



AEON CREDIT SERVICE (ASIA) COMPANY LIMITED

AEON 信貸財務(亞洲)有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 900)

INTERIM REPORT

FOR THE SIX MONTHS ENDED

31ST AUGUST 2025



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CORPORATE INFORMATION

Board of Directors

Executive Directors

Wei Aiguo (*Managing Director*)

Lai Yuk Kwong (*Deputy Managing Director*)

Wan Yuk Fong

Non-executive Directors

Shigeki Mishima (*Chairman*)

Jin Huashu

Independent Non-executive Directors

Lee Ching Ming Adrian

Shing Mo Han Yvonne

Junko Dochi

Choi Ping Chung

Company Secretary

Hung Tun Shun Jason

Auditor

Deloitte Touche Tohmatsu

Registered Public Interest Entity Auditors

Share Registrar

Tricor Investor Services Limited

17/F, Far East Finance Centre,

16 Harcourt Road,

Hong Kong

Major Bankers

Mizuho Bank, Ltd.

Hong Kong Branch

MUFG Bank, Ltd.

Hong Kong Branch

Sumitomo Mitsui Banking Corporation

Hong Kong Branch

Registered Office

20/F, Mira Place Tower A

132 Nathan Road

Tsimshatsui, Kowloon

Hong Kong

Stock Code

900

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Investors Relations

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FINANCIAL HIGHLIGHTS

Interim dividend

25.0
HK cents
per share



Dividend payout ratio

44.8%



Revenue

HK\$897.1 million

4.3% ↑ vs 1H FY2024/25



Cost-to-Income Ratio

43.8%

vs **47.0%** in 1H FY2024/25



Operating Profit*

HK\$475.6 million

11.7% ↑ vs 1H FY2024/25

* Operating profit before impairment losses and allowances



Profit after tax

HK\$233.6 million

37.1% ↑ vs 1H FY2024/25



Sales

HK\$7.4 billion

4.4% ↑ vs 1H FY2024/25



Gross advances and receivables at 31.8.2025

HK\$7,524.0 million

2.7% ↑ vs 28.2.2025

SEGMENT PERFORMANCE HIGHLIGHTS



Credit Cards

Result
Profit
HK\$264.6 million

24.6%↑
vs 1H FY2024/25

- Revolving credit card balance increased as a result of:
 - Successful targeted marketing
 - Launch of diverse marketing programmes
- Reduced borrowing costs and improved asset quality

Personal Loans

Result
Improved from loss of HK\$14.5 million in 1H FY2024/25 to

Profit
HK\$11.5 million

- Through adoption of prudent credit assessment to improve asset quality



BUSINESS STRATEGIES IN 2H FY25/26



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 31st August 2025

		1.3.2025 to 31.8.2025 (Unaudited) HK\$'000	1.3.2024 to 31.8.2024 (Unaudited) HK\$'000
	<i>Notes</i>		
Revenue	3	897,143	860,321
Interest income	5	754,456	734,492
Interest expense	6	(55,609)	(64,537)
Net interest income		698,847	669,955
Fees and commissions		67,592	62,148
Handling and late charges		75,095	63,681
Other income	7	5,919	8,313
Other gains and losses	8	(639)	118
Operating income		846,814	804,215
Operating expenses	9	(371,184)	(378,246)
Operating profit before impairment losses and impairment allowances		475,630	425,969
Impairment losses and impairment allowances		(206,031)	(236,101)
Recoveries of advances and receivables written-off		11,728	13,343
Profit before tax		281,327	203,211
Income tax expense	10	(47,727)	(32,850)
Profit for the period		233,600	170,361
Profit for the period attributable to: Owners of the Company		233,600	170,361
Earnings per share — Basic	12	55.78 HK cents	40.68 HK cents

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31st August 2025

	1.3.2025 to 31.8.2025 (Unaudited) HK\$'000	1.3.2024 to 31.8.2024 (Unaudited) HK\$'000
Profit for the period	<u>233,600</u>	<u>170,361</u>
Other comprehensive income (expense)		
Item that will not be reclassified to profit or loss:		
Fair value gain on equity instruments at FVTOCI	4,692	5,333
Items that may be reclassified subsequently to profit or loss:		
Exchange difference arising from translation of foreign operations	5,741	2,261
Fair value adjustment on cash flow hedges, net of tax	(13,093)	(10,741)
Reclassification of fair value adjustments on cash flow hedges to profit or loss	<u>2,515</u>	<u>(8,665)</u>
Other comprehensive expense for the period	<u>(145)</u>	<u>(11,812)</u>
Total comprehensive income for the period	<u>233,455</u>	<u>158,549</u>
Total comprehensive income for the period attributable to:		
Owners of the Company	<u>233,455</u>	<u>158,549</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31st August 2025

		31.8.2025 (Unaudited) HK\$'000	28.2.2025 (Audited) HK\$'000
	Notes		
Non-current assets			
Property, plant and equipment	13(a)	165,201	180,608
Intangible assets	13(a)	24,842	27,959
Right-of-use assets	13(b)	99,942	110,049
Goodwill		15,820	15,820
Equity instruments at FVTOCI	14	110,873	106,181
Advances and receivables	15	1,402,593	1,459,302
Prepayments, deposits and other debtors	17	22,810	21,611
Derivative financial instruments	23	1,755	10,430
Deferred tax assets		8,313	3,853
		<u>1,852,149</u>	<u>1,935,813</u>
Current assets			
Advances and receivables	15	5,866,324	5,605,137
Prepayments, deposits and other debtors	17	106,337	79,388
Amount due from immediate holding company		73	1
Derivative financial instruments	23	1,191	288
Time deposits	18	15,198	21,482
Bank balances and cash	19	246,189	226,220
		<u>6,235,312</u>	<u>5,932,516</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

At 31st August 2025

	Notes	31.8.2025 (Unaudited) HK\$'000	28.2.2025 (Audited) HK\$'000
Current liabilities			
Creditors and accruals	20(a)	267,726	226,351
Contract liabilities	20(b)	52,208	42,024
Amounts due to fellow subsidiaries	21	30,006	9,286
Amount due to an intermediate holding company		9,745	9,504
Borrowings from immediate holding company	22	955,000	900,000
Bank borrowings	22	1,207,297	1,015,149
Lease liabilities		42,924	39,586
Derivative financial instruments	23	22,155	1,319
Tax liabilities		64,201	31,124
		<u>2,651,262</u>	<u>2,274,343</u>
Net current assets		<u>3,584,050</u>	<u>3,658,173</u>
Total assets less current liabilities		<u>5,436,199</u>	<u>5,593,986</u>
Capital and reserves			
Share capital	24	269,477	269,477
Reserves		4,110,448	3,981,684
Total equity		<u>4,379,925</u>	<u>4,251,161</u>
Non-current liabilities			
Bank borrowings	22	980,000	1,239,685
Deferred tax liabilities		–	39
Lease liabilities		64,263	76,782
Derivative financial instruments	23	12,011	26,319
		<u>1,056,274</u>	<u>1,342,825</u>
		<u>5,436,199</u>	<u>5,593,986</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31st August 2025

	Share capital <i>HK\$'000</i>	Investment revaluation reserve <i>HK\$'000</i>	Hedging reserve <i>HK\$'000</i>	Translation reserve <i>HK\$'000</i>	Accumulated profits <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1st March 2024 (Audited)	269,477	68,821	35,582	(16,468)	3,710,581	4,067,993
Profit for the period	–	–	–	–	170,361	170,361
Fair value gain on equity instruments at FVTOCI	–	5,333	–	–	–	5,333
Exchange difference arising from translation of foreign operations	–	–	–	2,261	–	2,261
Fair value adjustment on cash flow hedges, net of tax	–	–	(10,741)	–	–	(10,741)
Reclassification of fair value adjustments on cash flow hedges to profit or loss	–	–	(8,665)	–	–	(8,665)
Total comprehensive income (expense) for the period	–	5,333	(19,406)	2,261	170,361	158,549
Final dividend paid for 2023/24 (<i>Note 11</i>)	–	–	–	–	(100,504)	(100,504)
At 31st August 2024 (Unaudited)	269,477	74,154	16,176	(14,207)	3,780,438	4,126,038
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 (<i>Note 11</i>)	–	–	–	–	(104,691)	(104,691)
At 31st August 2025 (Unaudited)	269,477	87,050	(2,026)	(13,536)	4,038,960	4,379,925

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31st August 2025

	1.3.2025 to 31.8.2025 (Unaudited) HK\$'000	1.3.2024 to 31.8.2024 (Unaudited) HK\$'000
Net cash from (used in) operating activities	172,425	(201)
Proceeds from sale of property, plant and equipment	–	1
Purchase of property, plant and equipment	(9,245)	(11,158)
Purchase of intangible assets	(528)	(1,220)
Deposits paid for acquisition of property, plant and equipment	(1,880)	(14,160)
Deposits paid for acquisition of intangible assets	(407)	(329)
Placement of time deposits with maturity of more than three months	(418)	(3,849)
Release of time deposits with maturity of more than three months	3,617	1,650
Net cash used in investing activities	(8,861)	(29,065)
Repayment of lease liabilities	(27,959)	(30,322)
Dividends paid	(104,691)	(100,504)
New borrowings from immediate holding company raised	75,000	–
Repayment of borrowings from immediate holding company	(20,000)	–
New bank loans raised	803,858	7,013,665
Repayment of bank loans	(873,142)	(6,827,860)
Net cash (used in) from financing activities	(146,934)	54,979
Net increase in cash and cash equivalents	16,630	25,713
Effect of changes in exchange rate	249	(16)
Cash and cash equivalents at beginning of the period	244,090	271,658
Cash and cash equivalents at end of the period	260,969	297,355
Being:		
Time deposits with maturity of three months or less	14,780	17,527
Bank balances and cash	246,189	279,828
	260,969	297,355

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31st August 2025

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 2025 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 2025 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 the 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 2025 are the same as those presented in the Group's annual financial statements for the year ended 28th February 2025.

