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AEON CREDIT SERVICE (ASIA) CO., LTD.
AEON信貸財務(亞洲)有限公司
(Incorporated in Hong Kong with limited liability)
(Stock Code: 900)

FINAL RESULTS FOR THE YEAR ENDED 28TH FEBRUARY 2026

The board (the "Board") of directors (the "Directors") of AEON Credit Service (Asia) Company Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 28th February 2026, together with the comparative figures as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 28th February 2026

	Notes	**2026** *HK$'000*	2025 *HK$'000*
Revenue	*5*	**1,825,357**	1,759,316
Interest income	*7*	**1,532,063**	1,477,367
Interest expense	*8*	**(114,761)**	(129,785)
Net interest income		**1,417,302**	1,347,582
Fees and commissions		**143,443**	142,571
Handling and late charges		**149,851**	139,378
Other income	*9*	**17,144**	19,792
Other gains and losses	*10*	**(1,206)**	(6)
Operating income		**1,726,534**	1,649,317
Operating expenses	*11*	**(768,845)**	(768,116)
Operating profit before impairment losses and impairment allowances		**957,689**	881,201
Impairment losses and impairment allowances		**(421,640)**	(446,268)
Recoveries of advances and receivables written-off		**21,704**	27,278
Gain on disposal of distressed assets		**4,091**	14,605
Profit before tax		**561,844**	476,816
Income tax expense	*12*	**(93,645)**	(76,338)
Profit for the year		**468,199**	400,478
Profit for the year attributable to:			
Owners of the Company		**468,199**	400,478
Earnings per share — Basic	*14*	**111.80 HK cents**	95.63 HK cents

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 28th February 2026

	2026	2025
	HK$'000	*HK$'000*
Profit for the year	**468,199**	400,478
Other comprehensive (expense) income		
Items that will not be reclassified to profit or loss:		
Fair value (loss) gain on equity instruments at fair value through other comprehensive income ("FVTOCI")	**(28,371)**	13,537
Remeasurement of defined benefit plans, net of tax	**(429)**	–
Items that may be reclassified subsequently to profit or loss:		
Exchange difference arising from translation of foreign operations	**16,586**	(2,809)
Fair value adjustment on cash flow hedges, net of tax	**(21,179)**	(18,814)
Reclassification of fair value adjustments on cash flow hedges to profit or loss	**7,076**	(8,216)
Other comprehensive expense for the year	**(26,317)**	(16,302)
Total comprehensive income for the year	**441,882**	384,176
Total comprehensive income for the year attributable to:		
Owners of the Company	**441,882**	384,176

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 28th February 2026

	Notes	28.2.2026 HK$'000	28.2.2025 HK$'000
Non-current assets			
Property, plant and equipment	15	**151,933**	180,608
Intangible assets	15	**21,684**	27,959
Right-of-use assets	15	**91,964**	110,049
Goodwill		**15,820**	15,820
Equity instruments at fair value through other comprehensive income	16	**77,810**	106,181
Advances and receivables	17	**1,548,700**	1,459,302
Prepayments, deposits and other debtors	19	**21,924**	21,611
Derivative financial instruments	23	**–**	10,430
Deferred tax assets	24	**14,839**	3,853
		1,944,674	1,935,813
Current assets			
Advances and receivables	17	**6,087,111**	5,605,137
Prepayments, deposits and other debtors	19	**87,423**	79,388
Amount due from a fellow subsidiary		**64**	–
Amount due from an intermediate holding company		**340**	–
Amount due from immediate holding company		**446**	1
Derivative financial instruments	23	**1,687**	288
Time deposits		**23,806**	21,482
Bank balances and cash		**236,611**	226,220
		6,437,488	5,932,516
Current liabilities			
Creditors and accruals	20(a)	**253,193**	226,351
Contract liabilities	20(b)	**59,376**	42,024
Amounts due to fellow subsidiaries		**23,298**	9,286
Amount due to an intermediate holding company		**9,234**	9,504
Amount due to immediate holding company		**35**	–
Borrowings from immediate holding company	21	**1,000,000**	900,000
Bank borrowings	21	**1,422,632**	1,015,149
Lease liabilities	22	**41,868**	39,586
Derivative financial instruments	23	**25,630**	1,319
Tax liabilities		**42,350**	31,124
		2,877,616	2,274,343
Net current assets		**3,559,872**	3,658,173
Total assets less current liabilities		**5,504,546**	5,593,986

	Notes	**28.2.2026**	28.2.2025
		HK$'000	*HK$'000*
Capital and reserves			
Share capital		**269,477**	269,477
Reserves		**4,214,184**	3,981,684
Total equity		**4,483,661**	4,251,161
Non-current liabilities			
Bank borrowings	*21*	**950,000**	1,239,685
Deferred tax liabilities	*24*	**4**	39
Lease liabilities	*22*	**56,883**	76,782
Derivative financial instruments	*23*	**13,998**	26,319
		1,020,885	1,342,825
		5,504,546	5,593,986

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 28th February 2026

	Share capital *HK$'000*	Investment revaluation reserve *HK$'000*	Employee benefit revaluation reserve *HK$'000*	Hedging reserve *HK$'000*	Translation reserve *HK$'000*	Accumulated profits *HK$'000*	Total *HK$'000*
At 1st March 2024	269,477	68,821	–	35,582	(16,468)	3,710,581	4,067,993
Profit for the year	–	–	–	–	–	400,478	400,478
Fair value gain on equity instruments at FVTOCI	–	13,537	–	–	–	–	13,537
Exchange difference arising from translation of foreign operations	–	–	–	–	(2,809)	–	(2,809)
Fair value adjustment on cash flow hedges, net of tax	–	–	–	(18,814)	–	–	(18,814)
Reclassification of fair value adjustments on cash flow hedges to profit or loss	–	–	–	(8,216)	–	–	(8,216)
Total comprehensive income (expense) for the year	–	13,537	–	(27,030)	(2,809)	400,478	384,176
Final dividend paid for 2023/24	–	–	–	–	–	(100,504)	(100,504)
Interim dividend paid for 2024/25	–	–	–	–	–	(100,504)	(100,504)
	–	13,537	–	(27,030)	(2,809)	199,470	183,168
At 28th February 2025	**269,477**	**82,358**	**–**	**8,552**	**(19,277)**	**3,910,051**	**4,251,161**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**468,199**	**468,199**
Fair value loss on equity instruments at FVTOCI	**–**	**(28,371)**	**–**	**–**	**–**	**–**	**(28,371)**
Remeasurement of defined benefit plans, net of tax	**–**	**–**	**(429)**	**–**	**–**	**–**	**(429)**
Exchange difference arising from translation of foreign operations	**–**	**–**	**–**	**–**	**16,586**	**–**	**16,586**
Fair value adjustment on cash flow hedges, net of tax	**–**	**–**	**–**	**(21,179)**	**–**	**–**	**(21,179)**
Reclassification of fair value adjustments on cash flow hedges to profit or loss	**–**	**–**	**–**	**7,076**	**–**	**–**	**7,076**
Total comprehensive (expense) income for the year	**–**	**(28,371)**	**(429)**	**(14,103)**	**16,586**	**468,199**	**441,882**
Final dividend paid for 2024/25	**–**	**–**	**–**	**–**	**–**	**(104,691)**	**(104,691)**
Interim dividend paid for 2025/26	**–**	**–**	**–**	**–**	**–**	**(104,691)**	**(104,691)**
	–	**(28,371)**	**(429)**	**(14,103)**	**16,586**	**258,817**	**232,500**
At 28th February 2026	**269,477**	**53,987**	**(429)**	**(5,551)**	**(2,691)**	**4,168,868**	**4,483,661**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 28th February 2026

