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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)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31ST AUGUST 2026

The board (the “Board”) of directors (the “Directors”) of AEON Credit Service (Asia) Company Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 31st August 2026, together with comparative figures of the previous period as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 31st August 2026

	<i>Notes</i>	1.3.2026 to 31.8.2026 (Unaudited) HK\$'000	1.3.2025 to 31.8.2025 (Unaudited) HK\$'000
Revenue	3	961,352	897,143
Interest income	5	821,347	754,456
Interest expense	6	(56,211)	(55,609)
Net interest income		765,136	698,847
Fees and commissions		65,348	67,592
Handling and late charges		74,657	75,095
Other income	7	6,933	5,919
Other gains and losses	8	(295)	(639)
Operating income		911,779	846,814
Operating expenses	9	(401,034)	(371,184)
Operating profit before impairment losses and impairment allowances		510,745	475,630
Impairment losses and impairment allowances	10	(211,361)	(206,031)
Recoveries of advances and receivables written-off		12,662	11,728
Profit before tax		312,046	281,327
Income tax expense	11	(53,226)	(47,727)
Profit for the period		258,820	233,600
Profit for the period attributable to: Owners of the Company		258,820	233,600
Earnings per share — Basic	13	61.81 HK cents	55.78 HK cents

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31st August 2026

	1.3.2026 to 31.8.2026 (Unaudited) HK\$'000	1.3.2025 to 31.8.2025 (Unaudited) HK\$'000
Profit for the period	<u>258,820</u>	<u>233,600</u>
Other comprehensive (expense) income		
Item that will not be reclassified to profit or loss:		
Fair value (loss) gain on equity instruments at fair value through other comprehensive income ("FVTOCI")	(4,065)	4,692
Items that may be reclassified subsequently to profit or loss:		
Exchange difference arising from translation of foreign operations	5,470	5,741
Fair value adjustment on cash flow hedges, net of tax	3,092	(13,093)
Reclassification of fair value adjustments on cash flow hedges to profit or loss	<u>3,824</u>	<u>2,515</u>
Other comprehensive income (expense) for the period	<u>8,321</u>	<u>(145)</u>
Total comprehensive income for the period	<u><u>267,141</u></u>	<u><u>233,455</u></u>
Total comprehensive income for the period attributable to:		
Owners of the Company	<u><u>267,141</u></u>	<u><u>233,455</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31st August 2026

		31.8.2026 (Unaudited) HK\$'000	28.2.2026 (Audited) HK\$'000
	Notes		
Non-current assets			
Property, plant and equipment		137,631	151,933
Intangible assets		18,926	21,684
Right-of-use assets		75,946	91,964
Goodwill		15,820	15,820
Equity instruments at FVTOCI		73,745	77,810
Advances and receivables	14	1,511,071	1,548,700
Prepayments, deposits and other debtors	16	32,935	21,924
Derivative financial instruments	19	1,762	–
Deferred tax assets		11,667	14,839
		<u>1,879,503</u>	<u>1,944,674</u>
Current assets			
Advances and receivables	14	6,179,420	6,087,111
Prepayments, deposits and other debtors	16	83,884	87,423
Amount due from a fellow subsidiary		270	64
Amount due from an intermediate holding company		428	340
Amount due from immediate holding company		366	446
Derivative financial instruments	19	945	1,687
Time deposits		26,632	23,806
Bank balances and cash		241,181	236,611
		<u>6,533,126</u>	<u>6,437,488</u>
Current liabilities			
Creditors and accruals	17(a)	238,240	253,193
Contract liabilities	17(b)	64,760	59,376
Amounts due to fellow subsidiaries		20,699	23,298
Amount due to an intermediate holding company		7,925	9,234
Amount due to immediate holding company		–	35
Borrowings from immediate holding company	18	1,000,000	1,000,000
Bank borrowings	18	1,552,854	1,422,632
Lease liabilities		44,285	41,868
Derivative financial instruments	19	2,024	25,630
Tax liabilities		78,374	42,350
		<u>3,009,161</u>	<u>2,877,616</u>
Net current assets		<u>3,523,965</u>	<u>3,559,872</u>
Total assets less current liabilities		<u>5,403,468</u>	<u>5,504,546</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Continued)

At 31st August 2026

	<i>Notes</i>	31.8.2026 (Unaudited) HK\$'000	28.2.2026 (Audited) HK\$'000
Capital and reserves			
Share capital		269,477	269,477
Reserves		4,343,132	4,214,184
Total equity		4,612,609	4,483,661
Non-current liabilities			
Bank borrowings	18	750,000	950,000
Deferred tax liabilities		–	4
Lease liabilities		39,023	56,883
Derivative financial instruments	19	1,836	13,998
		790,859	1,020,885
		5,403,468	5,504,546

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31st August 2026

	Share capital HK\$'000	Investment revaluation reserve HK\$'000	Employee benefit revaluation reserve HK\$'000	Hedging reserve HK\$'000	Translation reserve HK\$'000	Accumulated profits HK\$'000	Total HK\$'000
At 1st March 2025 (Audited)	269,477	82,358	–	8,552	(19,277)	3,910,051	4,251,161
Profit for the period	–	–	–	–	–	233,600	233,600
Fair value gain on equity instruments at FVTOCI	–	4,692	–	–	–	–	4,692
Exchange difference arising from translation of foreign operations	–	–	–	–	5,741	–	5,741
Fair value adjustment on cash flow hedges, net of tax	–	–	–	(13,093)	–	–	(13,093)
Reclassification of fair value adjustments on cash flow hedges to profit or loss	–	–	–	2,515	–	–	2,515
Total comprehensive income (expense) for the period	–	4,692	–	(10,578)	5,741	233,600	233,455
Final dividend paid for 2024/25 (Note 12)	–	–	–	–	–	(104,691)	(104,691)
At 31st August 2025 (Unaudited)	269,477	87,050	–	(2,026)	(13,536)	4,038,960	4,379,925
At 1st March 2026 (Audited)	269,477	53,987	(429)	(5,551)	(2,691)	4,168,868	4,483,661
Profit for the period	–	–	–	–	–	258,820	258,820
Fair value loss on equity instruments at FVTOCI	–	(4,065)	–	–	–	–	(4,065)
Exchange difference arising from translation of foreign operations	–	–	–	–	5,470	–	5,470
Fair value adjustment on cash flow hedges, net of tax	–	–	–	3,092	–	–	3,092
Reclassification of fair value adjustments on cash flow hedges to profit or loss	–	–	–	3,824	–	–	3,824
Total comprehensive (expense) income for the period	–	(4,065)	–	6,916	5,470	258,820	267,141
Final dividend paid for 2025/26 (Note 12)	–	–	–	–	–	(138,193)	(138,193)
At 31st August 2026 (Unaudited)	269,477	49,922	(429)	1,365	2,779	4,289,495	4,612,609