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 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendments to HKFRS Accounting Standards in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE

	1.3.2025 to 31.8.2025 (Unaudited) HK\$'000	1.3.2024 to 31.8.2024 (Unaudited) HK\$'000
Interest income	754,456	734,492
Fees and commissions		
Credit cards — issuing	21,353	19,386
Credit cards — acquiring	29,802	27,401
Insurance	16,437	15,361
Handling and late charges	75,095	63,681
Revenue from contracts with customers	142,687	125,829
Total revenue	897,143	860,321

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

1.3.2024 to 31.8.2024 (Unaudited)

	Credit cards HK\$'000	Personal loans HK\$'000	Insurance HK\$'000	Total HK\$'000
Interest income	565,085	169,385	22	734,492
Fees and commissions	46,787	—	15,361	62,148
Handling and late charges	57,105	6,576	—	63,681
Segment revenue	668,977	175,961	15,383	860,321

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 and brokerage 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) and 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:

1.3.2025 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)

Segment revenue and results (Continued)

1.3.2024 to 31.8.2024 (Unaudited)

	Credit cards HK\$'000	Personal loans HK\$'000	Insurance HK\$'000	Consolidated HK\$'000
REVENUE	<u>668,977</u>	<u>175,961</u>	<u>15,383</u>	<u>860,321</u>
RESULT				
Segment results	<u>212,379</u>	<u>(14,542)</u>	<u>6,295</u>	204,132
Unallocated operating income				555
Unallocated expenses				<u>(1,476)</u>
Profit before tax				<u>203,211</u>

4. SEGMENT INFORMATION (Continued)

Geographical information

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

1.3.2025 to 31.8.2025 (Unaudited)

	Hong Kong HK\$'000	Mainland China HK\$'000	Consolidated HK\$'000
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

1.3.2024 to 31.8.2024 (Unaudited)

	Hong Kong HK\$'000	Mainland China HK\$'000	Consolidated HK\$'000
REVENUE	841,852	18,469	860,321
RESULT			
Segment results	201,368	2,764	204,132
Unallocated operating income			555
Unallocated expenses			(1,476)
Profit before tax			203,211

5. INTEREST INCOME

	1.3.2025 to 31.8.2025 (Unaudited) HK\$'000	1.3.2024 to 31.8.2024 (Unaudited) HK\$'000
Non-credit impaired advances	741,608	723,887
Credit impaired advances	12,060	10,212
Time deposits and bank balances	788	393
	754,456	734,492

6. INTEREST EXPENSE

	1.3.2025 to 31.8.2025 (Unaudited) HK\$'000	1.3.2024 to 31.8.2024 (Unaudited) HK\$'000
Interest on borrowings from immediate holding company	7,853	17,101
Interest on bank borrowings	41,674	47,849
Interest on lease liabilities	2,417	2,857
Net interest expense (income) on interest rate swap contracts	3,665	(3,270)
	55,609	64,537

7. OTHER INCOME

	1.3.2025 to 31.8.2025 (Unaudited) HK\$'000	1.3.2024 to 31.8.2024 (Unaudited) HK\$'000
Marketing support fund	3,713	7,758
Others	2,206	555
	5,919	8,313

8. OTHER GAINS AND LOSSES

	1.3.2025 to 31.8.2025 (Unaudited) HK\$'000	1.3.2024 to 31.8.2024 (Unaudited) HK\$'000
Exchange gain (loss)		
Exchange gain on hedging instrument released from cash flow hedge reserve	1,150	5,395
Exchange loss on bank loans	(1,150)	(5,395)
Other exchange loss, net	(117)	(50)
Hedge ineffectiveness on cash flow hedges, net	(4)	202
Losses on disposal of property, plant and equipment	(518)	(34)
	(639)	118

9. OPERATING EXPENSES

	1.3.2025 to 31.8.2025 (Unaudited) HK\$'000	1.3.2024 to 31.8.2024 (Unaudited) HK\$'000
Depreciation on property, plant and equipment	22,641	20,495
Amortisation of intangible assets	4,079	3,030
Depreciation on right-of-use assets	26,464	30,927
Expenses relating to short-term leases	1,010	1,614
	27,474	32,541
General administrative expenses	115,978	113,306
Marketing and promotion expenses	39,657	50,818
Other operating expenses	38,945	38,828
Staff costs including Directors' emoluments	122,410	119,228
	371,184	378,246

10. INCOME TAX EXPENSE

	1.3.2025 to 31.8.2025 (Unaudited) HK\$'000	1.3.2024 to 31.8.2024 (Unaudited) HK\$'000
Current tax		
— Hong Kong Profits Tax	49,797	37,868
— PRC Enterprise Income Tax	69	110
Deferred tax	(2,139)	(5,128)
	<u>47,727</u>	<u>32,850</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 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. A Company's PRC subsidiary is a qualified small and thin-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.

11. DIVIDENDS

On 31st July 2025, a dividend of 25.0 HK cents (six months ended 31st August 2024: 24.0 HK cents) per share amounting to a total of HK\$104,691,000 (six months ended 31st August 2024: HK\$100,504,000) was paid to shareholders as the final dividend for 2024/25 (six months ended 31st August 2024: final dividend for 2023/24).

In respect of the current interim period, the Directors have declared an interim dividend of 25.0 HK cents per share amounting to HK\$104,691,000 payable to the shareholders of the Company whose names appear on the Register of Members on 20th October 2025. The interim dividend will be paid on 4th November 2025. 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.

12. EARNINGS PER SHARE — BASIC

The calculation of basic earnings per share is based on the unaudited profit for the period of HK\$233,600,000 (six months ended 31st August 2024: HK\$170,361,000) and on the number of shares of 418,765,600 (six months ended 31st August 2024: 418,765,600) in issue during the period.

13. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS

- (a) The Group acquired property, plant and equipment of approximately HK\$7,596,000 (six months ended 31st August 2024: HK\$18,390,000) and intangible assets approximately HK\$962,000 during the current period (six months ended 31st August 2024: HK\$1,821,000).
- (b) The Group leases various offices, office equipment, branches, director and staff quarters and signage (six months ended 31st August 2024: offices, office equipment, branches, director and staff quarters and signage) for its operations. Lease contracts are entered into for fixed and renewable term of 1 year to 6 years (six months ended 31st August 2024: 1 year to 6 years). The Group is required to make fixed monthly payments. During the current period, the Group recognised additional HK\$16,234,000 (six months ended 31st August 2024: HK\$33,277,000) of right-of-use assets and HK\$16,234,000 of lease liabilities (six months ended 31st August 2024: HK\$32,322,000).

14. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	31.8.2025	28.2.2025
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
Equity instruments at FVTOCI		
— Listed investment in Hong Kong	817	684
— Unlisted investments	110,056	105,497
	110,873	106,181

The investments included above represent investments in both listed and unlisted equity investments that offer the Group the opportunity for return through dividend income and fair value gains.

15. ADVANCES AND RECEIVABLES

	31.8.2025 (Unaudited) HK\$'000	28.2.2025 (Audited) HK\$'000
Credit card receivables	5,698,165	5,481,474
Personal loan receivables	1,593,666	1,631,788
	<u>7,291,831</u>	<u>7,113,262</u>
Accrued interest and other receivables	232,154	216,116
	<u>7,523,985</u>	<u>7,329,378</u>
Gross advances and receivables		
Impairment allowances (Note 16)	(255,068)	(264,939)
	<u>7,268,917</u>	<u>7,064,439</u>
Current portion included under current assets	(5,866,324)	(5,605,137)
	<u>1,402,593</u>	<u>1,459,302</u>

At 31st August 2025, the personal loan receivables include rescheduled loan receivables of HK\$188,170,000 (28th February 2025: HK\$176,815,000).

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

An analysis of movements in the gross amount of advances and receivables during each of the two periods ended 31st August 2025 and 31st August 2024 are set out as below:

	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	Total HK\$'000
At 1st March 2025	7,018,669	65,548	245,161	7,329,378
Net advance (repayment) in advances and receivables	432,566	(3,387)	(25,319)	403,860
Transfer to 12-months ECL (Stage 1)	63,488	(26,809)	(36,679)	–
Transfer to lifetime ECL not credit impaired (Stage 2)	(161,346)	163,479	(2,133)	–
Transfer to lifetime ECL credit impaired (Stage 3)	(138,328)	(147,558)	285,886	–
Total transfer between stages	(236,186)	(10,888)	247,074	–
Amounts written-off as uncollectable	–	–	(216,237)	(216,237)
Exchange realignment	6,670	149	165	6,984
At 31st August 2025	<u>7,221,719</u>	<u>51,422</u>	<u>250,844</u>	<u>7,523,985</u>

15. ADVANCES AND RECEIVABLES *(Continued)*

	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	Total HK\$'000
At 1st March 2024	6,682,702	75,389	202,768	6,960,859
Net advance (repayment) in advances and receivables	492,483	(6,536)	(11,677)	474,270
Transfer to 12-months ECL (Stage 1)	36,213	(34,120)	(2,093)	–
Transfer to lifetime ECL not credit impaired (Stage 2)	(175,372)	177,925	(2,553)	–
Transfer to lifetime ECL credit impaired (Stage 3)	(122,292)	(149,858)	272,150	–
Total transfer between stages	(261,451)	(6,053)	267,504	–
Amounts written-off as uncollectable	–	–	(213,821)	(213,821)
Exchange realignment	3,856	50	111	4,017
At 31st August 2024	<u>6,917,590</u>	<u>62,850</u>	<u>244,885</u>	<u>7,225,325</u>

(a) Credit card receivables

The term of credit card instalment plans entered into with customers mainly ranges from 3 months to 5 years (28th February 2025: 6 months to 5 years).

All credit card receivables are denominated in HKD. The credit card receivables mainly carry effective interest ranging from 3.5% to 35.9% (28th February 2025: 3.5% to 35.9%) per annum.

