidiary in Shenzhen will continue to focus on exploring business opportunities in the Greater Bay Area to grow its receivables with sound asset quality and abundant financial resources.

Mr. Tomoharu Fukayama, Managing Director of AEON Credit, said, "The strong first quarter performance demonstrates our capabilities in capturing opportunities from the recovering market. With a strong capital position, we will continue to devote resources to enhancing our branch services, providing higher quality customer experiences, accelerating digitalization and exploring new investment opportunities to expand and diversify our businesses. We look forward to continuing to deliver strong results and creating greater value for all our stakeholders."

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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.