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31st August 2026

	1.3.2026 to 31.8.2026 (Unaudited) HK\$'000	1.3.2025 to 31.8.2025 (Unaudited) HK\$'000
Net cash from operating activities	329,524	172,425
Purchase of property, plant and equipment	(4,076)	(9,245)
Purchase of intangible assets	(368)	(528)
Deposits paid for acquisition of property, plant and equipment	(4,713)	(1,880)
Deposits paid for acquisition of intangible assets	(1,930)	(407)
Placement of time deposits with maturity of more than three months	(2,596)	(418)
Release of time deposits with maturity of more than three months	2,012	3,617
Net cash used in investing activities	(11,671)	(8,861)
Repayment of lease liabilities	(27,193)	(27,959)
Dividends paid	(138,193)	(104,691)
New borrowings from immediate holding company raised	–	75,000
Repayment of borrowings from immediate holding company	–	(20,000)
New bank loans raised	8,071,354	803,858
Repayment of bank loans	(8,169,818)	(873,142)
Net cash used in financing activities	(263,850)	(146,934)
Net increase in cash and cash equivalents	54,003	16,630
Effect of changes in exchange rate	884	249
Cash and cash equivalents at beginning of the period*	210,749	244,090
Cash and cash equivalents at end of the period	265,636	260,969
Being:		
Time deposits with maturity of three months or less	24,455	14,780
Bank balances and cash	241,181	246,189
	265,636	260,969

* Upon adoption of the amendments to HKFRSs Accounting Standards effective in the current interim period, an opening adjustment of HK\$48,102,000 previously classified as cash and cash equivalents was reclassified to advances and receivables. Details are set out in Note 2.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31st August 2026

1. BASIS OF PREPARATION

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

The financial information relating to the year ended 28th February 2026 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 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 2026 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the 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 Companies Ordinance.

2. ACCOUNTING POLICIES

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

Other than changes in accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 31st August 2026 are the same as those presented in the Group's annual financial statements for the year ended 28th February 2026.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards as issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual periods beginning on 1st March 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11

The impact of the application of the amendments to HKFRS Accounting Standards in the current interim period on the Group's financial positions and performance for the current and/or on the disclosures set out in these condensed consolidated financial statements is described below.

2. ACCOUNTING POLICIES (Continued)

Application of amendments to HKFRS Accounting Standards (Continued)

Impacts on application of Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments

Derecognition of financial assets

For the settlement by the Group's customers via electronic settlement systems, the Group can only derecognise the financial assets when cash is deposited in the bank accounts, which is different from the previous accounting policies where the Group derecognises the financial assets at the date the payment instructions were initiated by the customers. As a result of the clarification made by the amendments on the derecognition of financial assets, for cheques received and issued as settlement, the Group derecognises financial assets on the date the cheques are cleared. Upon initial application of the amendments on 1st March 2026, the Group has adjusted the opening carrying amounts of financial assets to reflect the revised derecognition requirements. There is no effect on the opening retained earnings at the date of initial application. Comparative information has not been restated.

3. REVENUE

	1.3.2026 to 31.8.2026 (Unaudited) HK\$'000	1.3.2025 to 31.8.2025 (Unaudited) HK\$'000
Interest income	821,347	754,456
Fees and commissions		
Credit cards — issuing	13,443	21,353
Credit cards — acquiring	32,867	29,802
Insurance	19,038	16,437
Handling and late charges	74,657	75,095
Revenue from contracts with customers	140,005	142,687
Total revenue	961,352	897,143

1.3.2026 to 31.8.2026 (Unaudited)

	Credit cards HK\$'000	Personal loans HK\$'000	Insurance HK\$'000	Total HK\$'000
Interest income	655,636	165,711	–	821,347
Fees and commissions	46,310	–	19,038	65,348
Handling and late charges	66,853	7,804	–	74,657
Segment revenue	768,799	173,515	19,038	961,352

1.3.2025 to 31.8.2025 (Unaudited)

	Credit cards HK\$'000	Personal loans HK\$'000	Insurance HK\$'000	Total HK\$'000
Interest income	594,897	159,542	17	754,456
Fees and commissions	51,155	–	16,437	67,592
Handling and late charges	67,940	7,155	–	75,095
Segment revenue	713,992	166,697	16,454	897,143

4. SEGMENT INFORMATION

Services from which operating and reportable segments derive their revenues

The Group's operating and reportable segments are as follows:

Credit cards	—	Provide credit card services to individuals and acquiring services for member-stores
Personal loans	—	Provide personal loan financing to individuals
Insurance	—	Provide insurance agency services

The accounting policies of operating and reportable segments are the same as the Group's accounting policies. Segment results represent the profit before tax earned by each segment without allocation of certain other operating income (including dividend income), unallocated expenses (including head office expenses). This is the measure reported to the chief operating decision maker for the purpose of resource allocation and performance assessment.