	2026	2025
	HK$'000	*HK$'000*
Operating activities		
Profit before tax	**561,844**	476,816
Adjustments for:		
Amortisation of upfront cost of bank borrowings	**432**	339
Depreciation on property, plant and equipment	**44,328**	41,548
Amortisation on intangible assets	**8,449**	6,793
Depreciation on right-of-use assets	**53,027**	57,472
Dividends received from financial instruments	**(644)**	(552)
Impairment losses and impairment allowances recognised in respect of advances and receivables	**421,640**	446,268
Interest expense on borrowings	**109,737**	124,299
Interest on lease liabilities	**4,592**	5,486
Interest income	**(1,532,063)**	(1,477,367)
Losses on disposal of property, plant and equipment	**687**	173
Gain on termination of lease contracts	**–**	(36)
Operating cash flows before movements in working capital	**(327,971)**	(318,761)
Increase in advances and receivables	**(957,582)**	(787,505)
Increase in prepayments, deposits and other debtors	**(8,438)**	(7,376)
Increase in amount due from a fellow subsidiary	**(64)**	–
Increase in amount due from immediate holding company	**(445)**	–
(Increase) decrease in amount due from an intermediate holding company	**(327)**	31
Increase (decrease) in creditors and accruals	**30,204**	(28,614)
Increase in contract liabilities	**17,352**	20,470
Increase (decrease) in amounts due to fellow subsidiaries	**14,005**	(8,585)
Increase in amount due to immediate holding company	**35**	–
(Decrease) increase in amount due to an intermediate holding company	**(276)**	4,782
Cash used in operations	**(1,233,507)**	(1,125,558)
Tax paid	**(89,884)**	(55,873)
Interest paid	**(109,130)**	(125,716)
Interest received	**1,518,380**	1,464,127
Net cash from operating activities	**85,859**	156,980

	2026	2025
	HK$'000	*HK$'000*
Investing activities		
Dividends received	**644**	552
Proceeds from disposal of property, plant and equipment	**14**	2
Purchase of property, plant and equipment	**(16,477)**	(12,715)
Purchase of intangible assets	**(978)**	(666)
Deposits paid for acquisition of property, plant and equipment	**(4,357)**	(23,200)
Deposits paid for acquisition of intangible assets	**(715)**	(1,903)
Placement of time deposits with maturity of more than three months	**(2,407)**	(7,555)
Release of time deposits with maturity of more than three months	**4,457**	5,519
Net cash used in investing activities	**(19,819)**	(39,966)
Financing activities		
Repayment of lease liabilities	**(57,143)**	(59,404)
Dividends paid	**(209,382)**	(201,008)
New borrowings from immediate holding company raised	**270,000**	108,220
Repayment of borrowings from immediate holding company	**(170,000)**	(8,220)
New bank loans raised	**5,577,067**	13,668,874
Repayment of bank loans	**(5,465,114)**	(13,651,625)
Net cash used in financing activities	**(54,572)**	(143,163)
Net increase (decrease) in cash and cash equivalents	**11,468**	(26,149)
Effect of changes in exchange rate	**3,293**	(1,419)
Cash and cash equivalents at beginning of the year	**244,090**	271,658
Cash and cash equivalents at end of the year	**258,851**	244,090
Being:		
Time deposits with maturity of three months or less	**22,240**	17,870
Bank balances and cash	**236,611**	226,220
	258,851	244,090

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28th February 2026

1. STATUTORY CONSOLIDATED FINANCIAL STATEMENTS

The financial information relating to the years ended 28th February 2026 and 28th February 2025 included in this preliminary announcement of annual results for the year ended 28th February 2026 does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance 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 Hong Kong Companies Ordinance and will deliver the financial statements for the year ended 28th February 2026 in due course.

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

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and by the Hong Kong Companies Ordinance.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard as issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1st March 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability

The application of the amendments to an HKFRS Accounting Standard in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency[3]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[3]

[1] Effective for annual periods beginning on or after a date to be determined.
[2] Effective for annual periods beginning on or after 1st January 2026.
[3] Effective for annual periods beginning on or after 1st January 2027.

Except for the new HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures ("MPMs") in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and HKFRS 7 *Financial Instruments: Disclosures*. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1st January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss. Additional disclosures required for the Group's MPMs will be disclosed in a separate note to the consolidated financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

The significant accounting policies used in the consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 28th February 2025, except for the adoption of the amendments to HKFRS Accounting Standards as disclosed in note 3 above.

5. REVENUE

	2026	2025
	HK$'000	*HK$'000*
Interest income *(note 7)*	**1,532,063**	1,477,367
Fees and commissions		
Credit cards — issuing	**44,582**	55,856
Credit cards — acquiring	**64,834**	55,703
Insurance	**34,027**	31,012
Handling and late charges	**149,851**	139,378
Revenue from contracts with customers	**293,294**	281,949
Total revenue	**1,825,357**	1,759,316

6. 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 dividend income and 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:

For the year ended 28th February 2026

	Credit cards *HK$'000*	**Personal loans** *HK$'000*	**Insurance** *HK$'000*	**Consolidated** *HK$'000*
REVENUE	**1,453,688**	**337,625**	**34,044**	**1,825,357**
RESULT				
Segment results	**525,624**	**22,735**	**15,904**	**564,263**
Unallocated operating income				**3,127**
Unallocated expenses				**(5,546)**
Profit before tax				**561,844**

For the year ended 28th February 2025

	Credit cards *HK$'000*	Personal loans *HK$'000*	Insurance *HK$'000*	Consolidated *HK$'000*
REVENUE	1,377,807	350,396	31,113	1,759,316
RESULT				
Segment results	456,687	8,064	14,890	479,641
Unallocated operating income				2,754
Unallocated expenses				(5,579)
Profit before tax				476,816

