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**AEON CREDIT SERVICE (ASIA) CO., LTD.**  
**AEON 信貸財務(亞洲)有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 900)**

**UNAUDITED RESULTS FOR THE NINE MONTHS ENDED 30TH NOVEMBER 2018**

The Directors of AEON Credit Service (Asia) Company Limited (the “Company”) are pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the nine months ended 30th November 2018, together with comparative figures of the previous period as follows:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

*For the nine months ended 30th November 2018*

	<i>Notes</i>	<b>1.3.2018 to 30.11.2018 (Unaudited) HK\$'000</b>	<b>1.3.2017 to 30.11.2017 (Unaudited) HK\$'000</b>
Revenue	2	<b>978,826</b>	953,117
Interest income		<b>850,060</b>	830,659
Interest expense		<b>(63,057)</b>	(65,268)
Net interest income		<b>787,003</b>	765,391
Fees and commissions		<b>67,060</b>	59,404
Handling and late charges		<b>61,706</b>	63,054
Other income	3	<b>3,953</b>	3,983
Other gains and losses	4	<b>(660)</b>	(7,877)
Operating income		<b>919,062</b>	883,955
Operating expenses	5	<b>(407,226)</b>	(412,838)
Operating profit before impairment allowances		<b>511,836</b>	471,117
Impairment losses and impairment allowances		<b>(152,158)</b>	(177,139)
Recoveries of advances and receivables written-off		<b>37,566</b>	37,094
Share of results of an associate		<b>1,488</b>	640
Profit before tax		<b>398,732</b>	331,712
Income tax expense		<b>(65,245)</b>	(57,694)
Profit for the period		<b>333,487</b>	274,018
Profit for the period attributable to:			
Owners of the Company		<b>333,487</b>	274,018
Earnings per share — Basic		<b>79.64 HK cents</b>	65.43 HK cents

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

*For the nine months ended 30th November 2018*

	<b>1.3.2018 to 30.11.2018 (Unaudited) HK\$'000</b>	1.3.2017 to 30.11.2017 (Unaudited) HK\$'000
Profit for the period	<u>333,487</u>	<u>274,018</u>
<b>Other comprehensive (expense) income</b>		
Item that will not be reclassified to profit or loss:		
Fair value loss on equity investments at fair value through other comprehensive income	(1,349)	–
Items that may be reclassified subsequently to profit or loss:		
Fair value loss on available-for-sale investments	–	(2,522)
Investment revaluation reserve reclassified to profit or loss in relation to impairment loss on available-for-sale investments	–	6,003
Exchange difference arising from translation of foreign operations	(25,338)	11,850
Net adjustment on cash flow hedges	<u>27,327</u>	<u>16,574</u>
Other comprehensive income for the period	<u>640</u>	<u>31,905</u>
Total comprehensive income for the period	<u><u>334,127</u></u>	<u><u>305,923</u></u>
Total comprehensive income for the period attributable to: Owners of the Company	<u><u>334,127</u></u>	<u><u>305,923</u></u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30th November 2018

	<i>Notes</i>	30.11.2018 (Unaudited) <i>HK\$'000</i>	28.2.2018 (Audited) <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		67,764	87,223
Investment in an associate		13,903	13,678
Equity instruments at fair value through other comprehensive income		87,485	–
Available-for-sale investments		–	15,900
Advances and receivables	6	861,427	981,330
Prepayments, deposits and other debtors		56,115	26,559
Derivative financial instruments	11	22,986	18,249
Deferred tax assets		15,486	–
Restricted deposits		38,000	38,000
		<b>1,163,166</b>	<b>1,180,939</b>
<b>Current assets</b>			
Advances and receivables	6	3,992,277	4,202,214
Prepayments, deposits and other debtors		45,885	45,058
Amounts due from fellow subsidiaries		2,073	146
Amount due from immediate holding company		274	–
Amount due from intermediate holding company		22	–
Amount due from an associate		37	350
Derivative financial instruments	11	102	–
Restricted deposits		340,453	–
Time deposits		129,164	103,533
Fiduciary bank balances		104	248
Bank balances and cash		323,543	660,488
		<b>4,833,934</b>	<b>5,012,037</b>
<b>Current liabilities</b>			
Creditors and accruals		224,024	235,808
Contract liabilities		8,860	–
Amounts due to fellow subsidiaries		36,742	56,705
Amount due to intermediate holding company		69	154
Amount due to ultimate holding company		21	33
Amount due to an associate		2,109	2,904
Bank borrowings	9	275,000	345,000
Collateralised debt obligation	10	375,500	–
Derivative financial instruments	11	11,653	1,865
Tax liabilities		74,863	25,772
		<b>1,008,841</b>	<b>668,241</b>
<b>Net current assets</b>		<b>3,825,093</b>	<b>4,343,796</b>
<b>Total assets less current liabilities</b>		<b>4,988,259</b>	<b>5,524,735</b>