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segments:

1.3.2026 to 31.8.2026 (Unaudited)

	Credit cards <i>HK\$'000</i>	Personal loans <i>HK\$'000</i>	Insurance <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
REVENUE	768,799	173,515	19,038	961,352
RESULT				
Segment results	291,951	15,164	7,264	314,379
Unallocated operating income				1,066
Unallocated expenses				(3,399)
Profit before tax				312,046

1.3.2025 to 31.8.2025 (Unaudited)

	Credit cards <i>HK\$'000</i>	Personal loans <i>HK\$'000</i>	Insurance <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
REVENUE	713,992	166,697	16,454	897,143
RESULT				
Segment results	264,568	11,503	7,271	283,342
Unallocated operating income				1,130
Unallocated expenses				(3,145)
Profit before tax				281,327

4. SEGMENT INFORMATION (Continued)

Geographical information

The following is an analysis of the Group's revenue and results by geographical segments:

1.3.2026 to 31.8.2026 (Unaudited)

	Hong Kong <i>HK\$'000</i>	Chinese Mainland <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
REVENUE	924,822	36,530	961,352
RESULT			
Segment results	326,130	(11,751)	314,379
Unallocated operating income			1,066
Unallocated expenses			(3,399)
Profit before tax			312,046

1.3.2025 to 31.8.2025 (Unaudited)

	Hong Kong <i>HK\$'000</i>	Chinese Mainland <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
REVENUE	872,057	25,086	897,143
RESULT			
Segment results	293,318	(9,976)	283,342
Unallocated operating income			1,130
Unallocated expenses			(3,145)
Profit before tax			281,327

5. INTEREST INCOME

	1.3.2026 to 31.8.2026 (Unaudited) HK\$'000	1.3.2025 to 31.8.2025 (Unaudited) HK\$'000
Non-credit impaired advances	810,466	741,608
Credit impaired advances	10,591	12,060
Time deposits and bank balances	290	788
	821,347	754,456

6. INTEREST EXPENSE

	1.3.2026 to 31.8.2026 (Unaudited) HK\$'000	1.3.2025 to 31.8.2025 (Unaudited) HK\$'000
Interest on borrowings from immediate holding company	12,898	7,853
Interest on bank borrowings	39,010	41,674
Interest on lease liabilities	1,744	2,417
Net interest expense on interest rate swap contracts	2,559	3,665
	56,211	55,609

7. OTHER INCOME

	1.3.2026 to 31.8.2026 (Unaudited) HK\$'000	1.3.2025 to 31.8.2025 (Unaudited) HK\$'000
Marketing support fund	5,867	3,713
Others	1,066	2,206
	6,933	5,919

8. OTHER GAINS AND LOSSES

	1.3.2026 to 31.8.2026 (Unaudited) HK\$'000	1.3.2025 to 31.8.2025 (Unaudited) HK\$'000
Exchange (loss) gain		
Exchange (loss) gain on hedging instrument released from cash flow hedge reserve	(1,265)	1,150
Exchange gain (loss) on bank loans	1,265	(1,150)
Other exchange loss, net	(240)	(117)
Hedge ineffectiveness on cash flow hedges, net	(1)	(4)
Losses on disposal of property, plant and equipment	(54)	(518)
	<u>(295)</u>	<u>(639)</u>

9. OPERATING EXPENSES

	1.3.2026 to 31.8.2026 (Unaudited) HK\$'000	1.3.2025 to 31.8.2025 (Unaudited) HK\$'000
Depreciation on property, plant and equipment	22,017	22,641
Amortisation of intangible assets	3,428	4,079
Depreciation on right-of-use assets	26,118	26,464
Expenses relating to short-term leases	1,800	1,010
	<u>27,918</u>	<u>27,474</u>
General administrative expenses	126,681	115,978
Marketing and promotion expenses	54,298	39,657
Other operating expenses	38,541	38,945
Staff costs including Directors' emoluments	128,151	122,410
	<u>401,034</u>	<u>371,184</u>

10. IMPAIRMENT LOSSES AND IMPAIRMENT ALLOWANCES

For the rescheduled loans entered during the period ended 31st August 2026, there were rescheduled loans with revised cash flows being differed substantially from those of the original advances and receivables. The original advances and receivables were derecognised and replaced by newly originated rescheduled loans. The net modification loss of HK\$1,337,000 (six months ended 31st August 2025: HK\$Nil) was recognised in impairment losses and impairment allowances.

11. INCOME TAX EXPENSE

	1.3.2026 to 31.8.2026 (Unaudited) HK\$'000	1.3.2025 to 31.8.2025 (Unaudited) HK\$'000
Current tax		
— Hong Kong Profits Tax	56,050	49,797
— PRC Enterprise Income Tax	77	69
Deferred tax	(2,901)	(2,139)
	<u>53,226</u>	<u>47,727</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

Under the Law of the People's Republic of China ("PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods. One of the Company's PRC subsidiaries qualifies as a small and low-profit enterprise, which annual taxable income up to RMB3 million is subject to an effective tax rate of 5% from 1st January 2023 to 31st December 2027.

12. DIVIDENDS

On 31st July 2026, a dividend of 33.0 HK cents (six months ended 31st August 2025: 25.0 HK cents) per share amounting to a total of HK\$138,193,000 (six months ended 31st August 2025: HK\$104,691,000) was paid to shareholders as the final dividend for 2025/26 (six months ended 31st August 2025: final dividend for 2024/25).

In respect of the current interim period, the Directors have declared an interim dividend of 28.0 HK cents per share amounting to HK\$117,254,000 payable to the shareholders of the Company whose names appear on the Register of Members on 16th October 2026. The interim dividend will be paid on 3rd November 2026. This interim dividend was declared after the interim reporting date, and therefore has not been included as a liability in the condensed consolidated statement of financial position.

13. EARNINGS PER SHARE — BASIC

The calculation of basic earnings per share is based on the unaudited profit for the period of HK\$258,820,000 (six months ended 31st August 2025: HK\$233,600,000) and on the number of shares of 418,765,600 (six months ended 31st August 2025: 418,765,600) in issue during the period.

14. ADVANCES AND RECEIVABLES

	31.8.2026 (Unaudited) HK\$'000	28.2.2026 (Audited) HK\$'000
Credit card receivables	5,970,830	5,940,515
Personal loan receivables	1,733,391	1,746,364
	<u>7,704,221</u>	<u>7,686,879</u>
Accrued interest and other receivables	264,523	225,830
	<u>7,968,744</u>	<u>7,912,709</u>
Gross advances and receivables		
Impairment allowances (<i>Note 15</i>)	(278,253)	(276,898)
	<u>7,690,491</u>	<u>7,635,811</u>
Current portion included under current assets	(6,179,420)	(6,087,111)
	<u>1,511,071</u>	<u>1,548,700</u>
Amount due after one year		

At the end of the reporting period, all advances and receivables are unsecured.