Geographical information

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

For the year ended 28th February 2026

	Hong Kong	**Chinese Mainland**	**Consolidated**
	HK$'000	***HK$'000***	***HK$'000***
REVENUE	**1,764,708**	**60,649**	**1,825,357**
RESULT			
Segment results	**586,227**	**(21,964)**	**564,263**
Unallocated operating income			**3,127**
Unallocated expenses			**(5,546)**
Profit before tax			**561,844**

For the year ended 28th February 2025

	Hong Kong	Chinese Mainland	Consolidated
	HK$'000	*HK$'000*	*HK$'000*
REVENUE	1,714,779	44,537	1,759,316
RESULT			
Segment results	472,092	7,549	479,641
Unallocated operating income			2,754
Unallocated expenses			(5,579)
Profit before tax			476,816

7. INTEREST INCOME

	2026	2025
	HK$'000	*HK$'000*
Non-credit impaired advances	**1,507,130**	1,454,230
Credit impaired advances	**23,697**	22,426
Time deposits and bank balances	**1,236**	711
	1,532,063	1,477,367

8. INTEREST EXPENSE

	2026	2025
	HK$'000	*HK$'000*
Interest on borrowings from immediate holding company	**21,668**	33,883
Interest on bank borrowings	**83,610**	98,932
Interest on lease liabilities	**4,592**	5,486
Net interest expense (income) on interest rate swap contracts		
— released from hedging reserve	**4,891**	(8,516)
	114,761	129,785

Amortisation of upfront cost of **HK$432,000** (2025: HK$339,000) is included in the interest expense on bank borrowings.

9. OTHER INCOME

	2026	2025
	HK$'000	*HK$'000*
Dividends received from financial instruments		
— Unlisted equity securities	**644**	552
Marketing support fund	**12,788**	16,487
Others	**3,712**	2,753
	17,144	19,792

10. OTHER GAINS AND LOSSES

	2026	2025
	HK$'000	*HK$'000*
Exchange (loss) gain		
— Exchange loss on hedging instrument released from hedging reserve	**(2,185)**	(300)
— Exchange gain on bank borrowings	**2,185**	300
— Other exchange losses, net	**(501)**	(118)
Hedge ineffectiveness on cash flow hedges, net	**(18)**	249
Losses on disposal of property, plant and equipment	**(687)**	(173)
Gain on termination of lease contracts	**–**	36
	(1,206)	(6)

11. OPERATING EXPENSES

	2026	2025
	HK$'000	*HK$'000*
Auditor's remuneration		
— audit fee	**3,732**	3,554
— non-audit fee	**1,015**	987
Depreciation on property, plant and equipment	**44,328**	41,548
Amortisation on intangible assets	**8,449**	6,793
Depreciation on right-of-use assets	**53,027**	57,472
Expense relating to short-term leases	**2,293**	2,730
	55,320	60,202
General administrative expenses	**231,674**	229,053
Marketing and promotion expenses	**97,694**	106,156
Other operating expenses	**75,974**	78,901
Staff costs including directors' emoluments	**250,659**	240,922
	768,845	768,116

12. INCOME TAX EXPENSE

	2026	2025
	HK$'000	*HK$'000*
Hong Kong Profits Tax		
— Current year	**102,713**	81,204
— (Overprovision) underprovision in respect of prior years	**(1,785)**	118
	100,928	81,322
People's Republic of China ("PRC") Enterprise Income Tax		
— Current year	**180**	149
Deferred tax *(note 24)*		
— Current year	**(7,463)**	(5,133)
	93,645	76,338

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

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the applicable income tax rates are 25% for general enterprises in PRC. One of the Company's PRC subsidiaries is qualified as 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.

13. DIVIDENDS

	2026	2025
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year:		
Final dividend paid of **25.0 HK cents** in respect of 2024/25 (2025: 24.0 HK cents in respect of 2023/24) per share	**104,691**	100,504
Interim dividend paid of **25.0 HK cents** in respect of 2025/26 (2025: 24.0 HK cents in respect of 2024/25) per share	**104,691**	100,504
	209,382	201,008
Final dividend proposed of **33.0 HK cents** in respect of 2025/26 (2025: 25.0 HK cents in respect of 2024/25) per share	**138,193**	104,691

The Directors have recommended a final dividend of **33.0 HK cents** per share. Subject to the approval of the shareholders at the 2026 AGM, the final dividend will be paid on 31st July 2026 to shareholders whose names appear on the register of members of the Company on 10th July 2026. This dividend has not been included as a liability in the consolidated financial statements.

14. EARNINGS PER SHARE — BASIC

The calculation of basic earnings per share is based on the profit for the year of **HK$468,199,000** (2025: HK$400,478,000) and on the number of shares of **418,765,600** (2025: 418,765,600) in issue during the year.

15. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS & RIGHT-OF-USE ASSETS

During the year, the Group recognised addition of approximately **HK$13,822,000** (2025: HK$43,415,000), **HK$1,474,000** (2025: HK$3,970,000), **HK$986,000** (2025: HK$3,330,000), **HK$2,174,000** (2025: HK$3,619,000) and **HK$34,901,000** (2025: HK$49,794,000) on computer equipment, furniture and fixtures, leasehold improvements, intangible assets and right-of-use assets respectively.

16. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	28.2.2026	28.2.2025
	HK$'000	*HK$'000*
Equity instruments at FVTOCI		
— Listed investment in Hong Kong	**675**	684
— Unlisted investments	**77,135**	105,497
	77,810	106,181

17. ADVANCES AND RECEIVABLES

	28.2.2026	28.2.2025
	HK$'000	*HK$'000*
Credit card receivables	**5,940,515**	5,481,474
Personal loan receivables	**1,746,364**	1,631,788
	7,686,879	7,113,262
Accrued interest and other receivables	**225,830**	216,116
Gross advances and receivables	**7,912,709**	7,329,378
Impairment allowances *(note 18)*	**(276,898)**	(264,939)
	7,635,811	7,064,439
Current portion included under current assets	**(6,087,111)**	(5,605,137)
Amount due after one year	**1,548,700**	1,459,302

At 28th February 2026, the personal loan receivables include rescheduled loan receivables of **HK$176,872,000** (28th February 2025: HK$176,815,000).