	<i>Notes</i>	<b>30.11.2018</b> <b>(Unaudited)</b> <b>HK\$'000</b>	28.2.2018 (Audited) HK\$'000
<b>Capital and reserves</b>			
Share capital		<b>269,477</b>	269,477
Reserves		<b>2,787,894</b>	2,735,564
<b>Total equity</b>		<b>3,057,371</b>	3,005,041
<b>Non-current liabilities</b>			
Bank borrowings	<i>9</i>	<b>1,055,011</b>	1,230,020
Collateralised debt obligation	<i>10</i>	<b>874,500</b>	1,250,000
Derivative financial instruments	<i>11</i>	<b>1,296</b>	34,819
Deferred tax liabilities		<b>81</b>	4,855
		<b>1,930,888</b>	2,519,694
		<b>4,988,259</b>	5,524,735

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
*For the nine months ended 30th November 2018*

	Share capital HK\$'000	Investment revaluation reserve HK\$'000	Hedging reserve HK\$'000	Translation reserve HK\$'000	Accumulated profits HK\$'000	Total HK\$'000
At 1.3.2017 (Audited)	269,477	(4,421)	(53,651)	(18,489)	2,549,155	2,742,071
Profit for the period	-	-	-	-	274,018	274,018
Fair value loss on available-for-sale investments	-	(2,522)	-	-	-	(2,522)
Investment revaluation reserve reclassified to profit or loss in relation to impairment loss on available-for-sale investments	-	6,003	-	-	-	6,003
Exchange difference arising from translation of foreign operations	-	-	-	11,850	-	11,850
Net adjustment on cash flow hedges	-	-	16,574	-	-	16,574
Total comprehensive income for the period	-	3,481	16,574	11,850	274,018	305,923
Final dividend paid for the year from 1.3.2016 to 28.2.2017	-	-	-	-	(83,753)	(83,753)
Interim dividend paid for the year from 1.3.2017 to 28.2.2018	-	-	-	-	(83,753)	(83,753)
	-	3,481	16,574	11,850	106,512	138,417
At 30.11.2017 (Unaudited)	269,477	(940)	(37,077)	(6,639)	2,655,667	2,880,488
At 1.3.2018 (Audited)	269,477	-	(19,529)	2,296	2,752,797	3,005,041
Transitional adjustments on the initial application of HKFRS 9	-	63,175	-	-	(160,716)	(97,541)
Adjusted as at 1.3.2018	269,477	63,175	(19,529)	2,296	2,592,081	2,907,500
Profit for the period	-	-	-	-	333,487	333,487
Fair value loss on equity investments at fair value through other comprehensive income	-	(1,349)	-	-	-	(1,349)
Exchange difference arising from translation of foreign operations	-	-	-	(25,338)	-	(25,338)
Net adjustment on cash flow hedges	-	-	27,327	-	-	27,327
Total comprehensive (expense) income for the period	-	(1,349)	27,327	(25,338)	333,487	334,127
Final dividend paid for the year from 1.3.2017 to 28.2.2018	-	-	-	-	(92,128)	(92,128)
Interim dividend paid for the year from 1.3.2018 to 28.2.2019	-	-	-	-	(92,128)	(92,128)
	-	(1,349)	27,327	(25,338)	149,231	149,871
At 30.11.2018 (Unaudited)	269,477	61,826	7,798	(23,042)	2,741,312	3,057,371