At 31st August 2026, the personal loan receivables include rescheduled loan receivables of HK\$161,085,000 (28th February 2026: HK\$176,872,000).

Set out below is an analysis of gross balance of advances and receivables (excluding impairment allowances):

	31.8.2026 (Unaudited) HK\$'000	%*	28.2.2026 (Audited) HK\$'000	%*
Stage 1	7,676,452	96.3	7,606,924	96.1
Stage 2	62,836	0.8	62,704	0.8
Stage 3	229,456	2.9	243,081	3.1
	<u>7,968,744</u>	<u>100.0</u>	<u>7,912,709</u>	<u>100.0</u>

* *Percentage of gross advances and receivables*

Stage 1 covers the advances and receivables which credit risk has not significantly increased since initial recognition.

Stage 2 covers the advances and receivables which credit risk has significantly increased since initial recognition.

Stage 3 covers the advances and receivables for which credit loss events occurred and have become credit-impaired.

15. IMPAIRMENT ALLOWANCES

	31.8.2026 (Unaudited) HK\$'000	28.2.2026 (Audited) HK\$'000
Analysis by products as:		
Credit card receivables	157,260	151,237
Unused credit card limit	3,730	2,860
Personal loan receivables	110,491	116,795
Accrued interest and other receivables	6,772	6,006
	278,253	276,898

At 31st August 2026, the impairment allowance of personal loan receivables includes impairment allowance on rescheduled loan receivables of HK\$40,276,000 (28th February 2026: HK\$39,551,000).

An analysis of changes in impairment allowances including commitments on unused credit card limit during each of the two periods ended 31st August 2026 and 31st August 2025 are set out as below:

	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	Total HK\$'000
At 1st March 2026	158,855	27,542	90,501	276,898
Net advance (repayment) in advances and receivables	4,782	(618)	(6,506)	(2,342)
Transfer to 12-months expected credit loss ("ECL") (Stage 1)	22,389	(10,580)	(11,809)	–
Transfer to lifetime ECL not credit impaired (Stage 2)	(3,646)	4,146	(500)	–
Transfer to lifetime ECL credit impaired (Stage 3)	(2,009)	(63,983)	65,992	–
Total transfer between stages	16,734	(70,417)	53,683	–
Remeasurement of ECL during the period	(19,493)	69,460	162,399	212,366
Derecognition of original advances and receivables upon substantial modification	–	–	(4,222)	(4,222)
Recognition of advances and receivables from substantial modification	–	–	4,222	4,222
Amounts written-off as uncollectable	–	–	(209,070)	(209,070)
Exchange realignment	154	86	161	401
At 31st August 2026	161,032	26,053	91,168	278,253

15. IMPAIRMENT ALLOWANCES (Continued)

	Stage 1 <i>HK\$'000</i>	Stage 2 <i>HK\$'000</i>	Stage 3 <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1st March 2025	149,624	24,720	90,595	264,939
Net advance (repayment) in advances and receivables	9,106	(1,286)	(8,613)	(793)
Transfer to 12-months ECL (Stage 1)	23,194	(10,181)	(13,013)	–
Transfer to lifetime ECL not credit impaired (Stage 2)	(3,396)	4,153	(757)	–
Transfer to lifetime ECL credit impaired (Stage 3)	(2,913)	(56,038)	58,951	–
Total transfer between stages	16,885	(62,066)	45,181	–
Remeasurement of ECL during the period	(25,618)	58,236	174,206	206,824
Amounts written-off as uncollectable	–	–	(216,237)	(216,237)
Exchange realignment	110	62	163	335
At 31st August 2025	<u>150,107</u>	<u>19,666</u>	<u>85,295</u>	<u>255,068</u>

16. PREPAYMENTS, DEPOSITS AND OTHER DEBTORS

	31.8.2026 (Unaudited) <i>HK\$'000</i>	28.2.2026 (Audited) <i>HK\$'000</i>
Deposits for property, plant and equipment	3,331	1,616
Deposits for intangible assets	2,491	33
Rental and other deposits	16,850	16,612
Prepaid operating expenses	52,986	49,702
Other debtors	41,161	41,384
	116,819	109,347
Current portion included under current assets	(83,884)	(87,423)
Amount due after one year	32,935	21,924

17. CREDITORS AND ACCRUALS/CONTRACT LIABILITIES

- (a) The aged analysis of creditors presented based on the invoice date at the end of the reporting period is as follows:

	31.8.2026 (Unaudited) HK\$'000	28.2.2026 (Audited) HK\$'000
Less than 1 month	70,850	115,599
Over 1 month but less than 3 months	3,935	2,686
Over 3 months	309	245
	<u>75,094</u>	<u>118,530</u>

- (b) At 31st August 2026, included in contract liabilities is deferred revenue in relation to customer loyalty programmes of HK\$64,760,000 (28th February 2026: HK\$59,376,000).

18. BANK BORROWINGS/BORROWINGS FROM IMMEDIATE HOLDING COMPANY

	31.8.2026 (Unaudited)		28.2.2026 (Audited)	
	Borrowings from immediate		Borrowings from immediate	
	Bank borrowings	holding company	Bank borrowings	holding company
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Carrying amount repayable (<i>Note</i>)				
Within one year	1,552,854	1,000,000	1,422,632	1,000,000
Within a period of more than one year but not more than two years	250,000	–	650,000	–
Within a period of more than two years but not more than five years	500,000	–	300,000	–
	<u>2,302,854</u>	<u>1,000,000</u>	<u>2,372,632</u>	<u>1,000,000</u>
Amount repayable within one year included under current liabilities	<u>(1,552,854)</u>	<u>(1,000,000)</u>	<u>(1,422,632)</u>	<u>(1,000,000)</u>
Amount repayable after one year	<u>750,000</u>	<u>–</u>	<u>950,000</u>	<u>–</u>

Note: As at 31st August 2026 and 28th February 2026, a short-term sustainability-linked loan facility of HK\$300,000,000 is subjected to two financial covenants requiring: (i) consolidated net worth to be maintained at no less than HK\$3,000,000,000; and (ii) the ratio of the consolidated earnings before interest, taxes, depreciation and amortisation to the consolidated interest expenses to be not less than 3.5:1. As at 31st August 2026 and 28th February 2026, both conditions are met. For all other loans, there are no financial covenants. Therefore, the amount due is based on the scheduled repayment dates set out in the loan agreements.