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

	28.2.2026		28.2.2025	
	HK$'000	***%****	*HK$'000*	*%**
Stage 1	**7,606,924**	**96.1**	7,018,669	95.8
Stage 2	**62,704**	**0.8**	65,548	0.9
Stage 3	**243,081**	**3.1**	245,161	3.3
	7,912,709	**100.0**	7,329,378	100.0

* Percentage of gross advances and receivables

18. IMPAIRMENT ALLOWANCES

	28.2.2026	28.2.2025
	HK$'000	*HK$'000*
Analysis by products as:		
Credit card receivables	**151,237**	140,479
Unused credit card limit	**2,860**	2,668
Personal loan receivables	**116,795**	116,177
Accrued interest and other receivables	**6,006**	5,615
	276,898	264,939

At 28th February 2026, the impairment allowance of personal loan receivables includes impairment allowance on rescheduled loan receivables of **HK$39,551,000** (28th February 2025: HK$41,679,000).

An analysis of changes in impairment allowances including commitments on unused credit card limit are set out below:

	Stage 1	**Stage 2**	**Stage 3**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
At 1st March 2025	**149,623**	**24,721**	**90,595**	**264,939**
Net effect of advance (repayment) in advances and receivables	**21,671**	**(2,115)**	**(18,355)**	**1,201**
Transfer to 12 months expected credit loss ("ECL") (Stage 1)	**48,087**	**(20,490)**	**(27,597)**	**–**
Transfer to lifetime ECL not credit impaired (Stage 2)	**(7,216)**	**8,550**	**(1,334)**	**–**
Transfer to lifetime ECL credit impaired (Stage 3)	**(5,126)**	**(119,836)**	**124,962**	**–**
Total transfer between stages	**35,745**	**(131,776)**	**96,031**	**–**
Remeasurement of ECL during the year	**(48,553)**	**136,544**	**332,448**	**420,439**
Amounts written-off as uncollectable	**–**	**–**	**(410,822)**	**(410,822)**
Exchange realignment	**369**	**168**	**604**	**1,141**
At 28th February 2026	**158,855**	**27,542**	**90,501**	**276,898**

	Stage 1	Stage 2	Stage 3	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1st March 2024	123,883	32,208	91,000	247,091
Net effect of advance (repayment) in advances and receivables	16,485	(6,436)	(4,282)	5,767
Transfer to 12 months ECL (Stage 1)	54,312	(24,791)	(29,521)	–
Transfer to lifetime ECL not credit impaired (Stage 2)	(7,276)	8,963	(1,687)	–
Transfer to lifetime ECL credit impaired (Stage 3)	(5,108)	(121,187)	126,295	–
Total transfer between stages	41,928	(137,015)	95,087	–
Remeasurement of ECL during the year	(32,632)	135,997	337,136	440,501
Amounts written-off as uncollectable	–	–	(428,300)	(428,300)
Exchange realignment	(41)	(33)	(46)	(120)
At 28th February 2025	149,623	24,721	90,595	264,939

19. PREPAYMENTS, DEPOSITS AND OTHER DEBTORS

	28.2.2026	28.2.2025
	HK$'000	*HK$'000*
Deposits for property, plant and equipment	**1,616**	2,137
Deposits for intangible assets	**33**	23
Rental and other deposits	**16,612**	15,071
Prepaid operating expenses	**49,702**	53,696
Other debtors	**41,384**	30,072
	109,347	100,999
Current portion included under current assets	**(87,423)**	(79,388)
Amount due after one year	**21,924**	21,611

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:

	28.2.2026	28.2.2025
	HK$'000	*HK$'000*
Less than 1 month	**115,599**	77,449
Over 1 month but less than 3 months	**2,686**	1,044
Over 3 months	**245**	429
	118,530	78,922

(b) At 28th February 2026, included in contract liabilities is deferred revenue in relation to customer loyalty programmes of **HK$59,376,000** (28th February 2025: HK$42,024,000).

Contract liabilities represent deferred revenue in relation to customer loyalty programmes.

Under the Group's customer loyalty programmes, the Group grants credits to customers for credit card transactions. The customers can redeem the awarded credits for goods or services or settlement of outstanding balances in the future at their discretion and the awarded credits have expiration dates.

21. BANK BORROWINGS AND BORROWINGS FROM IMMEDIATE HOLDING COMPANY

	28.2.2026		28.2.2025	
	Bank borrowings	**Borrowings from immediate holding company**	Bank borrowings	Borrowings from immediate holding company
	HK$'000	***HK$'000***	*HK$'000*	*HK$'000*
Carrying amount repayable *(Note)*				
Within one year	**1,422,632**	**1,000,000**	1,015,149	900,000
Within a period of more than one year but not more than two years	**650,000**	**–**	489,685	–
Within a period of more than two years but not more than five years	**300,000**	**–**	750,000	–
	2,372,632	**1,000,000**	2,254,834	900,000
Amount repayable within one year included under current liabilities	**(1,422,632)**	**(1,000,000)**	(1,015,149)	(900,000)
Amount repayable after one year	**950,000**	**–**	1,239,685	–

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

22. LEASE LIABILITIES

	28.2.2026	28.2.2025
	HK$'000	*HK$'000*
Lease liabilities payable:		
Within one year	**41,868**	39,586
Within a period of more than one year but not more than two years	**28,378**	26,320
Within a period of more than two years but not more than five years	**28,505**	50,462
	98,751	116,368
Amount due for settlement within one year included under current liabilities	**(41,868)**	(39,586)
Amount due for settlement after one year	**56,883**	76,782

The weighted average incremental borrowing rates applied to lease liabilities range from **2.9%** to **4.4%** (2025: from 3.1% to 4.4%).

23. DERIVATIVE FINANCIAL INSTRUMENTS

	28.2.2026		28.2.2025	
	Assets	**Liabilities**	Assets	Liabilities
	HK$'000	***HK$'000***	*HK$'000*	*HK$'000*
Interest rate swaps	**1,687**	**13,998**	10,718	5,864
Cross-currency interest rate swaps	**–**	**25,630**	–	21,774
	1,687	**39,628**	10,718	27,638
Current portion	**(1,687)**	**(25,630)**	(288)	(1,319)
Non-current portion	**–**	**13,998**	10,430	26,319

All derivative financial instruments entered into by the Group that remain outstanding at 28th February 2026 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.