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended 30th November 2018

	<b>1.3.2018 to 30.11.2018 (Unaudited) HK\$'000</b>	1.3.2017 to 30.11.2017 (Unaudited) HK\$'000
<b>Net cash from operating activities</b>	<b>495,904</b>	232,563
Dividends received	781	710
Purchase of property, plant and equipment	(3,210)	(5,201)
Deposits paid for acquisition of property, plant and equipment	(23,889)	(16,524)
(Increase) in time deposits with maturity of more than three months	(2,472)	(15,353)
<b>Net cash used in investing activities</b>	<b>(28,790)</b>	(36,368)
Placement of restricted deposits	(1,654,725)	(1,582,742)
Withdrawal of restricted deposits	1,314,272	1,470,995
Dividends paid	(184,256)	(167,506)
New bank loans raised	–	90,000
Repayment of bank loans	(245,000)	(240,000)
<b>Net cash used in financing activities</b>	<b>(769,709)</b>	(429,253)
<b>Net decrease in cash and cash equivalents</b>	<b>(302,595)</b>	(233,058)
<b>Effect of changes in exchange rate</b>	<b>(7,072)</b>	6,376
<b>Cash and cash equivalents at beginning of the period</b>	<b>721,762</b>	602,090
<b>Cash and cash equivalents at end of the period</b>	<b>412,095</b>	375,408
Being:		
Time deposits with maturity of three months or less	88,552	43,081
Bank balances and cash	323,543	332,327
	<b>412,095</b>	375,408

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30th November 2018

### 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The financial information relating to the year ended 28th February 2018 that is included in these condensed consolidated financial statements as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those consolidated financial statements. Further information relating to these statutory financial statements is as follows:

The Company has delivered the financial statements for the year ended 28th February 2018 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as appropriate.

Except for the adoption of the new and amendments to the Hong Kong Financial Reporting Standards, which have been used in the preparation of the Group’s condensed consolidated financial statements for the six months ended 31st August 2018, the accounting policies and methods of computation used in the condensed consolidated financial statements for the nine months ended 30th November 2018 are the same as those used in the preparation of the Group’s annual financial statements for the year ended 28th February 2018.

### 2. REVENUE

	<b>1.3.2018 to 30.11.2018 (Unaudited) HK\$’000</b>	1.3.2017 to 30.11.2017 (Unaudited) HK\$’000
Interest income (under HKFRS 9)	<b>850,060</b>	830,659
Fees and commissions		
Credit card	<b>54,609</b>	48,216
Insurance	<b>12,451</b>	11,188
Handling and late charges	<b>61,706</b>	63,054
	<b>978,826</b>	953,117

### 3. OTHER INCOME

	<b>1.3.2018 to 30.11.2018 (Unaudited) HK\$'000</b>	1.3.2017 to 30.11.2017 (Unaudited) HK\$'000
Dividends received from financial instruments		
Listed equity securities	781	710
Others	<u>3,172</u>	<u>3,273</u>
	<u><b>3,953</b></u>	<u><b>3,983</b></u>

### 4. OTHER GAINS AND LOSSES

	<b>1.3.2018 to 30.11.2018 (Unaudited) HK\$'000</b>	1.3.2017 to 30.11.2017 (Unaudited) HK\$'000
Exchange gain (loss)		
Exchange gain (loss) on hedging instrument released from cash flow hedge reserve	300	(2,400)
Exchange (loss) gain on a bank loan	(300)	2,400
Other exchange (loss) gain, net	(198)	166
Hedge ineffectiveness on cash flow hedges	(98)	(99)
Losses on disposal/write-off of property, plant and equipment	(364)	(102)
Impairment loss on available-for-sale investments	<u>–</u>	<u>(7,842)</u>
	<u><b>(660)</b></u>	<u><b>(7,877)</b></u>