19. DERIVATIVE FINANCIAL INSTRUMENTS

	31.8.2026 (Unaudited)		28.2.2026 (Audited)	
	Assets	Liabilities	Assets	Liabilities
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Interest rate swaps	2,707	3,860	1,687	13,998
Cross-currency interest rate swaps	—	—	—	25,630
	<u>2,707</u>	<u>3,860</u>	<u>1,687</u>	<u>39,628</u>
Current portion	(945)	(2,024)	(1,687)	(25,630)
	<u>1,762</u>	<u>1,836</u>	<u>—</u>	<u>13,998</u>
Non-current portion				

All derivative financial instruments entered into by the Group that remain outstanding at 31st August 2026 and 28th February 2026 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, the designated hedged items.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the shareholders who are qualified to receive the interim dividend, the register of members of the Company will be closed from Thursday, 15th October 2026 to Friday, 16th October 2026, both days inclusive. During this period, no transfer of shares will be registered. The record date for determining the entitlement of shareholders to the interim dividend will be on Friday, 16th October 2026. In order to qualify for the interim dividend, all transfers of shares accompanied by the relevant share certificates must be lodged for registration with the Company's Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Wednesday, 14th October 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

For the six months ended 31st August 2026 ("1HFY2026/27" or the "Reporting Period"), the shifting market expectations from interest rate cuts to rate hikes, coupled with ongoing geopolitical instability in the Middle East and Eastern Europe, weighed on Hong Kong's economic recovery. Despite the continued recovery of inbound tourism, growth in external trade and a rebound in the capital markets, the "new normal" of cross-border and e-commerce consumption has put pressure on employment in the catering, retail and certain property-related sectors, with personal bankruptcy cases remaining at a high level.

In this market environment, the Group continued to prioritise sales and receivables growth by building a high-quality portfolio that emphasises income generation, growth and resilience. Despite subdued customer sentiment, the Group expanded the transaction volume and sales channels of its fee-based businesses.

In line with the Company's strategic goal of enriching customer experience, in addition to existing customer touchpoints such as the contact centre, the "AEON HK" mobile app, the Company's website, the branch network and SMS service, the Company introduced WhatsApp as an additional communication platform. The Company also broadened loan drawdown channels through mobile app, providing a seamless and consistent loan drawdown experience across all customer touchpoints. By leveraging electronic Know-Your-Customer ("eKYC"), data analytics and automated credit assessment, the Company further streamlined the customer journey from product enquiry and application through to approval and drawdown. At the same time, the expanding branch network complemented its digital channels by offering one-stop financial services and face-to-face consultation. These online and offline touchpoints offered a personalised and seamless customer experience with greater flexibility and convenience, while creating opportunities for customer acquisition and cross-selling.

To support further growth in the personal loan business, the Company launched renovation loans and personal loans for property owners in May 2026, with the aim of diversifying its customer base. Since their launch, these new products have received a positive market response and have driven growth in personal loan receivables. For the credit card issuing business, targeted marketing campaigns focusing on local spending, overseas transactions and merchant purchases supported card usage and enhanced customer engagement.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Business Review (Continued)

During the Reporting Period, the regulatory framework governing money lender licences was strengthened through enhanced responsible lending requirements, including the introduction of debt servicing ratio caps for unsecured personal loans, which took effect from 1st August 2026, reinforcing the importance of borrower affordability and disciplined underwriting. In response to the tightening market financing environment resulting from changes in the regulatory environment, the Company has refined its credit risk assessment model, portfolio monitoring, and collection measures since the beginning of this financial year to maintain the growth of its portfolio in a disciplined manner.

The Company also continued to integrate environmental, social and governance (“ESG”) considerations into its operations through a wide range of initiatives, including tree planting, scholarship programmes, community engagement, and sustainable finance initiatives. In addition, the implementation of a paperless loan drawdown process streamlined operations and significantly reduced paper consumption in branches. Meanwhile, eco-friendly materials, including environmentally friendly laminate panels and sustainable flooring solutions, were incorporated into branch renovations. These initiatives reflect the Company’s commitment to responsible and sustainable long-term growth.

Interim Dividend

Taking into account shareholders’ interests, the Group’s payout history, business conditions and cash flow requirements, the Board has resolved to declare an interim dividend of 28.0 HK cents per share, compared with 25.0 HK cents per share for the six months ended 31st August 2025 (“1HFY2025/26” or the “Previous Period”). The proposed dividend represents a payout ratio of 45.3%, which is in line with the Group’s dividend policy of distributing not less than 30% of the Group’s consolidated net profit for the Reporting Period.

Financial Review

The Group recorded a profit before tax of HK\$312.0 million for the Reporting Period, an increase of 10.9%, or HK\$30.7 million, compared with the Previous Period. After deducting income tax expense of HK\$53.2 million, the Group’s profit after tax increased by 10.8%, or HK\$25.2 million, to HK\$258.8 million from HK\$233.6 million in the Previous Period. Earnings per share increased from 55.78 HK cents to 61.81 HK cents, return on average equity rose from 10.7% to 11.4%, and return on average assets increased from 5.8% to 6.2% during the Reporting Period.

The net asset value per share (after deduction of the interim dividend) was HK\$10.7 as at 31st August 2026, compared with HK\$10.4 (after deduction of the final dividend) as at 28th February 2026.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Financial Review (Continued)

Consolidated Statement of Profit or Loss Analysis

Revenue

Revenue for 1HFY2026/27 amounted to HK\$961.4 million, an increase of 7.2%, or HK\$64.3 million, compared with the HK\$897.1 million recorded in 1HFY2025/26.

Net interest income

The Group's interest income increased by HK\$66.9 million, from HK\$754.5 million in the Previous Period to HK\$821.3 million in the Reporting Period, mainly due to continued growth in credit card receivables.