24. DEFERRED TAX

The followings are the major deferred tax liabilities (assets) recognised by the Group and movements thereon during the years ended 28th February 2026 and 28th February 2025:

	Accelerated tax depreciation	Impairment allowances	Derivative financial instruments	Right-of-use assets	Lease liabilities	Others	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1st March 2024	29,406	(25,386)	(9,474)	1,954	(1,866)	–	(5,366)
(Credit) charge to profit or loss for the year	(1,139)	(2,551)	–	(648)	597	(1,392)	(5,133)
Charge to other comprehensive income or expense for the year	–	–	6,682	–	–	–	6,682
Exchange realignment	–	–	–	(25)	28	–	3
At 28th February 2025	**28,267**	**(27,937)**	**(2,792)**	**1,281**	**(1,241)**	**(1,392)**	**(3,814)**
(Credit) charge to profit or loss for the year	**(5,425)**	**(1,354)**	**–**	**(214)**	**136**	**(606)**	**(7,463)**
Credit to other comprehensive income or expense for the year	**–**	**–**	**(3,468)**	**–**	**–**	**(85)**	**(3,553)**
Exchange realignment	**–**	**–**	**–**	**74**	**(79)**	**–**	**(5)**
At 28th February 2026	**22,842**	**(29,291)**	**(6,260)**	**1,141**	**(1,184)**	**(2,083)**	**(14,835)**

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the shareholders who are entitled to attend and vote at the 2026 AGM, the register of members of the Company will be closed from 22nd June 2026 to 25th June 2026, both days inclusive. During this period, no transfer of shares will be registered. In order to qualify for attending and voting at the 2026 AGM, all transfers of share accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on 18th June 2026.

For the purpose of determining the shareholders who qualify for the proposed final dividend, the register of members of the Company will be closed from 9th July 2026 to 10th July 2026, both days inclusive. During this period, no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers of share accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on 8th July 2026.

DIVIDEND

The Group has adopted a stable dividend policy that aims to pay regular dividends with a target annual dividend payout ratio of not less than 30.0% of the Group's consolidated net profit for the financial year. When proposing a dividend, in addition to financial performance, the Board takes into consideration shareholder interests, payout history, the general business environment and cash flow requirements.

The Board has recommended a final dividend of 33.0 HK cents per share, which add up to a total dividend for the year ended 28th February 2026 to 58.0 HK cents per share, representing a dividend payout ratio of 51.9%.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

For the financial year ended 28th February 2026 ("FY2025/26" or the "Reporting Year"), Hong Kong's economy recorded another period of moderate recovery, underpinned by a progressively rising domestic retail demand, a revival in inbound tourism, sustained momentum in financial market activities, and stabilised residential property levels. In 2025, real gross domestic product ("GDP") grew by 3.5%, up from 2.6% in the previous year. Despite these improvements, the overall consumer sentiment remained relatively sluggish, impacted by a combination of factors such as global trade tensions, uncertainties surrounding U.S. interest rate policies, a cooling labour market, and a lingering caution in consumer outlook, all of which continued to weigh on consumption. At the same time, adoption of artificial intelligence ("AI") advanced data analytics and innovative loyalty and reward schemes had reshaped customer behaviour in the credit card and personal loan markets, driving demand for greater operational efficiency, enhanced security control, and more personalised and rewarding customer experiences.

In response to these market conditions, the Group adopted a prudent portfolio management strategy, which involved balancing customer base expansion with credit risk mitigation through managing individual customer exposure in terms of amount and pricing. During the Reporting Year, the Group revamped its credit assessment scoring mechanism through integrating credit data from external credit rating agency with the Group's up-to-date internal customer data, applying timely adjustments to credit exposure across the selected business segments. This approach allowed for more subtle risk differentiation, and accordingly, its risk detection capabilities, thereby enhancing the soundness of its credit portfolio. In addition, advancements in data analytic tools enabled the Group to shorten credit assessment time, aiming to offer instant credit for applicants with good creditworthiness.

Sustainability remains an increasingly important focus for the financial and credit service sector, driving deeper integration of Environmental, Social and Governance ("ESG")-related features into financial products and bank borrowing practices. During the Reporting Year, the Group made significant progress in its sustainability initiatives. Key achievements included the launching of its first "AEON Green Personal Loan", designed to support customers installing renewable energy systems or purchasing electric vehicles, and securing a HK$300 million sustainability-linked syndicated bank loan. These initiatives resonated with the Group's commitment to green financing and pursuit of zero-carbon emission. In October 2025, the Group was awarded the "Newcomer Award — Commendation" at the Hong Kong ESG Reporting Awards 2025, and obtained the first Corporate Sustainability Assessment ("CSA") score from S&P Global ESG Rating, which placed the Group ahead of over 80% of its global peers in the sector of diversified financial services and capital markets industry.

During the Financial Year, the Group recorded steady overall sales growth of 7.7% compared with the year ended 28th February 2025 ("FY2024/25" or the "Previous Year"), driven mainly by successful targeted marketing programmes and effective tele-marketing activities. Gross advances and receivables balance continued to rise, increasing by HK$583.3 million or 8.0% from HK$7,329.4 million as at 28th February 2025 to HK$7,912.7 million as at 28th February 2026. Effective credit risk monitoring further improved asset quality, with the percentage of doubtful ("Stage 2") and loss ("Stage 3") receivables to gross advances and receivables decreased from 4.2% as at 28th February 2025 to 3.9% as at 28th February 2026.

Operational Review

The year 2025 marked AEON Credit Service (Asia) Company Limited's 35th anniversary in Hong Kong. To strengthen its market presence and capitalise on the Hong Kong Government's local consumption-boosting initiatives, the Group launched a series of tailored promotional programmes which aimed at attracting new customers and enhancing customer engagement. Key campaigns included the "Winter Day Spend & Rewards", "Purple Everyday Rewards" alongside with themed and seasonal campaigns covering travel, consumer electronics and theme parks, all of which effectively stimulated local, overseas and online spending. In addition, the Group continued to promote its "Instalment after Purchase" solution, providing customers with flexible instalment options for mindful spending management.

In terms of operational digitalization and card security, the Group continued to enhance its "AEON HK" mobile application ("Mobile App"). A major advancement was the introduction of in-app authentication for e-commerce transactions, replacing traditional short message service (SMS) or one-time password (OTP) for validating a transaction. The Group has also completed the card-on/off security feature upgrade that allows customers to instantly toggle their card availability status within the Mobile App. This reduces the risk of fraud and unauthorised transactions, particularly for online card-not-present transactions. To further improve customer convenience, the Group integrated loan application functions from various channels, including the Mobile App, offering customers a more seamless and secure experience.

To meet customer demand for face-to-face services, the Group expanded its branch network to provide greater flexibility and accessibility for product consultations, loan drawdowns, and its own merchant recruitment support, including roadshows promotions.

For the credit card acquiring and insurance intermediary businesses, the Group continued to expand the number of card acquiring merchants through co-operation with payment gateways and launch new insurance products through diversified distribution channels.

During the Reporting Year, the Group commenced the "One AEON Point" project, an integrated loyalty platform designed to unify reward points to customers, initially across AEON's various businesses. This initiative lays the foundation for a consolidated loyalty-based ecosystem and further strengthens collaboration with AEON Stores Hong Kong and other retail operations, creating yet further synergy between financial services and retail businesses.