### 5. OPERATING EXPENSES

	<b>1.3.2018 to 30.11.2018 (Unaudited) HK\$'000</b>	1.3.2017 to 30.11.2017 (Unaudited) HK\$'000
Depreciation	28,875	31,457
General administrative expenses	123,594	119,522
Marketing and promotion expenses	41,163	46,253
Minimum operating lease rentals in respect of rented premises, advertising space and equipment	53,349	57,832
Other operating expenses	43,156	36,808
Staff costs including Directors' emoluments	<u>117,089</u>	<u>120,966</u>
	<u><b>407,226</b></u>	<u><b>412,838</b></u>



## 6. ADVANCES AND RECEIVABLES

	<b>30.11.2018</b> <b>(Unaudited)</b> <i>HK\$'000</i>	28.2.2018 (Audited) <i>HK\$'000</i>
Credit card receivables	<b>3,810,414</b>	3,808,249
Instalment loan receivables	<b>1,203,642</b>	1,375,933
	<b>5,014,056</b>	5,184,182
Accrued interest and other receivables	<b>84,474</b>	88,266
	<b>5,098,530</b>	5,272,448
Gross advances and receivables	<b>5,098,530</b>	5,272,448
Impairment allowances ( <i>note 7</i> )	<b>(244,826)</b>	(88,904)
	<b>4,853,704</b>	5,183,544
Current portion included under current assets	<b>(3,992,277)</b>	(4,202,214)
	<b>861,427</b>	981,330
Amount due after one year	<b>861,427</b>	981,330

*Note:* All advances and receivables are unsecured.

## 7. IMPAIRMENT ALLOWANCES

	<b>30.11.2018</b> <b>(Unaudited)</b> <i>HK\$'000</i>	28.2.2018 (Audited) <i>HK\$'000</i>
Analysis by products as:		
Credit card receivables	<b>123,934</b>	38,785
Instalment loan receivables	<b>115,201</b>	48,128
Accrued interest and other receivables	<b>5,691</b>	1,991
	<u><b>244,826</b></u>	<u>88,904</u>

<b>ECL model under HKFRS 9</b>	<b>Stage 1</b> <i>HK\$'000</i>	<b>Stage 2</b> <i>HK\$'000</i>	<b>Stage 3</b> <i>HK\$'000</i>	<b>Total</b> <i>HK\$'000</i>
At 1.3.2018	<b>115,555</b>	<b>51,856</b>	<b>110,623</b>	<b>278,034</b>
Impairment losses and impairment allowances	<b>(6,050)</b>	<b>(5,088)</b>	<b>163,296</b>	<b>152,158</b>
Amounts written-off as uncollectable	–	–	<b>(184,259)</b>	<b>(184,259)</b>
Exchange realignment	–	–	<b>(1,107)</b>	<b>(1,107)</b>
At 30.11.2018	<u><b>109,505</b></u>	<u><b>46,768</b></u>	<u><b>88,553</b></u>	<u><b>244,826</b></u>

Incurring Credit Loss Model under HKAS 39	Individual assessment <i>HK\$'000</i>	Collective assessment <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1.3.2017	58,146	42,927	101,073
Impairment losses and impairment allowances	183,899	(6,760)	177,139
Amounts written-off as uncollectable	(194,864)	–	(194,864)
Exchange realignment	344	–	344
At 30.11.2017	<u>47,525</u>	<u>36,167</u>	<u>83,692</u>

## 8. OVERDUE ADVANCES AND RECEIVABLES

Set out below is an analysis of the gross balance of advances and receivables (excluding impairment allowances) which is overdue for more than 1 month:

	<b>30.11.2018</b> <b>(Unaudited)</b> <i>HK\$'000</i>	%	28.2.2018 (Audited) <i>HK\$'000</i>	%
Overdue 1 month but less than 2 months	<b>84,793</b>	<b>1.7</b>	91,926	1.7
Overdue 2 months but less than 3 months	<b>45,443</b>	<b>0.9</b>	45,406	0.9
Overdue 3 months but less than 4 months	<b>25,125</b>	<b>0.5</b>	28,745	0.6
Overdue 4 months or above	<b>46,307</b>	<b>0.9</b>	54,588	1.0
	<u><b>201,668</b></u>	<u><b>4.0</b></u>	<u>220,665</u>	<u>4.2</u>