(b) Personal loan receivables

Most of the personal loan receivables entered into with customers ranges from 1 month to 10 years (28th February 2025: 1 month to 10 years) and are denominated in HKD or RMB. The personal loan receivables mainly carry effective interest ranging from 2.3% to 45.0% (28th February 2025: 2.3% to 47.8%) per annum.

15. ADVANCES AND RECEIVABLES (Continued)

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

	31.8.2025 (Unaudited)		28.2.2025 (Audited)	
	HK\$'000	%*	HK\$'000	%*
Stage 1	7,221,719	96.0	7,018,669	95.8
Stage 2	51,422	0.7	65,548	0.9
Stage 3	250,844	3.3	245,161	3.3
	7,523,985	100.0	7,329,378	100.0

* 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 become credit-impaired.

16. IMPAIRMENT ALLOWANCES

	31.8.2025 (Unaudited) HK\$'000	28.2.2025 (Audited) HK\$'000
Analysis by products as:		
Credit card receivables	137,610	140,479
Unused credit card limit	2,579	2,668
Personal loan receivables	109,494	116,177
Accrued interest and other receivables	5,385	5,615
	255,068	264,939

At 31st August 2025, the impairment allowance of personal loan receivables includes impairment allowance on rescheduled loan receivables of HK\$43,366,000 (28th February 2025: HK\$41,679,000).

16. IMPAIRMENT ALLOWANCES (Continued)

An analysis of changes in impairment allowances including commitments on unused credit card limit during each of the two periods ended 31st August 2025 and 31st August 2024 are set out as below:

	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	Total HK\$'000
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	150,107	19,666	85,295	255,068
	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	Total HK\$'000
At 1st March 2024	123,883	32,208	91,000	247,091
Net advance (repayment) in advances and receivables	9,587	(2,768)	(5,004)	1,815
Transfer to 12-months ECL (Stage 1)	15,347	(14,450)	(897)	–
Transfer to lifetime ECL not credit impaired (Stage 2)	(3,462)	4,556	(1,094)	–
Transfer to lifetime ECL credit impaired (Stage 3)	(2,414)	(63,468)	65,882	–
Total transfer between stages	9,471	(73,362)	63,891	–
Remeasurement of ECL during the period	1,890	70,284	162,112	234,286
Amounts written-off as uncollectable	–	–	(213,831)	(213,831)
Exchange realignment	36	24	88	148
At 31st August 2024	144,867	26,386	98,256	269,509

17. PREPAYMENTS, DEPOSITS AND OTHER DEBTORS

	31.8.2025 (Unaudited) HK\$'000	28.2.2025 (Audited) HK\$'000
Deposits for property, plant and equipment	1,333	2,137
Deposits for intangible assets	166	23
Rental and other deposits	16,586	15,071
Prepaid operating expenses	57,884	53,696
Other debtors	53,178	30,072
	<u>129,147</u>	<u>100,999</u>
Current portion included under current assets	(106,337)	(79,388)
	<u>22,810</u>	<u>21,611</u>

18. TIME DEPOSITS

Time deposits are denominated in HKD and RMB and carry fixed rates ranging from 0.02% to 3.04% (six months ended 31st August 2024: 1.20% to 4.41%) per annum during the current interim period.

	31.8.2025 (Unaudited) HK\$'000	28.2.2025 (Audited) HK\$'000
Time deposits with maturity of three months or less	14,780	17,870
Time deposits with maturity of more than three months	418	3,612
	<u>15,198</u>	<u>21,482</u>

19. BANK BALANCES AND CASH

Bank balances carry prevailing market interest rates.

The carrying amounts of the bank balances and cash are denominated in the following currencies:

	HKD HK\$'000	JPY HK\$'000	RMB HK\$'000	USD HK\$'000	Total HK\$'000
31.8.2025 (Unaudited)					
Bank balances and cash	<u>222,981</u>	<u>4,505</u>	<u>17,424</u>	<u>1,279</u>	<u>246,189</u>
28.2.2025 (Audited)					
Bank balances and cash	<u>211,634</u>	<u>—</u>	<u>12,366</u>	<u>2,220</u>	<u>226,220</u>

20. 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:

	31.8.2025 (Unaudited) HK\$'000	28.2.2025 (Audited) HK\$'000
Less than 1 month	141,166	77,449
Over 1 month but less than 3 months	2,018	1,044
Over 3 months	1,087	429
	144,271	78,922

- (b) At 31st August 2025, included in contract liabilities is deferred revenue in relation to customer loyalty programmes of HK\$52,208,000 (28th February 2025: HK\$42,024,000).

21. AMOUNTS DUE TO FELLOW SUBSIDIARIES

The amounts are unsecured, non-interest bearing and repayable on demand except for HK\$27,190,000 (28th February 2025: HK\$7,350,000) which is trade-related.

The aged analysis of amounts due to fellow subsidiaries that are trade-related based on the invoice date at the end of the reporting period is as follows:

	31.8.2025 (Unaudited) HK\$'000	28.2.2025 (Audited) HK\$'000
Less than 1 month	27,190	7,350

22. BANK BORROWINGS/BORROWINGS FROM IMMEDIATE HOLDING COMPANY

	31.8.2025 (Unaudited)		28.2.2025 (Audited)	
	Borrowings from immediate holding company		Borrowings from immediate holding company	
	Bank borrowings HK\$'000	HK\$'000	Bank borrowings HK\$'000	HK\$'000
Carrying amount repayable (<i>Note</i>)				
Within one year	1,207,297	955,000	1,015,149	900,000
Within a period of more than one year but not more than two years	880,000	–	489,685	–
Within a period of more than two years but not more than five years	100,000	–	750,000	–
	<u>2,187,297</u>	<u>955,000</u>	<u>2,254,834</u>	<u>900,000</u>
Amount repayable within one year included under current liabilities	<u>(1,207,297)</u>	<u>(955,000)</u>	<u>(1,015,149)</u>	<u>(900,000)</u>
Amount repayable after one year	<u>980,000</u>	<u>–</u>	<u>1,239,685</u>	<u>–</u>

Note: During the six-month period ended 31 August 2025, the Group drew down a short-term sustainability-linked loan facility of HK\$300,000,000. Such loan 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 3.50:1. As at 31st August 2025, 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.

22. BANK BORROWINGS/BORROWINGS FROM IMMEDIATE HOLDING COMPANY (Continued)

At the end of 31st August 2025 and 28th February 2025, all borrowings are unsecured. The carrying amounts of the borrowings are denominated in the following currencies:

	RMB HK\$'000	HKD HK\$'000	JPY HK\$'000	Total HK\$'000
31.8.2025 (Unaudited)				
Bank borrowings	91,963	2,034,441	60,893	2,187,297
Borrowings from immediate holding company	—	955,000	—	955,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
28.2.2025 (Audited)				
Bank borrowings	50,149	2,145,000	59,685	2,254,834
Borrowings from immediate holding company	—	900,000	—	900,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

HKD bank loans of HK\$1,115,000,000 (28th February 2025: HK\$1,075,000,000) are arranged at fixed interest rates ranging from 2.47% to 5.75% (28th February 2025: 2.47% to 5.75%) per annum of which the interest rates of sustainability linked loans of HK\$500,000,000 (28th February 2025: HK\$200,000,000) are linked to the sustainability performance of the Company, which may be reduced depending on the extent of pre-determined key performance indicators being met. Other HKD bank loans are arranged at floating interest rates ranging from 0.56% plus HIBOR to 0.75% plus HIBOR (28th February 2025: 0.56% plus HIBOR to 0.75% plus HIBOR) per annum of which the interest margin of sustainability linked loans of HK\$120,000,000 (28th February 2025: HK\$120,000,000) is linked to the sustainability performance of the Company, which may be reduced depending on the extent of pre-determined key performance indicators being met.

All borrowings from immediate holding company are denominated in HKD, which are arranged at fixed interest rates of 3.16% to 3.30% per annum (28th February 2025: 3.86% to 4.00% per annum).

JPY bank loans are arranged at floating interest rates at 0.40% plus TONA (28th February 2025: 0.40% plus TONA).

All RMB bank loans are arranged at fixed interest rates ranging from 2.75% to 2.85% (28th February 2025: 2.85% to 3.00%) per annum.

At 31st August 2025, the Group had available unutilised overdrafts and non-committed short term bank loan facilities of HK\$580,000,000 (28th February 2025: HK\$359,900,000) and HK\$705,789,000 (28th February 2025: HK\$701,251,000) respectively.

23. DERIVATIVE FINANCIAL INSTRUMENTS

	31.8.2025		28.2.2025	
	(Unaudited)		(Audited)	
	Assets	Liabilities	Assets	Liabilities
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Interest rate swaps	2,946	12,459	10,718	5,864
Cross-currency interest rate swap	—	21,707	—	21,774
	<u>2,946</u>	<u>34,166</u>	<u>10,718</u>	<u>27,638</u>
Current portion	(1,191)	(22,155)	(288)	(1,319)
	<u>(1,191)</u>	<u>(22,155)</u>	<u>(288)</u>	<u>(1,319)</u>
Non-current portion	1,755	12,011	10,430	26,319
	<u>1,755</u>	<u>12,011</u>	<u>10,430</u>	<u>26,319</u>

All derivative financial instruments entered into by the Group that remain outstanding at 31st August 2025 and 28th February 2025 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.

Details of major derivative financial instruments for hedging purposes are as follows:

Cash flow hedges:

Interest rate swaps

The Group uses interest rate swaps to minimise its exposures to cash flow changes of its floating-rate bank borrowings by swapping certain HKD floating-rate bank borrowings with aggregate principal of HK\$920,000,000 (28th February 2025: HK\$1,070,000,000) from floating rates to fixed rates. The interest rate swaps with aggregate notional amount of HK\$920,000,000 (28th February 2025: HK\$1,070,000,000) have fixed interest payments quarterly at fixed interest rates ranging from 1.95% to 5.42% (28th February 2025: 1.95% to 5.42%) per annum and floating interest receipts monthly/quarterly ranging from 0.56% plus HIBOR to 0.75% plus HIBOR (28th February 2025: 0.56% plus HIBOR to 0.75% plus HIBOR) per annum for periods up until December 2028 (28th February 2025: until December 2028).

