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FY2021 Profit Up by 13.6% to HK\$342.6 Million

**Sales and Receivables Back on Growth Track
Improved Credit Assessment Techniques Underscore Quality Credit Portfolio
Refining Business Model to Meet New Consumer Needs**

AEON Credit Service (Asia) Company Limited (“AEON Credit” or the “Group”; Stock Code: 00900) today announced its annual results for the year ended 28 February 2022 (“FY2021”).

For FY2021, the Group’s revenue reached HK\$1,049.6 million (FY2020: HK\$1,089.9 million) and profit increased by 13.6% year-on-year to HK\$342.6 million. Earnings per share increased to 81.81 HK cents (FY2020: 72.02 HK cents). The Board has recommended a final dividend of 22.0 HK cents per share, bringing the total dividend for the year to 44.0 HK cents per share, representing a dividend payout ratio of 53.8%.

The profit growth was owed to the Group’s efforts in building a quality credit portfolio with improved credit assessment techniques and enhancing debt management capabilities, which led to a significant 55.4% drop in impairment losses and impairment allowances to HK\$94.1 million. With an increase in credit card sales and launch of the Off-us Acquiring Service for AEON Stores, the Group recorded an overall increase in fees and commissions of HK\$26.4 million to HK\$103.4 million for the year, which also contributed to the profit growth.

To overcome headwinds its business faced, the Group launched different promotional programmes during the year to capture the ever-changing credit card spending needs and demand for personal loans of customers. Consequently, sales for the year recorded an overall increase of 21.1% when compared with FY2020. Moreover, the gross advances and receivables balance as at 28 February 2022 was up by 5.2% against 28 February 2021.

Looking ahead, the Group will continue to work on its credit policy, like extending credit facilities to customers on a sustainable basis, with the aim of maximising profitability. Moreover, a new credit card product targeting the younger generations will be launched to expand the Group’s customer base. Also, the Group will focus marketing and promotional activities on its own solutions designed to address changing consumer spending needs in the post-pandemic environment and also on broadening brand appeal.



With the second round of the Consumption Voucher Scheme in Hong Kong forthcoming, the Group will place greater emphasis on diversifying marketing channels and programmes so as to stay competitive and capitalise on the rebound of economic activities. It will also continue to explore opportunities for opening more new branches, enhance domestic spending promotions and engage celebrities to promote its products.

With the expected rise in interest rates in 2022/23 likely to cause a drop in its interest spread, the Group will actively pursue new sources of income, such as fees and commissions by bringing in more card acquiring merchants, and explore other business opportunities.

On the technology development front, the card and loan system replacement project is expected to be completed in the second half of 2022/23. Subsequent to that, the Group can start promoting new product benefits with the help of enhanced digital marketing and premium user experiences or new payment solutions can be provided to customers. Moreover, with new data analytics tools, the Group will be able to enhance the effectiveness of its marketing endeavours, and credit assessment and credit management activities.

Regarding its Mainland China operations, the Group will continue to focus on expansion in the Greater Bay Area by launching more loan products. Separately, the newly acquired AEON Information Service (Shenzhen) Co., Ltd. will facilitate provision of seamless support to the Group's operation, as well as give the Group unique strengths to capture new external business opportunities.

Mr. Tomoharu Fukayama, Managing Director of AEON Credit said, "The Group has managed to see its business back on a steady growth track amid the prevailing COVID-19 pandemic. Nevertheless, we expect the operating environment to stay challenging and uncertain in the coming year. To thrive despite the challenges, the Group will continue to refine its business model to adapt to changing consumer behaviours and meet new customer needs in the new normal. Priding responsiveness to changes in the market and strong business relations with partners, as well as a solid liquidity position and balance sheet, we are prepared to meet the challenges ahead and move forward, and capture business opportunities when they arise."

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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.