The Group continued to proactively manage its funding profile throughout the Reporting Period. Although the market remained under the shadow of interest rate hikes, the average cost of funds remained at 3.4%, unchanged from the Previous Period. This stability was attributable to the Group's well-balanced borrowing portfolio, which comprises a variety of borrowing rates and maturities. Consequently, interest expenses increased marginally to HK\$56.2 million, compared with HK\$55.6 million in the Previous Period, primarily due to the higher average borrowing balances required to support receivables growth during the Reporting Period.

Benefiting from higher interest income and stable funding costs, the Group's net interest income for 1HFY2026/27 was HK\$765.1 million, representing an increase of 9.5%, or HK\$66.3 million, compared with HK\$698.8 million for 1HFY2025/26.

Operating income

Fees and commissions decreased by 3.3%, or HK\$2.3 million, from HK\$67.6 million in 1HFY2025/26 to HK\$65.3 million in 1HFY2026/27. The decrease was mainly attributable to a decline in fees and commissions from the credit card issuing business, as higher costs associated with cashback incentive programmes and promotional activities outweighed the increase in credit card purchase volumes. This was partly mitigated by growth in the credit card acquiring business and insurance agency business, driven by increased transaction volumes, an expanded merchant network and enhanced cross-selling through diversified distribution channels.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Financial Review (Continued)

Consolidated Statement of Profit or Loss Analysis (Continued)

Operating income (Continued)

Handling and late charges decreased marginally by 0.6%, or HK\$0.4 million, from HK\$75.1 million in 1HFY2025/26 to HK\$74.7 million in 1HFY2026/27. The decrease was mainly due to a lower incidence of customers failing to make minimum payments, partially offset by higher mark-up charges on foreign currency card spending.

Overall, the Group's operating income increased by 7.7%, or HK\$65.0 million, from HK\$846.8 million in 1HFY2025/26 to HK\$911.8 million in 1HFY2026/27.

Operating expenses

During the Reporting Period, the Group's operating expenses increased by 8.0%, or HK\$29.8 million, from HK\$371.2 million in 1HFY2025/26 to HK\$401.0 million in 1HFY2026/27. The increase was mainly attributable to higher marketing and advertising expenses, rising staff costs and increased card association fees.

The Group continued to implement a variety of marketing and promotional campaigns through a strategic combination of traditional and digital marketing channels. These included social media and online advertising, influencer (KOL) collaborations, mobile app marketing and strategic partnerships with travel, payment and retail merchants to enhance cardholder benefits and encourage cardholders to spend in areas such as travel, dining, electronics, lifestyle and cross-border transactions. As a result, marketing and advertising expenses increased by HK\$14.6 million, from HK\$39.7 million in 1HFY2025/26 to HK\$54.3 million in 1HFY2026/27.

In addition, staff costs increased by HK\$5.8 million, from HK\$122.4 million in 1HFY2025/26 to HK\$128.2 million in 1HFY2026/27, mainly due to the deployment of additional manpower for product development and branch operations. General administrative expenses also increased by HK\$10.7 million, from HK\$116.0 million to HK\$126.7 million, mainly due to higher card association fees as a result of increased card spending.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Financial Review (Continued)

Consolidated Statement of Profit or Loss Analysis (Continued)

Operating Expenses-to-Operating Income Ratio

Operating income and operating expenses increased at a similar pace, resulting in the operating expenses-to-operating income ratio of 44.0% in 1H FY2026/27, compared with 43.8% in 1H FY2025/26.

At the operating level, the Group's operating profit before impairment losses and impairment allowances increased by 7.4% to HK\$510.7 million, up from HK\$475.6 million in 1HFY2025/26.

Impairment losses and impairment allowances

Despite some improvement in the economic environment, uncertainty surrounding interest rates and evolving cross-border consumption patterns continued to pose challenges for job vacancies in the labour market. In response, the Group continued to optimise its credit assessment model to better manage its exposure to higher-credit-risk advances and receivables. At the same time, the Group implemented proactive collection measures and responsive debt relief arrangements to encourage early settlement by customers with elevated credit risk. As a result, the Group stabilised its credit-impaired receivables. Impairment losses and impairment allowances increased by HK\$5.4 million, from HK\$206.0 million in the Previous Period to HK\$211.4 million in the Reporting Period, primarily reflecting the growth in receivables. The ratio of impairment losses and impairment allowances to revenue improved from 23.0% in 1HFY2025/26 to 22.0% in 1HFY2026/27, demonstrating the effectiveness of the Group's credit risk management.

Consolidated Statement of Financial Position Analysis

The Group's total equity as at 31st August 2026 amounted to HK\$4,612.6 million, representing an increase of 2.9%, or HK\$128.9 million, compared with a balance of HK\$4,483.7 million as at 28th February 2026. Total assets as at 31st August 2026 stood at HK\$8,412.6 million, compared with total assets of HK\$8,382.2 million as at 28th February 2026.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Financial Review (Continued)

Consolidated Statement of Financial Position Analysis (Continued)

Advances and receivables

As at 31st August 2026, gross advances and receivables amounted to HK\$7,968.7 million, representing an increase of 0.7%, or HK\$56.0 million, compared with the balance of HK\$7,912.7 million as at 28th February 2026. This increase was primarily driven by growth in credit card receivables. Credit card receivables increased by 0.5%, or HK\$30.3 million, from HK\$5,940.5 million as at 28th February 2026 to HK\$5,970.8 million as at 31st August 2026, supported by ongoing marketing and advertising activities. To enhance the asset quality of the personal loan business, the Group slowed down the business growth of its micro-finance subsidiary in the first half, consequently the personal loan receivables decreased marginally from HK\$1,746.4 million as at 28th February 2026 to HK\$1,733.4 million as at 31st August 2026.

Gross advances and receivables classified as doubtful (Stage 2) and loss (Stage 3) totalled HK\$292.3 million as at 31st August 2026, compared with HK\$305.8 million as at 28th February 2026. The percentage of Stage 2 and Stage 3 receivables to gross advances and receivables decreased from 3.9% as at 28th February 2026 to 3.7% as at 31st August 2026. Impairment allowances amounted to HK\$278.3 million as at 31st August 2026, representing 3.5% of gross advances and receivables, compared with HK\$276.9 million, or 3.5% of gross advances and receivables, as at 28th February 2026. This reflects the continued improvement in asset quality and the Group's prudent risk management.