The interest rate swaps and the corresponding bank borrowings have similar terms, such as principal amounts, interest rate spread, start dates, maturity dates and counterparties, and the Directors consider that the interest rate swaps are highly effective hedging instruments. Interest rate swaps are designated as cash flow hedging instruments from floating interest rates to fixed interest rates.

23. DERIVATIVE FINANCIAL INSTRUMENTS *(Continued)*

Cash flow hedges: *(Continued)*

Interest rate swaps (Continued)

During the period, net adjustment on the above-mentioned cash flow hedges amounted to HK\$9,484,000 (six months ended 31st August 2024: HK\$14,793,000) and is included in other comprehensive income.

The fair values of the interest rate swaps are determined by using the discounted cash flow method based on HIBOR yield curves at the end of the reporting period.

Cross-currency interest rate swap

The Group uses cross-currency interest rate swaps designated as highly effective hedging instrument to minimise its exposures to foreign currency and cash flow interest rate risk of its JPY bank borrowings by swapping the floating-rate JPY bank borrowings to fixed-rate HKD bank borrowings.

The JPY cross-currency interest rate swaps with notional amount of JPY1,150,000,000 (28th February 2025: JPY1,150,000,000) (equivalent to HK\$83,038,000 at the date of inception of the bank borrowings) have fixed currency payments in HKD at exchange rates of JPY to HKD at 0.07 (28th February 2025: 0.07), fixed interest payments quarterly in HKD at 2.17% (28th February 2025: 2.17%) per annum and floating interest receipts quarterly in JPY at 0.40% plus TONA (28th February 2025: 0.40% plus TONA) per annum for periods up until March 2026 (28th February 2025: until March 2026).

The cross-currency interest rate swap and the corresponding bank borrowing have the same terms, such as principal amounts, interest rate spread, start dates, maturity dates and counterparties, and the Directors consider that the cross-currency interest rate swap is highly effective hedging instrument.

During the period, net adjustment on the above-mentioned cash flow hedges amounted to HK\$1,094,000 (six months ended 31st August 2024: HK\$4,613,000) and is included in other comprehensive income.

The fair value of the cross-currency interest rate swap is determined by using the discounted cash flow method based on TONA (28th February 2025: TONA) yield curves and the forward exchange rates between JPY and HKD (28th February 2025: JPY and HKD) estimated at the end of the reporting period.

24. SHARE CAPITAL

	Number of shares	Share capital HK\$'000
Issued and fully paid		
At 1st March 2025 and 31st August 2025		
— Ordinary shares with no par value	418,765,600	269,477

25. CAPITAL COMMITMENTS

	31.8.2025 (Unaudited) HK\$'000	28.2.2025 (Audited) HK\$'000
Contracted for but not provided in the condensed consolidated financial statements:		
Purchase of property, plant and equipment and intangible assets	5,364	2,942

26. RELATED PARTY TRANSACTIONS

During the period, the Group entered into the following transactions with related parties:

	(Unaudited)					
	Fellow subsidiaries		Immediate holding company		Intermediate holding company	
	1.3.2025 to 31.8.2025 HK\$'000	1.3.2024 to 31.8.2024 HK\$'000	1.3.2025 to 31.8.2025 HK\$'000	1.3.2024 to 31.8.2024 HK\$'000	1.3.2025 to 31.8.2025 HK\$'000	1.3.2024 to 31.8.2024 HK\$'000
Interest income received and receivable	2,032	1,503	—	—	—	—
Commissions received and receivable	9,133	9,887	—	—	—	—
Service fees received	—	—	765	750	—	—
Licence fees paid and payable	11,371	11,080	—	—	—	—
Service fees paid and payable	115	2,002	—	—	5,400	9,086
Royalty paid and payable	—	—	—	—	4,463	—
Gift certificates purchased	10,832	5,662	—	—	—	—
Interest on lease liabilities	242	270	—	—	—	—
Loan interest paid and payable	—	—	7,853	17,101	—	—

26. RELATED PARTY TRANSACTIONS *(Continued)*

Outstanding balances as at the end of reporting periods arising from the above transactions with related parties are set out in the condensed consolidated statement of financial position except for the following balances, which are included in creditors and accruals and lease liabilities respectively:

	31.8.2025 (Unaudited) HK\$'000	28.2.2025 (Audited) HK\$'000
Amount due to immediate holding company (included in creditors and accruals)	271	390
Amounts due to fellow subsidiaries (included in lease liabilities)	12,918	9,341

During the period ended 31st August 2025, the Group entered into a loan facility agreement with AFS(HK), that AFS(HK) would provide a facility of HK\$1,000,000,000 (year ended 28th February 2025: HK\$900,000,000) to the Company. At 31st August 2025, the Group had available unutilised loan facility of HK\$45,000,000 (28th February 2025: fully utilised).

Compensation of key management personnel

The remuneration of Directors and other members of key management during the period was as follows:

	1.3.2025 to 31.8.2025 (Unaudited) HK\$'000	1.3.2024 to 31.8.2024 (Unaudited) HK\$'000
Short-term benefits	5,384	5,343
Post-employment benefits	90	91
	5,474	5,434

The remuneration of Directors is determined by the Remuneration Committee having regard to the Group's operating results, performance of individuals and market trends.

27. PARTICULARS OF THE SUBSIDIARIES

Name of subsidiaries	Place of incorporation/ registration and operation	Share capital/paid-up capital		Proportion of ownership interest directly held by the Company		Principal activities
		31.8.2025	28.2.2025	31.8.2025	28.2.2025	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)	
AEON Insurance Brokers (HK) Limited (Note 1)	Hong Kong	HK\$1,000,000	HK\$1,000,000	100%	100%	Dormant
AEON Micro Finance (Shenzhen) Co., Ltd (Note 2)	Mainland China	RMB250,000,000	RMB250,000,000	100%	100%	Microfinance business
AEON Information Service (Shenzhen) Co., Ltd. (Note 2)	Mainland China	HK\$2,000,000	HK\$2,000,000	100%	100%	Provision of business process outsourcing services

Note 1: Upon cessation of carrying on regulated activities in Hong Kong with effect from 28th February 2025, the insurance broker company licence of AEON Insurance Brokers (HK) Limited was revoked by the Insurance Authority. During the six-month ended 31st August 2025, AEON Insurance Brokers (HK) Limited has initiated proceedings for dissolution.

Note 2: The companies are wholly foreign owned enterprises, solely funded by Hong Kong corporate body, and established in Mainland China.

28. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value measurements recognised in the condensed consolidated statement of financial position

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

28. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value measurements recognised in the condensed consolidated statement of financial position
(Continued)

	31.8.2025 (Unaudited)			Total
	Level 1	Level 2	Level 3	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Derivative financial assets	–	2,946	–	2,946
Equity instruments at fair value through other comprehensive income				
— Listed equity securities	817	–	–	817
— Unlisted equity securities	–	–	110,056	110,056
Total	817	2,946	110,056	113,819
Derivative financial liabilities	–	34,166	–	34,166
	28.2.2025 (Audited)			Total
	Level 1	Level 2	Level 3	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Derivative financial assets	–	10,718	–	10,718
Equity instruments at fair value through other comprehensive income				
— Listed equity securities	684	–	–	684
— Unlisted equity securities	–	–	105,497	105,497
Total	684	10,718	105,497	116,899
Derivative financial liabilities	–	27,638	–	27,638

28. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Fair value measurements recognised in the condensed consolidated statement of financial position (Continued)

During the six-month ended 31st August 2025, the fair value gain of investments with level 3 fair value measurement was HK\$4,559,000 (six-month ended 31 August 2024: gain of HK\$5,884,000) and included in other comprehensive income.

Except as detailed in the following table, the Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the Group's condensed consolidated financial statements approximate to their fair values using the discounted cash flow analysis:

	31.8.2025 (Unaudited)		28.2.2025 (Audited)	
	Carrying amount HK\$'000	Fair value HK\$'000	Carrying amount HK\$'000	Fair value HK\$'000
Bank borrowings	2,187,297	2,237,496	2,254,834	2,311,319
Borrowings from immediate holding company	955,000	955,426	900,000	900,058

The fair value of listed equity securities is determined with reference to quoted market bid price from the Stock Exchange.

The fair values of unlisted equity investments have been arrived at on the basis of valuations which were principally arrived at using the market approach for business enterprises valuation with reference to the market capitalisation of listed entities in similar industries with consideration of a discount of 20% (28th February 2025: 20%) for lack of marketability. An increase in the marketability discount used would result in a decrease in fair value of the unlisted equity investments, and vice versa.

The fair value of derivative financial instruments is measured by the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates and foreign exchange rates between JPY and HKD (for cross-currency interest rate swap contract), which is observable at the end of the reporting period.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 17th October 2025 to Monday, 20th October 2025, both days inclusive. During this period, no transfer of shares will be registered. In order to qualify for the interim dividend, all transfers of share accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Thursday, 16th October 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

During the six months ended 31st August 2025 ("1H FY2025/26" or the "Reporting Period"), the Group navigated a challenging economic environment in Mainland China and Hong Kong, marked by ongoing US-China trade tensions. While Hong Kong's economy experienced moderate recovery supported by a stock market rebound and further resurgence of tourism, headwinds persisted in the form of weak consumer sentiment, high interest rates, and elevated levels of credit defaults. In response, the Group adopted a more conservative approach to sales and receivables growth, prioritising maximizing returns from its credit card and personal loan portfolios while mitigating credit risk.