Regarding information technology, the Group completed the IP Contact Centre (IPCC) project to enhance its call centre operations, with ongoing evaluations planned for further efficiency improvements. The Group is also actively exploring the application of AI in the One AEON Point project to drive innovation and streamline processes.

For the Chinese Mainland operations, the Company's subsidiaries, AEON Micro Finance (Shenzhen) Co., Ltd. ("AMF(SZ)") and AEON Information Service (Shenzhen) Co., Ltd. ("AIS"), continued to play a strategic role within the Group. During the Reporting Year, the Group completed a second capital injection of RMB50 million into AMF(SZ), to support the continued expansion of the personal loan business and the enrichment of product offerings. Meanwhile, the completion of the IPCC project had enabled AIS to further save costs for the Company through AIS's effective telemarketing activities and business process outsourcing services. These initiatives also enabled the Group to broaden its customer base and drive growth in personal loan and cash advance sales, while strengthening its fraud detection capabilities.

Financial Review

For FY2025/26, profit before tax was HK$561.8 million, representing an increase of HK$85.0 million or 17.8% compared with FY2024/25. After deducting income tax expense of HK$93.6 million, profit for the year was HK$468.2 million, an increase of 16.9% from HK$400.5 million in FY2024/25. Earnings per share increased from 95.63 HK cents to 111.80 HK cents for the Reporting Year.

Return on assets increased to 5.6% in FY2025/26 from 5.1% in FY2024/25, while return on equity rose to 10.4% in FY2025/26 from 9.4% in FY2024/25.

The net debt to equity ratio remained stable at 0.7 as at 28th February 2026 and 28th February 2025, while the total equity to total assets ratio was 53.5% and 54.0% as at 28th February 2026 and 28th February 2025, respectively.

Net asset value per share (after final dividend) as at 28th February 2026 and 28th February 2025 was HK$10.4 and HK$9.9, respectively.

Analysis of Consolidated Statement of Profit or Loss

Revenue

Revenue for the Reporting Year was HK$1,825.4 million, an increase of 3.8%, or HK$66.0 million, from HK$1,759.3 million for the Previous Year.

Net Interest Income

As a result of the gradual recovery in domestic consumption and the implementation of effective marketing initiatives to boost up sales, the Group achieved sustained growth in both credit card and personal loan receivables, which increased by 8.0%, or HK$583.3 million, from HK$7,329.4 million at the end of the Previous Year to HK$7,912.7 million as at 28th February 2026. Consequently, the Group's interest income increased by 3.7%, or HK$54.7 million, from HK$1,477.4 million in FY2024/25 to HK$1,532.1 million in FY2025/26.

The Group's interest expense decreased by HK$15.0 million from HK$129.8 million in FY2024/25 to HK$114.8 million in FY2025/26. The decrease was mainly attributable to the decline in the Hong Kong Interbank Offered Rate ("HIBOR") following the U.S. federal funds rate cuts, as well as the Group's effective funding strategy that included the maintenance of a diversified borrowing portfolio with a mix of borrowing rates and maturities throughout the Reporting Year, which successfully lowered the average cost of funds from 4.1% in FY2024/25 to 3.6% in FY2025/26.

Consequently, the Group's net interest income for FY2025/26 was HK$1,417.3 million, representing an increase of 5.2%, or HK$69.7 million, compared with HK$1,347.6 million in FY2024/25.

Operating Income

Despite a significant increase in credit card purchases during the Reporting Year, the rise in commission income was offset by higher costs associated with the cashback incentive scheme and other promotional campaigns. Consequently, fees and commissions from the credit card issuing business decreased by HK$11.3 million to HK$44.6 million during the Reporting Year. In contrast, fees and commissions from the credit card acquiring business increased by HK$9.1 million to HK$64.8 million during the Reporting Year, driven by growth in both the number of card acquiring merchants and transaction volume. Benefiting from the frequent introduction of new insurance products and continuing expansion of diversified distribution channels, fees and commissions from the insurance intermediary business increased by HK$3.0 million to HK$34.0 million in the Reporting Year. Consequently, the Group's fees and commissions increased by HK$0.9 million, from HK$142.6 million in the Previous Year to HK$143.4 million in the Reporting Year.

During FY2025/26, handling and late charges amounted to HK$149.9 million, an increase of HK$10.5 million from HK$139.4 million in the Previous Year. This is largely attributable to an increased demand for cash advances and higher mark-up charges on foreign currency credit transactions.

In terms of other income, the Group received HK$12.8 million in marketing support funds from card associations and insurance partners during the Reporting Year, a decrease of HK$3.7 million from HK$16.5 million in the Previous Year.

Taking the above factors into account, the Group recorded an increase in operating income of 4.7%, or HK$77.2 million, from HK$1,649.3 million for the FY2024/25 to HK$1,726.5 million for the Reporting Year.

Operating Expenses

During the Reporting Year, the Group implemented comprehensive marketing and promotional activities through a strategic combination of traditional and digital marketing channels, tailored to the intended customer segments. This effective approach successfully optimised marketing and advertising expenses, resulting in a decrease of HK$8.5 million from HK$106.2 million in FY2024/25 to HK$97.7 million in the Reporting Year.

For lease-related expenses, the Group recorded a reduction of HK$4.9 million from HK$60.2 million in FY2024/25 to HK$55.3 million in the Reporting Year, mainly attributable to the relocation of the data centre and the reduction of certain outdoor advertising operations. On the other hand, following the completion of IPCC project and network facility upgrades, depreciation of property, plant and equipment, and amortisation of intangible assets increased by HK$2.8 million and HK$1.7 million, from HK$41.5 million and HK$6.8 million in FY2024/25 to HK$44.3 million and HK$8.4 million in the Reporting Year respectively. Meanwhile, additional manpower was deployed to enhance product development and branch operations, resulting in an increase in staff costs of HK$9.7 million, from HK$240.9 million in FY2024/25 to HK$250.7 million in the Reporting Year. In addition, general administrative expenses (included auditor's remuneration) increased by HK$2.8 million to HK$236.4 million in FY2025/26 compared with the Previous Year of HK$233.6 million, mainly due to the increase in card association fees for increased card sales in the Reporting Year.

Cost-To-Income Ratio

With total operating expenses increasing only marginally by HK$0.7 million, from HK$768.1 million in the Previous Year to HK$768.8 million and the increase in operating income in the Reporting Year by HK$77.2 million, cost-to-income ratio decreased from 46.6% for FY2024/25 to 44.5% for FY2025/26.