Bank borrowings and borrowings from the immediate holding company

As at 31st August 2026, the Group's total borrowings from banks and the immediate holding company amounted to HK\$3,302.9 million, a decrease of HK\$69.7 million compared with HK\$3,372.6 million as at 28th February 2026, reflecting the Group's strengthened liquidity position. As at 31st August 2026, 77.3%, 7.6% and 15.1% of the total borrowings were due within one year, between one and two years, and between two and five years, respectively. Of the long-term bank borrowings maturing after one year, 40% carried a fixed interest rate, while 60% were hedged against interest rate fluctuations using relevant swap instruments.

The average duration of borrowings as at 31st August 2026 was 0.7 years, compared with 0.8 years as at 28th February 2026.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Segment information

The Group's operations comprise three principal business segments: credit cards, personal loans and insurance agency business. Credit card operations remained the Group's core business, contributing 80.0% of total revenue and 92.9% of the consolidated segment profit in 1HFY2026/27, compared with 79.6% and 93.4% in 1HFY2025/26, respectively. Personal loan operations accounted for 18.0% of total revenue and 4.8% of the consolidated segment profit in 1HFY2026/27, compared with 18.6% and 4.1% in 1HFY2025/26, respectively.

Driven by growth in credit card receivables, revenue from credit card business increased by 7.7%, or HK\$54.8 million, to HK\$768.8 million in 1H FY2026/27, up from HK\$714.0 million in 1H FY2025/26. Despite increased impairment losses and impairment allowances, segment profit increased by HK\$27.3 million, or 10.4%, from HK\$264.6 million in 1H FY2025/26 to HK\$291.9 million in 1H FY2026/27.

The personal loan business recorded revenue growth of 4.1%, or HK\$6.8 million, increasing from HK\$166.7 million in 1HFY2025/26 to HK\$173.5 million in 1HFY2026/27. The increase was primarily attributable to the increase in average personal loan receivables. The segment profit rose to HK\$15.2 million in 1HFY2026/27, from HK\$11.5 million in 1HFY2025/26, mainly driven by the improvement in asset quality.

The insurance agency business continued to deliver stable growth, with revenue rising to HK\$19.0 million in 1HFY2026/27, compared with HK\$16.5 million in 1HFY2025/26. This was primarily driven by the expansion of diversified distribution channels and a broader range of product offerings, while the segment results remained stable at HK\$7.3 million during the Reporting Period, primarily due to additional resource allocation to support the future development of the business.

By geographical location, revenue from Hong Kong operations increased by 6.1%, or HK\$52.7 million, from HK\$872.1 million in 1HFY2025/26 to HK\$924.8 million in 1HFY2026/27, mainly driven by the growth in credit card receivables. Benefiting from higher interest income, segment profit also increased by 11.2%, or HK\$32.8 million, from HK\$293.3 million in 1HFY2025/26 to HK\$326.1 million in 1HFY2026/27.

In the Chinese Mainland, revenue increased from HK\$25.1 million in 1HFY2025/26 to HK\$36.5 million in 1HFY2026/27, supported by a broader range of financial products and growth in average receivables. However, customer credit conditions remained under pressure, resulting in an increase in impairment losses and allowances of HK\$3.5 million, from HK\$18.9 million in 1HFY2025/26 to HK\$22.4 million in 1HFY2026/27. As a result, the Chinese Mainland operations recorded a loss of HK\$11.8 million for 1HFY2026/27, compared with a loss of HK\$10.0 million for 1HFY2025/26.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Prospects

Looking ahead to the second half of FY2026/27, the global economy and financial markets are expected to remain resilient despite ongoing geopolitical tensions, a prolonged high interest rate environment and persistent inflationary pressures. Hong Kong's economy will continue to be supported by growth in external trade, tourism, and domestic demand.

“AI-driven transformation and the construction of the AEON Ecosystem will remain key pillars of the Group’s strategy”

The Company will continue to invest in technology and data analytics, and further explore the integration of artificial intelligence (“AI”) into areas such as credit assessment, fraud detection, customer service, and back-office operations, with a view to strengthening decision-making, risk management and operational efficiency. As part of its ongoing digital transformation, the Company launched a refined credit card application scoring model for new cardholder applications in September 2026. This model enhances credit risk assessment by leveraging external credit bureau data and predictive customer repayment behaviour using internal customer data. The Company plans to extend these capabilities to its personal loan business through the development of a loan application scoring model in the second half of FY2026/27, thereby further enhancing risk differentiation and credit assessment efficiency.

Alongside these technical measures, a unified bonus points programme is expected to be launched in the second half of FY2026/27. As a key component of the “AEON EcoZone”, the programme will enable customers to earn and redeem points across AEON Stores (Hong Kong) Co., Limited and participating merchant partners, strengthening customer loyalty and broadening the customer base across the AEON Ecosystem. Closer collaboration with AEON Group affiliates will also create cross-business opportunities and enhance synergies across the Group.

With regard to the Chinese Mainland operation, the Company will continue to develop its microfinance business in Shenzhen, focusing on strengthening asset quality, broadening revenue streams, and expanding its range of financial products. It will further explore the business opportunities for cross-border customer acquisition and spending arising from the development of the Greater Bay Area, whilst maintaining disciplined credit risk management.

Through these initiatives, the Company will remain committed to achieving growth in receivables, deepening customer relationships, and enhancing operational efficiency, whilst maintaining sound asset quality and creating sustainable long-term value for shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Liquidity, Capital Management and Financial Resources

The Group's objectives in managing capital are to maintain a sound capital structure that supports the Group's long-term business development and enables it to continue as a going concern, maintain investor and stakeholder confidence during periods of market volatility and uncertainty, secure funding at competitive costs to meet its financial commitments, and maintain sufficient financial resources to support the growth of receivables and generate reasonable returns from available funds.

Management reviews the capital structure on a semi-annual basis, taking into consideration the cost of capital and the risks associated with each class of capital. The net debt-to-equity ratio was 0.7 as at 31st August 2026 and 28th February 2026, while the equity-to-total-assets ratio was 54.8% as at 31st August 2026 and 53.5% as at 28th February 2026.