\* Percentage of gross advances and receivables

## 9. BANK BORROWINGS

	<b>30.11.2018</b> <b>(Unaudited)</b> <b>HK\$'000</b>	28.2.2018 (Audited) HK\$'000
Bank loans, unsecured	<u><b>1,330,011</b></u>	<u>1,575,020</u>
Carrying amount repayable ( <i>Note</i> )		
Within one year	<b>275,000</b>	345,000
Between one and two years	<b>250,000</b>	175,000
Between two and five years	<b>745,011</b>	965,020
Over five years	<u><b>60,000</b></u>	<u>90,000</u>
	<b>1,330,011</b>	1,575,020
Amount repayable within one year included under current liabilities	<u><b>(275,000)</b></u>	<u>(345,000)</u>
Amount repayable after one year	<u><b>1,055,011</b></u>	<u>1,230,020</u>

*Note:* The amounts due are based on scheduled repayment dates set out in the loan agreements.

## 10. COLLATERALISED DEBT OBLIGATION

	<b>30.11.2018</b> <b>(Unaudited)</b> <b>HK\$'000</b>	28.2.2018 (Audited) HK\$'000
Tranche A	<b>550,000</b>	550,000
Tranche B	<b>550,000</b>	550,000
Tranche C	<u><b>150,000</b></u>	<u>150,000</u>
	<b>1,250,000</b>	1,250,000
Amount repayable within one year included under current liabilities	<u><b>(375,500)</b></u>	<u>–</u>
Amount repayable after one year	<u><b>874,500</b></u>	<u>1,250,000</u>

## 11. DERIVATIVE FINANCIAL INSTRUMENTS

	30.11.2018		28.2.2018	
	(Unaudited)		(Audited)	
	Assets	Liabilities	Assets	Liabilities
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Interest rate swaps	5,796	12,949	2,473	36,684
Cross-currency interest rate swaps	17,292	–	15,770	–
Interest rate caps	–	–	6	–
	<u>23,088</u>	<u>12,949</u>	<u>18,249</u>	<u>36,684</u>
Current portion	(102)	(11,653)	–	(1,865)
Non-current portion	<u>22,986</u>	<u>1,296</u>	<u>18,249</u>	<u>34,819</u>

All derivative financial instruments entered into by the Group that remain outstanding at 30th November 2018 and 28th February 2018 are for hedging purposes. The credit risk on those derivative financial instruments is limited as the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The classification of current/non-current for derivative financial instruments is in accordance with the maturity dates of the corresponding bank borrowings and collateralised debt obligation, the designated hedged items.

## 12. PLEDGE OF ASSETS

At 30th November 2018, the collateralised debt obligation was secured by credit card receivables and restricted deposits of HK\$1,556,435,000 and HK\$378,453,000 respectively (28th February 2018: HK\$1,660,345,000 and HK\$38,000,000).

## MANAGEMENT DISCUSSION AND ANALYSIS

For the nine months ended 30th November 2018, the Group recorded a profit attributable to owners of HK\$333.5 million, representing an increase of 21.7% or HK\$59.5 million when compared to HK\$274.0 million for the nine months ended 30th November 2017. The Group's basic earnings per share increased from 65.43 HK cents to 79.64 HK cents when compared with the previous period.

During the period under review, domestic demand remained strong and the unemployment rate also remained at a low level of around 2.8%. Under the favourable economic environment, the Group continued to enhance its card benefits to capture new sales and to enhance yield on its portfolio. Although there was a slight decrease in advances and receivables, the Group still recorded an increase in interest income of 2.3% or HK\$19.4 million from HK\$830.7 million in the previous period to HK\$850.1 million in the current period.

Leveraging long-term borrowings with relatively stable interest rates to offset the adverse effects of rising interest rates, interest expense of the Group in the first nine months of this financial year was HK\$63.1 million, a slight decrease when compared with HK\$65.3 million in the previous corresponding period.