Despite these challenges, the Group achieved a marginal revenue increase, demonstrating the resilience of its core operations and the effectiveness of measures implemented to sustain sales and receivables growth. Overall sales increased 4.4% in 1H FY2025/26 compared with the first half of the previous year ("1H FY2024/25" or the "Previous Period"), driven by growth in credit card sales, which offset the decline in personal loan sales resulting from more prudent credit assessment. Gross advances and receivables continued an upward trajectory, increasing 2.7% from 28th February 2025 to 31st August 2025, despite the Group's conservative marketing stance. To address the prevailing high credit default rates, the Group has implemented robust credit monitoring measures to mitigate further deterioration in asset quality. Consequently, the percentage of impaired credit (i.e., stage 2 and stage 3 receivables) to gross advances and receivables decreased from 4.2% as of 28th February 2025 to 4.0% as of 31st August 2025.

The Group's marketing strategy effectively reduced advertising costs while maintaining marketing effectiveness and optimising resource allocation. In celebration of the Company's 35th anniversary in Hong Kong, promotional campaigns were expanded, including the "AEON 35th Anniversary • Lucky Draw" campaign, alongside existing incentive programmes. The launch of Green Personal Loan products further reinforced the Group's commitment to environmental, social, and governance (ESG) principles. Leveraging the AEON Ecosystem, the Group also capitalised on group synergy through initiatives such as the AEON JCB credit card revamp programme.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Business Review *(Continued)*

Continuous refinement of the credit assessment methodology, in line with the Group's "Promote, Monitor and Control" credit strategy, enhanced the balance between meeting customers' financial needs and managing credit risk control. This enabled proactive identification of customers requiring credit advice and the provision of flexible solutions to alleviate financial burden.

In information technology, the Group has completed the IPCC project to enhance its call center operations, with ongoing evaluations planned for further efficiency improvements. The Group is also actively exploring the implementation of AI and the One AEON project to drive innovation and streamline processes.

As for the Mainland China business, AMF(SZ) experienced a loss due to surging delinquency rates on property owner and business owner loans and economic uncertainty. However, swift implementation of measures to better pace receivables growth and strengthen credit assessment mitigated the impact on the Group's overall results. In terms of back-office outsourcing services, AIS provided effective telemarketing activities, driving personal loan and cash advance sales and executing timely customer repayment reminder.

Interim Dividend

In view of the Group's strong financial position and in order to once again share its fruitful results with shareholders, the Board has resolved to declare an interim dividend of 25.0 HK cents per share (1H FY2024/25: 24.0 HK cents per share), representing a dividend payout ratio of 44.8%. This is in line with the Group's policy of paying no less than 30% of its net profit for the period as dividends.

Financial Review

The Group recorded profit before tax of HK\$281.3 million for the Reporting Period, an increase of 38.4%, or HK\$78.1 million, from the Previous Period. With income tax expense of HK\$47.7 million, the Group's profit after tax increased by 37.1%, or HK\$63.2 million, to HK\$233.6 million from HK\$170.4 million in the Previous Period. Earnings per share increased from 40.68 HK cents to 55.78 HK cents for the Reporting Period.

The net debt to equity ratio was 0.7 as at 31st August 2025 and 28th February 2025, while the total equity to total assets ratio as at 31st August 2025 and 28th February 2025 was 54.2% and 54.0%, respectively.

Net asset value per share (after the interim dividend) was HK\$10.2 as at 31st August 2025, compared with a net asset value per share (after the final dividend) of HK\$9.9 as at 28th February 2025.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Financial Review (Continued)

Consolidated Statement of Profit or Loss Analysis

Revenue

Revenue for 1HFY2025/26 was HK\$897.1 million, an increase of 4.3%, or HK\$36.8 million, compared with the HK\$860.3 million recorded in 1HFY2024/25.

Net interest income

The Group implemented various marketing programs in 1HFY2025/26 to meet market demand, successfully maintaining sales growth despite the economic uncertainty. As a result, the continuous increase in revolving credit card receivables offset the decline in personal loan receivables during the Reporting Period. Consequently, the Group recorded an increase in interest income of 2.7%, or HK\$20.0 million, from HK\$734.5 million in the Previous Period to HK\$754.5 million in the Reporting Period.

The Group's interest expenses recorded a decrease of HK\$8.9 million, from HK\$64.5 million in the Previous Period to HK\$55.6 million in the Reporting Period, due to declining HIBOR and an effective funding strategy. With a borrowing portfolio comprising a mix of borrowing rates and maturities, the Group's average cost of funds decreased from 4.1% in the Previous Period to 3.4% in 1HFY2025/26.

As a result, the Group's net interest income for 1HFY2025/26 was HK\$698.8 million, representing an increase of 4.3%, or HK\$28.9 million, compared with HK\$670.0 million for 1HFY2024/25.

Operating income

Due to the significant increase in credit card purchase volume during the Reporting Period, the rise in commission income surpassed the operating costs associated with the attractive cashback incentive scheme and promotional campaigns. Consequently, fees and commissions from the credit card issuing business increased from HK\$19.4 million to HK\$21.4 million during the Reporting Period. For the credit card acquiring business, fees and commissions increased by HK\$2.4 million to HK\$29.8 million during the Reporting Period due to an increase in both the number of card acquiring merchants and transaction volume. Fees and commissions from the insurance intermediary business recorded an increase of HK\$1.1 million during the Reporting Period, attributable to the new insurance products launched through diversified insurance distribution channels. Overall, the Group recorded an increase in fees and commissions of 8.8%, or HK\$5.4 million, from HK\$62.1 million in 1HFY2024/25 to HK\$67.6 million in 1HFY2025/26.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Financial Review (Continued)

Consolidated Statement of Profit or Loss Analysis (Continued)

Operating income (Continued)

As a result of the continued increase in demand for cash advances, increased mark-up charges on foreign currency card purchases, and the higher number of customers making minimum payments, handling and late charges increased by HK\$11.4 million to HK\$75.1 million for 1HFY2025/26.

In terms of other income, the Group recognized income of HK\$3.7 million from business partner sponsorships in 1HFY2025/26 compared with HK\$7.8 million in 1HFY2024/25.

Overall, the Group's operating income for 1HFY2025/26 recorded an increase of 5.3%, or HK\$42.6 million, from HK\$804.2 million in 1HFY2024/25 to HK\$846.8 million for the Reporting Period.

Operating expenses

The Group's targeted marketing strategy effectively reduced advertising expenses while maintaining comparable impact through a broader range of promotional campaigns. This was achieved by strategically integrating traditional and digital marketing channels to precisely target specific customer segments. As a result, marketing and advertising promotional costs were efficiently controlled, leading to a reduction of HK\$11.2 million to HK\$39.7 million in 1HFY2025/26 (1HFY2024/25: HK\$50.8 million). For lease related expenses, with the relocation of data center and termination of certain outdoor advertising, the Group enjoyed a saving of HK\$5.1 million to HK\$27.5 million in 1HFY2025/26 (1HFY2024/25: HK\$32.5 million). Following the completion of the IPCC project and network facility upgrades, depreciation of property, plant and equipment, and amortization of intangible assets, increased by HK\$3.2 million to HK\$26.7 million for 1HFY2025/26 compared with the Previous Period (1HFY2024/25: HK\$23.5 million). In addition, general administrative expenses increased by HK\$2.7 million to HK\$116.0 million in 1HFY2025/26 compared with the Previous Period (1HFY2024/25: HK\$113.3 million) due to higher card association fees resulting from increased overseas card sales. To support business growth, additional manpower was deployed to enhance product development, resulting in an increase in staff costs of HK\$3.2 million to HK\$122.4 million in 1HFY2025/26 compared with the Previous Period (1HFY2024/25: HK\$119.2 million).

Despite these increases, total operating expenses decreased by 1.9%, or HK\$7.1 million, from HK\$378.2 million in the Previous Period to HK\$371.2 million in the Reporting Period. Coupled with increased operating income, the cost-to-income ratio improved from 47.0% in 1HFY2024/25 to 43.8% in 1HFY2025/26.

Operating profit before impairment losses and allowances, reached HK\$475.6 million, an 11.7% increase compared to HK\$426.0 million in 1HFY2024/25.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Financial Review *(Continued)*

Consolidated Statement of Profit or Loss Analysis *(Continued)*

Impairment losses and impairment allowances

During the Reporting Period, the unemployment rate reached a two-year high of 3.7%, primarily driven by shifts in consumption patterns. Interest rates remained high, and individual bankruptcy petitions reached their highest level since 2022 in the second quarter. Consequently, credit defaults remained elevated within the consumer finance industry in 1HFY2025/26. The Group effectively managed credit risks through its proprietary scoring system, which adapted to the evolving macroeconomic environment and facilitated risk assessment across various scenarios. Proactive collection efforts and responsive debt relief plans significantly enhanced early settlement opportunities. Despite the continued growth in gross advances and receivables during the Reporting Period, customer repayment patterns showed improvement. There was a decrease in impairment losses and impairment allowances of 12.7%, or HK\$30.1 million, from HK\$236.1 million in the Previous Period to HK\$206.0 million in the Reporting Period. The ratio of impairment losses and impairment allowances to revenue improved from 27.4% in 1HFY2024/25 to 23.0% in 1HFY2025/26.

Consolidated Statement of Financial Position Analysis

The Group's total equity as at 31st August 2025 was HK\$4,379.9 million, representing an increase of 3.0%, or HK\$128.8 million, compared with a balance of HK\$4,251.2 million as at 28th February 2025.

Total assets as at 31st August 2025 amounted to HK\$8,087.5 million, compared with total assets of HK\$7,868.3 million as at 28th February 2025.

Advances and receivables

Following the launch of successful marketing and advertising activities, credit card receivables increased from HK\$5,481.5 million as at 28th February 2025 to HK\$5,698.2 million as at 31st August 2025. However, due to prudent credit assessments during the Reporting Period, personal loan receivables decreased from HK\$1,631.8 million as at 28th February 2025 to HK\$1,593.7 million as at 31st August 2025.