During the Reporting Period, the Group funded its operations principally through internally generated funds, advances from its immediate holding company and borrowings from financial institutions. As at 31st August 2026, the Group's funding mix comprised 58.3% from total equity, 12.6% from the immediate holding company and 29.1% from direct borrowings from financial institutions (28th February 2026: 57.1%, 12.7% and 30.2%, respectively). As at 31st August 2026 and 28th February 2026, the Group's indebtedness was either with fixed interest rates or hedged against interest rate fluctuation by means of interest rate swaps. Moreover, the Group had an evenly distributed indebtedness portfolio to lessen the impact of short-term interest rate fluctuations.

The Group manages its liquidity risk by maintaining an appropriate level of cash and cash equivalents, securing adequate banking facilities and diversifying its funding sources to fund its receivables growth. The majority of tenors for the receivables is within one to two years. The Group therefore does not have any liquidity risk issues.

The Directors are of the view that the Group maintains a healthy liquidity position. Taking into account the Group's internally generated funds, available banking facilities and other financial resources, the Directors are of the view that the Group has sufficient working capital to meet its present operational requirements, and to support its future business growth and development.

The Group's principal operations are transacted and recorded in HKD and thereby its core assets are not subject to significant exposure to exchange rate fluctuation. During the period under review, the Group engaged in derivative financial instruments primarily for the purpose of hedging interest rate associated with bank borrowings.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Key Financial Ratios

The following table sets forth the key financial ratios of our Group during the 1HFY2026/27 and 1HFY2025/26, and as at 31st August 2026 and 28th February 2026:

	31.8.2026	28.2.2026
Capital, Leverage and Liquidity		
Net debt to equity ratio ⁽¹⁾	0.7	0.7
	1HFY2026/27	1HFY2025/26
Capital, Leverage and Liquidity		
Interest coverage ⁽²⁾	6.6	6.1
Asset Quality		
Impairment losses and allowances to revenue ⁽³⁾	22.0%	23.0%
Profitability and Efficiency		
Return on average assets ⁽⁴⁾	6.2%	5.8%
Return on average equity ⁽⁵⁾	11.4%	10.7%
Operating expenses-to-operating income ratio	44.0%	43.8%

Notes:

- (1) Net debt to equity ratio was calculated by dividing net debts (being the total bank borrowings and borrowings from immediate holding company and lease liabilities less cash and cash equivalents) by total equity as at the respective period-end.
- (2) Interest coverage was calculated by dividing profit before interest expenses and income tax expenses by the interest expenses for the corresponding period.
- (3) Impairment losses and allowances to revenue ratio was calculated by dividing impairment losses and impairment allowances by revenue for the corresponding period.
- (4) Return on average assets ratio was calculated by dividing annualised profit attributable to owners of the Company by average total assets for the corresponding period.
- (5) Return on average equity ratio was calculated by dividing annualised profit attributable to owners of the Company by average total equity for the corresponding period.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Capital Commitments

As at 31st August 2026, the Group's capital commitments entered into were mainly related to the purchase of property, plant and equipment and intangible assets. Save as disclosed above, the Group had no significant capital commitments as at 31st August 2026.

Contingent Liabilities

As at 31st August 2026, the Group had no material contingent liabilities.

Significant Investments Held, Material Acquisitions and Disposals

The Group did not have any significant investments held, material acquisitions and disposals of assets or subsidiaries during the Reporting Period.

Human Resources

As at 31st August 2026 and 28th February 2026, the Group's total number of employees was 603 (Hong Kong: 382; PRC: 221) and 607 (Hong Kong: 385; PRC: 222) respectively. The Group continues to recognise and reward its staff in a manner similar to that disclosed in its annual report for the financial year ended 28th February 2026.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Compliance with Corporate Governance Code

The Company is committed to maintaining a high standard of corporate governance to balance the interests of shareholders, customers, employees and other stakeholders. The Company has continued to comply with the code provisions of the Corporate Governance Code as applicable to the Company throughout the Reporting Period and set out in Appendix C1 to the Listing Rules, with the exception of code provision B.2.2 which is explained below.

Code provision B.2.2 provides that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

The Company's Directors are not subject to retirement by rotation. Instead, all Directors, including the executive, non-executive and independent non-executive, are subject to retirement at each annual general meeting of the Company and, being eligible, may offer themselves for re-election in accordance with the articles of association of the Company.

As each Director is subject to retirement and re-election by the shareholders annually, the Board considers that the arrangement is in line with the principle and fulfils the underlying objective of code provision B.2.2 to adequately safeguard the interests of the shareholders.

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

Compliance with Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Listing Rules as its own code for securities transactions by Directors pursuant to its own Securities Dealing Code.

Having made specific enquiries of all Directors, they confirmed that they have complied with the required standard set out in the Model Code and the Company’s own Securities Dealing Code throughout the Reporting Period.

Purchase, Sale or Redemption of the Company’s Listed Securities

During the Reporting Period, there was no purchase, sale or redemption by the Company or its subsidiaries of the Company’s listed securities. As at 31st August 2026, and up to the date of this announcement, the Company has not been holding any treasury shares.

Review of Unaudited Financial Information

The Audit Committee has reviewed the unaudited interim financial results for the six months ended 31st August 2026. In addition, the condensed consolidated financial statements for the six months ended 31st August 2026 have been reviewed by the Company’s auditor, Messrs. Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants and an unqualified review report is issued.

Publication of Interim Report on the Stock Exchange’s Website

The interim report for the six months ended 31st August 2026, containing the relevant information required by the Listing Rules, will be published on the respective websites of The Stock Exchange of Hong Kong Limited and the Company in due course.

Board of Directors

As at the date of this announcement, the Board comprises Mr. Wei Aiguo (Managing Director), Mr. Lai Yuk Kwong (Deputy Managing Director) and Ms. Wan Yuk Fong as Executive Directors; Mr. Shigeki Mishima (Chairman) and Mr. Takenori Nagashima as Non-executive Directors; and Ms. Shing Mo Han Yvonne, Ms. Junko Dochi, Mr. Choi Ping Chung and Mr. Chu Kwok Leung as Independent Non-executive Directors.

By order of the Board
Wei Aiguo
Managing Director

Hong Kong, 28th September 2026