At the operating level, before impairment losses and impairment allowances, the Group recorded an operating profit of HK$957.7 million for the Reporting Year, representing an increase of 8.7%, or HK$76.5 million, from HK$881.2 million for the Previous Year.

Impairment Losses and Impairment Allowances

The shift in consumer spending behaviour and the rise in the unemployment rate in Hong Kong affected overall economic stability during the Reporting Year. Coupled with a rising number of individual bankruptcy petitions, there were higher rates of credit defaults as consumers faced greater financial pressures. Nevertheless, the Group continued its efforts to refine its credit assessment model to manage the proportion of advances and receivables with higher credit risk, and implemented proactive collection efforts and responsive debt relief plans to facilitate early settlement. As such, the Group maintained credit losses within acceptable parameters.

Despite the continued growth in gross advances and receivables, the Group's effective portfolio management mechanism has progressively enhanced the asset quality, resulting in improved customer repayment patterns. As a result, impairment losses and allowances decreased by HK$24.6 million, or 5.5%, from HK$446.3 million in the Previous Year to HK$421.6 million in the Reporting Year. Accordingly, the ratio of impairment losses and impairment allowances to revenue improved from 25.4% in FY2024/25 to 23.1% in FY2025/26.

Gain on Disposal of Distressed Assets

To devote more resources towards the management and timely collection of receivables, the Group continued to dispose of its written-off receivables. During the Reporting Year, the Group recorded a gain on disposal of HK$4.1 million, compared with the gain of HK$14.6 million in the Previous Year.

Analysis of Consolidated Statement of Financial Position

The Group's total equity as at 28th February 2026 was HK$4,483.7 million, representing an increase of 5.5%, or HK$232.5 million, compared with the balance of HK$4,251.2 million as at 28th February 2025.

Total assets as at 28th February 2026 were HK$8,382.2 million, representing an increase of 6.5% or HK$513.8 million, compared with total assets of HK$7,868.3 million as at 28th February 2025.

Property, Plant and Equipment and Intangible Assets/Right-of-Use Assets

During the Reporting Year, the Group spent approximately HK$13.8 million on computer equipment, HK$1.0 million on leasehold improvements, HK$1.5 million on furniture and fixtures, and HK$2.2 million on intangible assets. As for right-of-use assets, the Group entered into new leases for an aggregate value of HK$34.9 million as a lessee during the Reporting Year.

Goodwill

Goodwill of HK$15.8 million represented the excess of the consideration paid for the acquisition of AIS over the amount of assets acquired and liabilities assumed. As at 28th February 2026, management considered that no impairment charge of goodwill was required, as AIS generated positive cash flow during the Reporting Year as originally estimated.

Advances and Receivables

Driven by the launch of competitive personal loan pricing, successful targeted marketing activities, and the expansion of the service network to stimulate sales during the Reporting Year, personal loan receivables increased from HK$1,631.8 million as at 28th February 2025 to HK$1,746.4 million as at 28th February 2026, while credit card receivables increased from HK$5,481.5 million as at 28th February 2025 to HK$5,940.5 million as at 28th February 2026.

Gross advances and receivables increased by 8.0%, or HK$583.3 million, to HK$7,912.7 million as at 28th February 2026, from HK$7,329.4 million as at 28th February 2025. The gross default and loss advances and receivables amounted to HK$305.8 million and HK$310.7 million as at 28th February 2026 and 28th February 2025, respectively. Impairment allowances amounted to HK$276.9 million as at 28th February 2026, representing 3.5% of gross advances and receivables, compared with HK$264.9 million as at 28th February 2025, representing 3.6% of gross advances and receivables.

Bank Borrowings and Borrowings from Immediate Holding Company

As a result of the increase in the gross advances and receivables balance, the Group raised additional borrowings from banks and its immediate holding company during the Reporting Year, with a balance of HK$3,372.6 million as at 28th February 2026, compared with HK$3,154.8 million as at 28th February 2025. Of the total borrowings as at 28th February 2026, 71.8% will mature within one year, 19.3% more than one year but not more than two years and 8.9% more than two years but not more than five years. Among the long-term bank borrowings maturing after one year, 31.6% carried fixed interest rates, while 68.4% were hedged against interest rate fluctuations by means of swap instruments.

The average duration of total borrowings as at 28th February 2026 was 0.8 years, compared with 1.0 years as at 28th February 2025.

Segment Information

The Group operates across three primary segments: credit cards, personal loans, and insurance intermediary services. For the year ended 28th February 2026, 79.6% of the Group's revenue was derived from credit card operations, compared with 78.3% in the Previous Year, while personal loan operations accounted for 18.5% of the Group's revenue, compared with 19.9% in the Previous Year. In terms of segment results, credit card operations accounted for 93.2% of the Group's consolidated results, compared with 95.2% in the Previous Year, while personal loan operations accounted for 4.0%, compared with 1.7% in the Previous Year.

For the credit card business, targeted marketing initiatives and effective promotional campaigns continued to drive growth in credit card sales during the Reporting Year, supported by a sustained increase in revolving credit card balances. As a result, revenue from credit card operations increased by 5.5%, or HK$75.9 million, to HK$1,453.7 million from HK$1,377.8 million in the Previous Year. Benefiting from reduced borrowing costs and lower impairment losses and impairment allowances, the segment results for the Reporting Year increased by HK$68.9 million, or 15.1%, to HK$525.6 million from HK$456.7 million in the Previous Year.

For personal loan operations, although the receivables as at 28th February 2026 increased by 7.0% when compared with the balances as at 28th February 2025, driven by personalised social media marketing activities and the promotion of instant and tax loans, the sustained growth in personal loan receivables became apparent in the fourth quarter. As a result, revenue from personal loan operations still recorded a decrease of 3.6%, or HK$12.8 million, from HK$350.4 million in the Previous Year to HK$337.6 million in the Reporting Year. Nonetheless, a more refined growth strategy improved overall credit quality and reduced impairment losses and impairment allowances, resulting in a significant improvement in segment results from HK$8.1 million in the Previous Year to HK$22.7 million in the Reporting Year.

The insurance intermediary business demonstrated progressive growth in the number of insurance policies solicited following adjustments to its business model and product offerings during the Reporting Year. Segment revenue and results for the Reporting Year amounted to HK$34.0 million and HK$15.9 million, respectively, compared with HK$31.1 million and HK$14.9 million, respectively for the Previous Year.