Gross advances and receivables increased by 2.7%, or HK\$194.6 million, to HK\$7,524.0 million as at 31st August 2025 from HK\$7,329.4 million as at 28th February 2025. Gross advances and receivables exposed to higher credit risk or otherwise credit impaired amounting to HK\$302.3 million and HK\$310.7 million as at 31st August 2025 and 28th February 2025, respectively. Impairment allowances amounted to HK\$255.1 million as at 31st August 2025, representing 3.4% of gross advances and receivables, compared with HK\$264.9 million as at 28th February 2025, representing 3.6% of gross advances and receivables.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Financial Review (Continued)

Consolidated Statement of Financial Position Analysis (Continued)

Bank borrowings and borrowings from the immediate holding company

Despite increased gross advances and receivables balance, effective utilisation of internal funding and short-term financing maintained bank borrowings and borrowings from the immediate holding company at a consistent level during the Reporting Period, with a balance of HK\$3,142.3 million as at 31st August 2025, compared with HK\$3,154.8 million as at 28th February 2025. Of the borrowings as at 31st August 2025, 68.8% will mature within one year, 28.0% between one and two years, and 3.2% between two and five years. Of the borrowings maturing in more than one year, 33.7% had fixed interest rates, and 66.3% were hedged against interest rate fluctuations through relevant swap instruments.

The average duration of borrowings as at 31st August 2025 was 0.6 years, compared with 1.0 years as at 28th February 2025.

Segment information

The Group operates across three business segments: credit cards, personal loans and insurance intermediary business. For 1H FY2025/26, 79.6% of the Group's revenue was derived from credit card operations, compared with 77.8% in 1H FY2024/25. Personal loan operations accounted for 18.6% of the Group's revenue, compared with 20.5% in the Previous Period. As for segment results, profit from credit card operations accounted for 93.4% of the Group's total business, compared with 104.0% during the Previous Period. Meanwhile, profit from personal loan operations accounted for 4.1%, compared with loss from personal loan operations of 7.1% during the Previous Period.

In the credit card business, targeted marketing and the launch of diverse marketing programmes for domestic and dining expenditures drove increased credit card sales and higher revolving credit card balances during the Reporting Period. Consequently, revenue from credit card operations increased by 6.7%, or HK\$45.0 million, to HK\$714.0 million, up from HK\$669.0 million in 1H FY2024/25. Reduced borrowing costs and improved impairment performance, the segment result for the Reporting Period increased by HK\$52.2 million, or 24.6%, from HK\$212.4 million in 1H FY2024/25 to HK\$264.6 million.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Financial Review *(Continued)*

Consolidated Statement of Financial Position Analysis *(Continued)*

Segment information (Continued)

In the personal loan business, given the conservative marketing approach and prudent credit assessment, there was a slowdown in sales during the Reporting Period, resulting in a marginal decrease in the personal loan receivables balance. Revenue from personal loan operations decreased by 5.3%, or HK\$9.3 million, from HK\$176.0 million in 1HFY2024/25 to HK\$166.7 million in 1HFY2025/26. The adoption of prudent credit assessment had resulted in reduction in impairment losses and impairment allowances, with the segment result turned to profit of HK\$11.5 million in the Reporting Period as compared with a loss of HK\$14.5 million in 1HFY2024/25.

Following adjustments to its business model and product offerings, the insurance intermediary business resumed growth during the Reporting Period. Segment revenue and result amounted to HK\$16.5 million and HK\$7.3 million, respectively, for the Reporting Period, compared with HK\$15.4 million and HK\$6.3 million, respectively, for the Previous Period.

By geographical location, revenue from Hong Kong operations increased by 3.6%, or HK\$30.2 million, from HK\$841.9 million in 1HFY2024/25 to HK\$872.1 million in 1HFY2025/26, due to higher receivables balances. The segment result also increased by 45.7%, or HK\$92.0 million, from HK\$201.4 million in 1HFY2024/25 to HK\$293.3 million, due to improved asset quality and lower funding costs.

In Mainland China, the Group prioritized strengthening its credit assessment process to stabilise asset quality in response to anticipated surging delinquency rates on property owner and business owner loans. Although the increase in receivables helped drive revenue growth from HK\$18.5 million in 1HFY2024/25 to HK\$25.1 million for the Reporting Period, due to deterioration in customer repayment performance, the China operation recorded a loss of HK\$10.0 million for the Reporting Period as compared to a profit of HK\$2.8 million for 1HFY2024/25.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Prospects

Looking ahead to the second half of FY2025/26, while uncertainties remain due to US tariff actions, Hong Kong's economy is expected to benefit from anticipated global interest rate cuts, which was reflected by a reduction of US Federal Reserve rate by 25 basis point in September 2025, a recovery in inbound tourism, and the Hong Kong Government's proactive support for mega-events designed to stimulate consumer spending.

The Group will focus on sustaining sales and receivables growth, particularly through domestic and online transactions, while refining credit assessment and monitoring processes to ensure a sustainable and high-quality asset portfolio. Marketing strategies will emphasise targeted campaigns, mass promotions, and leveraging incentives to expand market share, particularly among younger demographics. The Group will also pursue revenue diversification by increasing fee-generating transactions and expanding its insurance intermediary businesses.

To enhance operational efficiency, the Group plans to accelerate the integration of AI tools into back-office operations automating routine tasks such as data processing and credit risk analysis to reduce operational costs and improve accuracy.

Credit assessment and portfolio management will be commenced through an upgraded risk-based methodology designed to identify high-quality customers for additional credit. Advanced models are expected to improve fraud detection and predictive analytics for credit assessments, enabling faster decision-making and optimised resource allocation. These initiatives reinforce the Group's commitment to providing efficient services while minimising credit risk.

Within the AEON Ecosystem, the Group has commenced One AEON project to create an integrated bonus point platform for reward accumulation and redemption. The platform will enable seamless management of rewards earned from AEON Cards and prospective partner merchants, notably AEON Stores, via the "AEON HK" and partner merchant's mobile app. Integrating the bonus point platform with the AEON Stores network will enhance customers convenience and flexibility, fostering greater engagement and loyalty across both credit and retail services.

In Mainland China, the Group will focus on developing a sustainable business growth model for AMF (SZ) by capitalising on the potential of the Greater Bay Area. Strengthened credit assessment and corporate governance, enhanced sustainability practices and improved management oversight will support its expansion, driving customer base growth and shareholder value.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Prospects *(Continued)*

As the Company celebrates its 35th anniversary in Hong Kong, the Group continues to be guided by the AEON Vision Statement and the Three Principles of the AEON Group: “moving forward hand in hand”, “transcending the boundaries between groups and companies”, and “building multifaceted connections and creating a future full of smiles together.” With a strong liquidity position and robust balance sheet, the Group is well positioned to capitalise on opportunities in the credit finance market, deliver innovative and customer-centric credit services, and maintain business growth in the second half of the year.

Funding and Capital Management

The Group manages its capital to ensure that:

- the Group will continue as a going concern;
- a healthy capital ratio is maintained to instill confidence in stakeholders during periods of uncertainty and turmoil in financial markets;
- funds are available at competitive costs to meet all contractual financial commitments; and
- the Group is able to fund receivable growth and to generate reasonable returns from available funds.

Net debt to equity ratio

The Group’s management reviews the capital structure on a semi-annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Funding and Capital Management (Continued)

The net debt to equity ratio at the period/year end was as follows:

	31.8.2025 HK\$'000 (Unaudited)	28.2.2025 HK\$'000 (Audited)
Debt (Note a)	3,249,484	3,271,202
Cash and cash equivalents	(260,969)	(244,090)
Net debt	2,988,515	3,027,112
Equity (Note b)	4,379,925	4,251,161
Net debt to equity ratio	0.7	0.7

Notes:

- (a) Debt comprises lease liabilities, bank borrowings and borrowings from immediate holding company.
- (b) Equity includes all capital and reserves of the Group.

The principal source of internally generated capital was from accumulated profits. Taking into account the financial resources available to the Group, including internally generated funds and available banking facilities, the Group has sufficient working capital to meet its present requirements.

The Group's principal operations are transacted and recorded in HKD and thereby its core assets are not subject to any exposure on exchange rate fluctuation. During the period under review, the Group engaged in derivative financial instruments mainly to hedge exposure on interest rate and exchange rate fluctuations for its bank borrowings. At 31st August 2025, capital commitments entered into were mainly related to the purchase of property, plant and equipment and intangible assets.

Human Resources

At 31st August 2025 and 28th February 2025, the Group's total number of employees was 598 (Hong Kong: 377; PRC: 221) and 596 (Hong Kong: 380; PRC: 216) respectively. The Group continues to recognize and reward its staff in a manner similar to that disclosed in its 2024/25 Annual Report.

CREDIT BUSINESS MODEL AND KEY INTERNAL CONTROLS

The Group's approach and strategy underpinning its credit business model as detailed in the annual report for the financial year ended 28th February 2025 remained largely identical for 1H FY2025/26.

Regarding personal loan business, the Company provides instalment loans to customers and earns interest income for their durations, with loan amount mostly ranging from HK\$5,000 to either 12 times of the monthly salary or HK\$1,000,000 (whichever is lower) for 1H FY2025/26 and 1H FY2024/25, interest rates ranging from 2.3% to 45.0% for 1H FY2025/26 and 2.3% to 48.0% for 1H FY2024/25, with reference to the nature of the loan, the credit score of the applicant, as well as credit risks identified in relation to the loan type/nature of and the aspects taken into account in the relevant credit assessment.

In general, without taking into account of specific circumstances and considerations, (i) interest rates range from 5.0% to less than 21.0% for applicants with credit scores assigned by credit reference agency TransUnion (TU) in the range of AA to CC, 22.0% to 30.0% for DD and GG, 31.0% or above for HH to II and applicants under debt rescheduling; and (ii) tenors are up to 36 months for tax loans, up to 60 months for a large majority of personal loans, and up to ten years for debt rescheduling loans.