Net interest income of the Group in the first nine months of 2018/19 amounted to HK\$787.0 million, an increase of HK\$21.6 million when compared to the previous corresponding period.

Following the increase in credit card sales, there was an increase in fees and commissions from credit card business of 13.3% or HK\$6.4 million to HK\$54.6 million in the current period. Fees and commissions from insurance business recorded an increase of HK\$1.3 million to HK\$12.5 million in the current period. The Group recorded an overall increase of HK\$7.7 million in fees and commissions from HK\$59.4 million in the first nine months of 2017/18 to HK\$67.1 million in 2018/19.

During the period under review, the Group continued to manage its marketing and promotion expenses prudently for generating new sales and brand building, resulting in a drop of HK\$5.1 million in those expenses when compared with the previous period. Following the launch of different digitalization projects, there was an increase in system running costs, resulting in general administrative expenses and other operating expenses increased by HK\$4.1 million and HK\$6.3 million respectively. Overall operating expenses recorded a drop of HK\$5.6 million from HK\$412.8 million in the previous period to HK\$407.2 million in the current period. Cost-to-income ratio improved from 46.7% in the previous period to 44.3% in the current period.

At the operating level before impairment allowances, the Group recorded an operating profit of HK\$511.8 million for the nine months ended 30th November 2018, representing an increase of 8.6% from HK\$471.1 million in the previous corresponding period.

Credit quality continued to improve in the first nine months of the year, attributable to the low unemployment rate in Hong Kong and the Group's effective asset quality management. Impairment losses and impairment allowances were HK\$152.2 million and HK\$177.1 million in the first nine months of 2018/19 and 2017/18 respectively. The calculation of impairment losses and impairment allowances in the first nine months of 2018/19 was based on the new accounting standard, HKFRS 9, effective from 1st March 2018, and the corresponding impairment losses and impairment allowances in the nine months of 2017/18, calculated under the previous accounting standard, HKAS 39, had not been restated. If the calculation of impairment losses and impairment allowances in the first nine months of 2018/19 was to base on HKAS 39, the amount would have been HK\$170.8 million.

For China operations, due to the keen competition and changes in business environment, the microfinance subsidiaries recorded a drop in their sales in the first nine months of the year. Revenue from China operations recorded a decrease of HK\$16.0 million, from HK\$49.0 million in 2017/18 to HK\$33.0 million in 2018/19. Despite the continued review of their credit assessment process, their asset quality had yet to improve. Losses from our China operations recorded an increase of 23.2% or HK\$2.2 million in the first nine months of 2018/19, from a loss of HK\$9.5 million in 2017/18 to a loss of HK\$11.7 million, with the loss in the third quarter being HK\$6.9 million, as compared with HK\$4.3 million loss in the third quarter of 2017/18. The Group will closely monitor the impact of regulatory changes and market environment on its subsidiaries' prospects and revisit our business strategy in China as appropriate.

The Group's gross advances and receivables as at 30th November 2018 amounted to HK\$5,098.5 million, representing a decrease of HK\$173.9 million when compared to HK\$5,272.4 million as at 28th February 2018.

At 30th November 2018, 54.2% of the Group's funding was derived from total equity, 23.6% from bank borrowings and 22.2% from structured finance. As far as maturity was concerned, including the collateralised debt obligation, 25.2% of these borrowings will mature within one year, 29.6% between one and two years, 42.9% between two and five years and 2.3% over five years. The duration of indebtedness was around 1.8 years.

Please note that the quarterly results of the Group presented herein have not been audited or reviewed by the Company's auditors. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board  
**Hideo Tanaka**  
Managing Director

Hong Kong, 20th December 2018

*As at the date of this announcement, the Board comprises Mr. Hideo Tanaka (Managing Director), Mr. Lai Yuk Kwong (Deputy Managing Director), Ms. Koh Yik Kung, Mr. Tomoharu Fukayama and Mr. Toru Hosokawa as Executive Directors; Mr. Masaaki Mangetsu (Chairman) as Non-executive Director; and Mr. Lee Ching Ming, Adrian, Mr. Wong Hin Wing and Mr. Kenji Hayashi as Independent Non-executive Directors.*