In terms of financial results by geographical location, improving economic conditions, government stimulus measures, and effective marketing promotions contributed to a continued growth in both credit card and personal loan sales in Hong Kong. Revenue from Hong Kong operations increased by 2.9%, or HK$49.9 million, from HK$1,714.8 million in the Previous Year to HK$1,764.7 million in the Reporting Year, driven by higher revolving receivable balances. The segment result from Hong Kong operations recorded an increase of 24.2%, or HK$114.1 million, from HK$472.1 million in the Previous Year to HK$586.2 million in the Reporting Year, attributable to lower funding costs and improved asset quality.

For the Chinese Mainland operations, the increase in receivables contributed to growth in revenue, which increased from HK$44.5 million in the Previous Year to HK$60.6 million in the Reporting Year. However, customer repayment performance continued to deteriorate in property owner and business owner loans in the Reporting Year due to unstable economic situation, which resulted in a surge in impairment losses and impairment allowances, and an incurred loss of HK$22.0 million, compared with a profit of HK$7.5 million in the Previous Year. In response to these challenges, the Group had been focusing on strengthening the credit assessment process of its microfinance subsidiary in Shenzhen and introducing proactive measures, including more stringent evaluation criteria and tailored repayment plans, to stabilise asset quality.

Funding and Capital Management

The Group is primarily funded by internally generated capital and direct borrowings. As at 28th February 2026, the Group's funding mix comprised 57.1% from total equity, 12.7% from the immediate holding company and 30.2% from direct borrowings from financial institutions. The Group maintains sufficient working capital and adequate loan facilities to meet its current operational requirements and support ongoing business development.

As the principal operations are transacted and recorded in HKD, the Group is not materially exposed to exchange rate fluctuations. During the Reporting Year, derivative financial instruments were primarily used to hedge interest rate and exchange rate risks associated with bank borrowings. As at 28th February 2026, capital commitments primarily related to the purchase of computer equipment and intangible assets.

Prospects

Looking ahead to 2026, Hong Kong's economy is expected to benefit from the ongoing recovery in tourism, strong momentum in financial markets, and sustained government measures to stimulate domestic consumption. These positive drivers are expected to bolster local consumption and attract further investment, fostering a more supportive environment for business growth. However, the recent outbreak of war in the Middle East and the surge in oil price will pose an uncertainty to the whole economic outlook in Hong Kong.

In view of this gradually improving but uncertain market backdrop, the Group will prioritise sales and quality receivables growth through local and online spending. A key strategic focus for 2026 will be the launch and implementation of the "One AEON Point" platform. Through the platform, customers will be able to earn and redeem points seamlessly, offering greater convenience and flexibility while deepening engagement and loyalty across both credit and retail services. Serving as the cornerstone of the "AEON EcoZone", "One AEON Point" will drive cross-business synergy, elevate the value proposition of the Group's financial services with retail partners, and attract a larger customer base from potential wider sources. To support this initiative, the Group will collaborate closely with AEON Stores Hong Kong and various merchant partners. These efforts, combined with comprehensive marketing and promotional campaigns aimed at enhancing awareness, participation and long-term customer retention, will amplify revenue.

Alongside customer-focused initiatives, digital transformation and AI will remain at the core of the Group's operational strategy, strengthening AI adoption across the entire customer journey to deliver more seamless, efficient and personalised services. In 2026, the Group will further streamline its credit assessment processes by shortening electronic Know-Your-Customer ("eKYC") screening time and embedding additional application scoring for automated credit card and personal loan approvals. At the same time, digital communication tools such as WhatsApp will be adopted to enhance customer interaction. In parallel, the Group will revamp its customer service operations by centralising the management and tracking of customer enquiries across all channels, including branches, telemarketing, email and social networking platforms, thereby enabling a faster response to meet customer expectation. Through the "AEON EcoZone", the Group aims to build a seamless online-offline experience that enhances customer satisfaction and supports sustainable long-term growth.

In addition, the Group will continue advancing its business in Chinese Mainland by strengthening the capabilities of its microfinance and business process outsourcing centre subsidiaries in Shenzhen. Leveraging the significant potential of the Greater Bay Area, the Group aims to expand its customer base and tap into new revenue streams in a dynamic market with a diverse range of financial needs. This strategy will be further reinforced by ongoing improvements to corporate governance and sustainability practices, ultimately for maximising shareholder value and maintaining competitiveness in an increasingly challenging financial landscape.

In 2026, the Group will continue to integrate ESG considerations into its core operations. By embedding sustainability principles into decision-making, risk management and day-to-day business practices. The Group will also accelerate the digitalisation of its financial services to drive business growth, long-term productivity and efficiency. At the same time, it will strengthen communication with different stakeholders, creating long-term sustainable value and contributing to a more resilient, inclusive and environmentally responsible operating environment.

The Group is dedicated to delivering exceptional credit services and expanding its customer base through innovative and tailored financial services. Guided by our purpose of "bringing finance closer to everyone", we aim to enhance customers' everyday experiences by offering peace of mind and building long-term trust throughout their financial journey. The Group will continue to maintain its asset quality, maximise returns and create shared values for the community, in line with our position as a trusted financial partner.

HUMAN RESOURCES

The Group's total number of staff at 28th February 2026 and 28th February 2025 was 607 (Hong Kong: 385; PRC: 222) and 596 (Hong Kong: 380; PRC:216), respectively. Apart from different fringe benefits such as group medical and life insurance and provident funds, employees are remunerated according to their job nature and market trends, with annual salary increments and discretionary bonuses to reward and motivate individual employees based on their individual performance and the Group's financial performance. The Group also provides a variety of in-house training programmes and external training sponsorships for its employees. Our training scope extends beyond the Group's values and vision to include selected topics on compliance, including information and data security, and anti-money laundering. We promote a winning company culture that balances creativity with collaboration. To foster workplace harmony, we also emphasise diversity, equity and inclusion in workplace, and a zero-tolerance policy toward harassment.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance to balance the interests of shareholders, customers, employees and other stakeholders. The Company has continued to comply with the code provisions of the Corporate Governance Code as applicable to the Company throughout the year ended 28th February 2026 and set out then in Appendix C1 to the Listing Rules, with the exceptions 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 for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as its own code for securities transactions by Directors pursuant to its own Securities Dealing Code. Having made specific enquiries of all Directors, they confirmed that they have complied with the required standard set out in the Model Code and the Company's own Securities Dealing Code throughout the year under review.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

REVIEW OF ANNUAL RESULTS

The Audit Committee of the Company has reviewed the annual results.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 28th February 2026 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 31st March 2026. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PUBLICATION OF ANNUAL REPORT

The 2025/26 annual report of the Group, containing the relevant information required by the Listing Rules, will be published on the websites of The Stock Exchange of Hong Kong Limited and the Company in due course.

BOARD OF DIRECTORS

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

By order of the Board
Wei Aiguo
Managing Director

Hong Kong, 31st March 2026