For card issuing business, the Company issues credit cards with approved credit limits. In order to maintain the credit facility, cardholders may incur an annual fee. For card credit purchase transactions, the Company earns interchange fees from card associations for 'off-us' transactions (i.e., transactions made through a card association's network) and commissions from merchants for 'on-us' transactions (i.e., transactions made only through the Company's own network and not a card association's network) and card instalment plans. Cardholders are provided with interest-free period of up to approximately 52 days, with interest being charged on the outstanding balances after the statement date and on new transactions (i.e. posted on the 2nd, 12th and 22nd of each month). For credit purchase card installment plan, cardholders can choose to repay the transactions by installments with tenor up to 36 months and with associated monthly handling charges. For card cash advance transactions, a one-time cash advance handling fee will be charged, and interest will accrue on the outstanding balances from the cash advance drawdown date. Each credit card account is subject to a minimum monthly payment. A late payment fee will be charged for each minimum payment not received by the payment due date. For 1H FY2025/26 and 1H FY2024/25, the Company provided household credit limits under credit card facilities mostly ranging from HK\$5,000 to HK\$590,000, with effective interest rates ranging up to 35.9% (with reference to nature of the credit card transactions).

For both 1H FY2025/26 and 1H FY2024/25, all of the customers in the Group's credit financing business are either residing in Hong Kong or Mainland China.

CREDIT BUSINESS MODEL AND KEY INTERNAL CONTROLS *(Continued)*

Customer Acquisition

The aggregate outstanding balances of the top five customers represented less than 1% of the entire personal loan outstanding balance as at 31st August 2025 and 28th February 2025 that comprised primarily of individuals with a stable source of income. Around 46.0% of the Company's customers are currently in the age range of 41 to 60.

Credit Assessment and Portfolio Management

There is no change in the credit assessment or portfolio management process for personal loans and credit cards for the six months ended 31st August 2025, of which details are stated in the annual report for the year ended 28th February 2025.

Internal Control

There is no change in the key internal controls of the credit business for the six months ended 31st August 2025, of which details are stated in the annual report for the year ended 28th February 2025.

Income and Source of Funding

For the six months ended 31st August 2025, interest income from money lending business accounted for 84.1% of the Group's revenue (1H FY2024/25: 85.4%). Details of the aggregate principal amount and interest receivable, duration and the effective interest rates of the loans under credit card facilities and personal loans are listed in note 15 to the condensed consolidated financial statements in this interim report. The Group also received fees and commissions from credit card transactions and from handling and late charges from credit card and personal loan transactions, which accounted for 5.7% and 8.4% respectively of the Group's revenue in 1H FY2025/26 (1H FY2024/25: 5.4% and 7.4% respectively).

The source of funding for both credit card and personal loan business comes from bank borrowings, borrowings from immediate holding company and the internal resources of the Group. As at 31st August 2025 and 28th February 2025, the Group's indebtedness is either with fixed interest rates or hedged against interest rate fluctuation by means of interest rate swaps. Moreover, the Group has an evenly distributed indebtedness portfolio to lessen the impact of short-term interest rate fluctuations. The average duration of indebtedness was 0.6 years as at 31st August 2025, as compared with 1.0 years as at 28th February 2025.

CREDIT BUSINESS MODEL AND KEY INTERNAL CONTROLS *(Continued)*

Income and Source of Funding *(Continued)*

Regarding liquidity risk, the Group continues to utilise bank borrowings to fund its receivables growth, with the majority of tenors for the receivables being within one to two years. The Group therefore does not have any liquidity risk issues.

In relation to capital base, as at 31st August 2025, 58.2% of its funding was derived from total equity, 12.7% from immediate holding company and 29.1% from direct borrowings from financial institutions, with debt-to-equity ratio being 0.7 (28th February 2025: 0.7). Taking into account the financial resources available to the Group, including internally generated funds and available banking facilities, the Group has sufficient working capital to meet its present operating requirements.

Money Lending Business in Mainland China

In Mainland China, the microfinance subsidiary in Shenzhen, AMF(SZ), provides loans to the general public residing in Shenzhen under its microfinance licence granted by the Shenzhen Local Financial Supervision and Administration Bureau. The microfinance subsidiary provides instalment loans to individuals and earns interest income for the durations of such loans, with the loan amounts mostly ranging from RMB1,000 to RMB500,000 for 1H FY2025/26 and from RMB5,000 to RMB500,000 for 1H FY2024/25, interest rates ranging from 10.8% up to 36.0% for 1H FY2025/26 and 8.0% up to 32.0% for 1H FY2024/25 (depending on the loan amount and tenor, as well the credit risks identified with regard to the nature of the loan and the aspects taken into account in the relevant credit assessment) and tenors mostly ranging from one month to three years for 1H FY2025/26 and from one month to three years for 1H FY2024/25.

The credit assessment, credit monitoring, risk management and internal control processes are broadly in line with those employed for the personal loan business in Hong Kong.

MANAGEMENT OF RISKS

The Group's major financial instruments include equity instruments at FVTOCI, advances and receivables, other debtors, time deposits, bank balances and cash, amount due from immediate holding company, bank borrowings, borrowings from immediate holding company, creditors, lease liabilities, amounts due to fellow subsidiaries and intermediate holding company, and derivative financial instruments in the designated hedge accounting relationships. Details of the Group's derivative financial instruments are disclosed in respective notes.

MANAGEMENT OF RISKS *(Continued)*

The Board is responsible for evaluating and determining the nature and extent of significant risks (including ESG risks) it is willing to take in achieving the Group's strategic objectives and ensuring that the Group establishes and maintains appropriate and effective risk management and internal control systems. The risk management and internal control systems are designed to provide reasonable, but not absolute assurance against misstatement or loss and to manage rather than eliminate risks of failure in operating systems or in achievement of the Group's business objectives.

Each department across the Group embraces the Group's Enterprise Risk Management (the "ERM") framework for its process management in day-to-day business activities. The ERM framework includes credit, operational (process, system, human, tangible assets, reputation), market, liquidity, legal and compliance risks. There are risk management policies, regulations and guidelines issued for each department to identify, assess, respond to, monitor and report risks across the Group. All business units have established procedures, key risk indicators and key performance indicators on the departmental level to support a proactive risk management approach and to ensure continuity of operations capability, high quality customer service, effective risk control, operational excellence and alignment with best market practices. Management manages significant risks and ensures that risk mitigation efforts are prioritised and that risks are adequately controlled. Exposure to risks is continuously monitored by the Board through the management-level Risk Management Committee comprising the Executive Directors and members of the management team on an on-going basis.

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign currency risks, including:

- currency swap to convert the foreign currency debts to the functional currency of the relevant group entity; and
- interest rate swaps and interest rate caps to mitigate the cash flow interest rate risk.

The use of financial derivatives is governed by the Group's policies approved by the Board, which provide written principles on foreign exchange risk, interest rate risk, and the use of derivative financial instruments. There has been no change to the Group's exposure to market risks or the way in which risk is managed and measured. The Group does not enter into or trade derivative financial instruments for speculative purposes.

MANAGEMENT OF RISKS *(Continued)*

Market risk *(Continued)*

Foreign currency risk

Certain bank balances and bank borrowings of the Group are denominated in foreign currencies, which expose the Group to foreign currency risk as a result of a change in foreign currency exchange rates.

In order to minimise the foreign currency risk, the Group has been using cross-currency swaps which are designed to convert the foreign currency debts to the functional currency of the relevant group entity. The critical terms of these currency swaps are structured to factor in and reflect those of the hedged borrowings in order to ensure that the net foreign currency risk after taking derivative financial instruments into consideration is not material to the Group.

Interest rate risk

The Group's exposures to fair value interest rate risk relates primarily to fixed-rate loans and borrowings, including variable/floating rate borrowings that change from variable rate to fixed rate under hedge accounting. All interest-bearing financial assets are exposed to fair value interest rate risk only.

The Group's cash flow interest rate risk relates primarily to financial liabilities with floating rates, except for those that change from variable rate to fixed rate under hedge accounting.

The Group monitors the interest rate risk exposure through assessing the interest rate gap of its interest-bearing financial assets and financial liabilities. To minimise interest rate gap on cash flows, the Group has been using interest rate swaps to convert its variable rate debts to fixed rates. The key terms of these interest rate swaps are structured to factor in and reflect those of hedged borrowings.

Equity price risk

The Group is exposed to equity price risk through its equity instruments at FVTOCI. The management will monitor the price movements and take appropriate actions when it is required.

Credit risk

Credit risk refers to the risk that the Group's counterparties' default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to advances and receivables (including unused credit limit granted to credit card customers), other debtors, amount due from immediate holding company, time deposits, and bank balances.

MANAGEMENT OF RISKS *(Continued)*

Credit risk *(Continued)*

In order to minimise the credit risk, the Group has established policies and systems for the monitoring and control of credit risk. The management has delegated to different divisions and departments the responsibility to determine credit limits, credit approvals and other monitoring processes to ensure that appropriate follow-up action is taken to recover overdue debts. The Board has overall responsibility for the Group's credit policies and oversees the credit quality of the Group's asset portfolio. In this regard, management considers that the Group's credit risk is adequately under controlled. In addition, the Group performs impairment assessment under Expected Credit Loss model.

The Group is potentially exposed to loss in an amount equal to the total unused credit card limit granted to credit card customers. However, the likely amount of loss is less than the total unused credit card limit, as the credit facilities are granted based on the specific credit standards maintained by the customers. The Group monitors credit quality of the customers and has contractual right to adjust or cancel the credit facilities granted, therefore management considers that the Group's credit risk is limited and controllable. At 31st August 2025, unused credit card limit of HK\$41,167,015,000 (28th February 2025: HK\$41,269,065,000) was unrecorded in the consolidated statement of financial position.

Other than concentration of credit risk on liquid funds and derivative financial instruments which are deposited with several banks with high credit-rating, the Group does not have any other significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

Liquidity risk

The Group has an appropriate liquidity risk management framework in place for the management of the short, medium and long-term funding and liquidity management requirements, which is reviewed regularly by the Directors. The Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows as well as maintaining a conservative level of long-term funding to finance its short-term financial assets.

Capital risk

It is the Group's policy to maintain a strong capital base to support the sustainable development of the Group's businesses. The Group relied principally on internally generated capital and external borrowings for the working capital. The funding position is regularly monitored and reviewed to ensure that it is within internally established limits and at reasonable costs.

MANAGEMENT OF RISKS *(Continued)*

Operational risk

The Group's operational risk includes processing risk, system risk, human risk, tangible assets risk, and reputational risk. Based on the Group's business nature, the main inherent operational risk is service suspension that can be caused by cyber-attack and IT service disruption and malfunction. The Group has a very low risk tolerance towards these inherent operational risks, which could potentially result in substantial interruptions or even failure in the provision of continued services to our customers; thus, the Group's operational risk management, internal control and business continuity management frameworks provide a system of risk management and internal controls for the identification, assessment, mitigation, reporting and prevention of risks. The primary responsibilities of each division head, department head and branch manager are to manage all risks, include but not limited to inherent risks stated above, to the extent that they can be tolerated based on the risk appetite approved by the Risk Management Committee.

Cyber security risk

Cyber security risk is the risk of loss resulting from a cyber-attack or information security breach in the Group. The Group has invested proper resources to manage cyber security risks, improve cyber resilience for critical business functions and operations, and ensure adequate cyber security awareness across the Group. The Group also periodically engaged qualified professional assessors to conduct assessments and simulation attacks to assess the robustness of the Group's cyber security controls.

Climate risk

Climate risk is the risk of loss due to changes in the climate or the Group's adjustment to operate in a lower-carbon and more environmentally sustainable economy. The Group has incorporated climate-related risks into the consideration of operational, regulatory and strategic risks. The Group has identified strong typhoons, power suspensions, fire hazards and pandemics as physical climate-related risk drivers, and market sentiment and technology and regulatory changes as transitional climate-related risk drivers. The Group combats physical climate-related risks by digitalisation of the process in which financial services are delivered, for example, via the "AEON Netmember" and "AEON HK" mobile App. To ensure essential and critical business functions remain operational during and after an extreme event of a disaster, the Group also implemented business continuity management system to prepare for the response and actions necessary when climate change poses challenges to operational continuity. For transitional climate-related risks, the Company's Strategy Committee oversees medium and long-term strategy planning and development of the Group, including to management of climate-related risk.

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 CG Code as applicable to the Company throughout the six months ended 31st August 2025 and set out then 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. However, all Directors, including the executive, non-executive and independent non-executive, are subject to retirement at each annual general meeting of the Company in accordance with the articles of association of the Company.

Compliance with Code for Securities Transactions by Directors

The Company has adopted the Model Code 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 period under review.

CORPORATE GOVERNANCE AND OTHER INFORMATION *(Continued)*

Directors' Interests in Shares, Underlying Shares and Debentures

At 31st August 2025, the interests of the Directors and their associates in the shares and underlying shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Long positions in the shares of the Company

<i>Name of Director</i>	<i>Number of shares held under personal interests</i>	<i>Percentage of the issued share capital of the Company</i>
Lai Yuk Kwong	20,000	0.0048

Other than the holdings disclosed above, none of the Directors nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations at 31st August 2025.

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

Substantial Shareholders' Interests in Shares

At 31st August 2025, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO showed that the following shareholders had notified the Company of relevant interests in the issued share capital of the Company:

Name of Shareholder	Nature of interest	Number of shares held	Percentage of the issued share capital of the Company
AEON Japan (<i>Note 1</i>)	Beneficial owner/Interest of a controlled corporation	294,888,000	70.42
AFS (<i>Note 2</i>)	Interest of a controlled corporation	238,114,500	56.86
AFS (HK) (<i>Note 3</i>)	Beneficial owner	238,114,500	56.86
FMR LLC	Interest of controlled corporations	37,776,206	9.02

Notes:

1. AEON Japan was the direct beneficial owner of 55,990,000 shares in the capital of the Company and, by virtue of its ownership of approximately 48.18% of the issued share capital of AFS, the holding company of AFS (HK), and 60.59% of the issued share capital of AEON Stores respectively, was deemed to be interested in the 238,114,500 shares and 783,500 shares owned by AFS (HK) and AEON Stores respectively.
2. AFS owned 100% of the issued share capital of AFS (HK) and was deemed to be interested in the 238,114,500 shares owned by AFS (HK).
3. Out of 238,114,500 shares, 214,460,000 shares were held by AFS (HK), and 8,250,000 shares and 15,404,500 shares were held by the Hongkong and Shanghai Banking Corporation Limited and Everbright Securities Investment Services (HK) Limited respectively, both as nominees on behalf of AFS (HK).

Other than as disclosed above, the Company had not been notified of any other relevant interests or short positions in the share capital of the Company at 31st August 2025.

CORPORATE GOVERNANCE AND OTHER INFORMATION *(Continued)*

Changes of Directors' Information

The changes in the information of Directors since the publication of the 2024/25 Annual Report are set out below pursuant to Rule 13.51B(1) of the Listing Rules:

Name of Directors	Details of Changes
Shigeki Mishima	Appointed as a Non-executive Director, the Chairman of the Board and the Nomination Committee, and a member of the Audit Committee and the Remuneration Committee of the Company on 26th June 2025
Kenji Fujita	- Retired as a Non-executive Director, the Chairman of the Board on 26th June 2025 - Ceased as the Chairman of the Nomination Committee, and a member of the Audit Committee and the Remuneration Committee on 26th June 2025
Wei Aiguo	Received an annual discretionary bonus of HK\$600,000 in June 2025
Lai Yuk Kwong	- Received an annual discretionary bonus of HK\$340,000 in June 2025 - Entitled to an annual base salary of HK\$1,740,000 with effect from 26th June 2025
Wan Yuk Fong	- Received an annual discretionary bonus of HK\$400,000 in June 2025 - Entitled to an annual base salary of HK\$1,476,000 with effect from 26th June 2025
Jin Huashu	- Received an additional bonus of RMB30,000 from AMF (SZ) for the period from 1st June 2024 to 31st May 2025 - Entitled to an annual base salary of RMB661,500 and a bonus of RMB330,000 from AMF (SZ) with effect from 1st June 2025

CORPORATE GOVERNANCE AND OTHER INFORMATION *(Continued)*

Changes of Directors' Information *(Continued)*

Name of Directors	Details of Changes
Lee Ching Ming Adrian	• Entitled to an annual fee of HK\$390,000 with effect from 1st July 2025
Shing Mo Han Yvonne	• Retired as an independent non-executive director of China Resources Pharmaceutical Group Limited on 23rd May 2025 • Entitled to an annual fee of HK\$410,000 with effect from 1st July 2025
Junko Dochi	• Retired as an outside director of COMTURE Corporation on 27th June 2025. • Entitled to an annual fee of HK\$370,000 with effect from 1st July 2025
Choi Ping Chung	• Entitled to an annual fee of HK\$410,000 with effect from 1st July 2025

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

During the period, there was no purchase, sale or redemption by the Company or its subsidiaries of the Company's listed securities.

Review of Unaudited Financial Information

The Audit Committee has reviewed the unaudited interim financial report for the six months ended 31st August 2025. In addition, the condensed consolidated financial statements for the six months ended 31st August 2025 have been reviewed by our 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 HKICPA and an unqualified review report is issued.

By order of the Board
Wei Aiguo
Managing Director

Hong Kong, 30th September 2025

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Deloitte.

德勤

TO THE BOARD OF DIRECTORS OF AEON CREDIT SERVICE (ASIA) COMPANY LIMITED

(incorporated in Hong Kong with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements of AEON Credit Service (Asia) Company Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 5 to 34, which comprise the condensed consolidated statement of financial position as of 31st August 2025 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) as issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” as issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

30 September 2025

GLOSSARY

AEON Japan	AEON Co., Ltd.
AEON Stores	AEON Stores (Hong Kong) Co., Limited
AFS	AEON Financial Service Co., Ltd.
AFS (HK)	AEON Financial Service (Hong Kong) Co., Limited
AI	Artificial Intelligence
AIB	AEON Insurance Brokers (HK) Limited
AIS	AEON Information Service (Shenzhen) Co., Ltd.
AMF (SZ)	AEON Micro Finance (Shenzhen) Co., Ltd.
Board	the board of Directors of the Company
CG Code	Corporate Governance Code as set out in Appendix C1 to the Listing Rules
Companies Ordinance	Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended from time to time
Company or ACSA	AEON Credit Service (Asia) Company Limited
Director(s)	the director(s) of the Company
ECL	Expected Credit Loss
ESG	Environmental, Social and Governance
FVTOCI	Fair value through other comprehensive income
Group	the Company and its subsidiaries
HIBOR	Hong Kong Interbank Offered Rate

GLOSSARY *(Continued)*

HKAS	Hong Kong Accounting Standards
HKD or HK\$	Hong Kong dollars, the lawful currency of Hong Kong
HKFRS	HKFRS Accounting Standards
HKICPA	Hong Kong Institute of Certified Public Accountants
Hong Kong	Hong Kong Special Administrative Region of the PRC
IPCC	Interactive Phone Contact Center
JPY	Japanese Yen, the lawful currency of Japan
Listing Rules	Rules Governing the Listing of Securities on the Stock Exchange
Mainland China or PRC	the People's Republic of China
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
OCI	Other comprehensive income
Rescheduled Loan	Rescheduled loan refers to loan that have been restructured and re-negotiated with the borrowers because of the inability of the borrowers to meet the original repayment schedule
RMB	Renminbi, the lawful currency of the PRC
SFO	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
Stock Exchange	The Stock Exchange of Hong Kong Limited
TONA	Tokyo Overnight Average Rate
USD	United States Dollars, the lawful currency of the United States of America