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**AEON STORES (HONG KONG) CO., LIMITED**

**永旺(香港)百貨有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 984)**

**ANNOUNCEMENT  
CONNECTED TRANSACTION AND CONTINUING  
CONNECTED TRANSACTION IN RELATION TO  
THE MASTER SERVICES AGREEMENT  
AND  
REVISION OF ANNUAL CAPS FOR CONTINUING  
CONNECTED TRANSACTIONS IN RELATION TO  
THE MASTER ATV PURCHASE AGREEMENT**

**The Master Services Agreement**

Reference is made to the Company's announcement dated 21 October 2022 in relation to the Previous Master Services Agreement. The Board is pleased to announce that on 18 November 2025, the Company has entered into the Master Services Agreement with AGSCM Japan to renew the Previous Master Services Agreement which will expire on 30 November 2025.

As at the date of this announcement, AGSCM Japan is a connected person of the Company by virtue of it being a subsidiary of AEON Co, the controlling shareholder of the Company. Accordingly, the entering into of the Master Services Agreement in respect of the Services (other than the use of the Dongguan Warehouse) constitutes continuing connected transactions of the Company under the Listing Rules.

As the highest of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the Annual Caps is more than 5%, the transactions contemplated under the Master Services Agreement in respect of the Services (other than the use of the Dongguan Warehouse) constitute non-exempt continuing connected transactions for the Company and are subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to HKFRS 16, the entering into of the Master Services Agreement in respect of the use of the Dongguan Warehouse will require the Group to recognise a right-of-use asset. The acquisition of right-of-use asset is a one-off connected transaction pursuant to the Listing Rules. As the highest of the applicable percentage ratios as defined under Rule 14.07 of the

Listing Rules in respect of such right-of-use asset is 0.1% or more but less than 5%, the entering into of the Master Services Agreement in respect of the use of the Dongguan Warehouse constitutes a one-off connected transaction for the Company and is subject to the announcement requirement but is exempt from circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **Revision of annual caps in relation to the Master ATV Purchase Agreement**

Reference is also made to the announcement of the Company dated 31 December 2024 and circular of the Company dated 14 July 2025 in relation to, among other things, the entering into of the Master ATV Purchase Agreement by the Company and ATV Japan.

In view of the expected increase in the purchases of directly purchased ATV Products as further elaborated below, the Original ATV Purchase Annual Caps are expected to be insufficient. The Directors have therefore resolved to revise the Original ATV Purchase Annual Caps.

As at the date of this announcement, ATV Japan is a connected person of the Company by virtue of it being a subsidiary of AEON Co, the controlling shareholder of the Company. Accordingly, the transactions contemplated under the Master ATV Purchase Agreement constitute continuing connected transactions of the Company under the Listing Rules.

According to Rule 14A.54 of the Listing Rules, as the Company proposes to revise the Original ATV Purchase Annual Caps for the Master ATV Purchase Agreement, the Company is required to re-comply with the provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transactions.

As the highest applicable percentage ratio as defined under Rule 14.07 of the Listing Rules for the Revised ATV Purchase Annual Caps exceeds 5%, the Revised ATV Purchase Annual Caps and the transactions contemplated under the Master ATV Purchase Agreement are subject to the reporting, announcement, Independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

### **EGM**

An Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders as to whether (i) the terms of the Master Services Agreement and (ii) Revised ATV Purchase Annual Caps, and whether the aforementioned transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

An Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this respect.

The Company will convene an EGM to seek approval from the Independent Shareholders in respect of the Master Services Agreement and Revised ATV Purchase Annual Caps.

A circular containing, among other things, (i) the details of the Master Services Agreement; (ii) the letter from the Independent Board Committee; (iii) the letter from Independent

Financial Adviser; (iv) the notice of EGM; and (v) other information as required under the Listing Rules is expected to be despatched to the Shareholders no later than 28 November 2025.

## **INTRODUCTION**

Reference is made to the announcement of the Company dated 21 October 2022 in relation to the Previous Master Services Agreement. The Board is pleased to announce that on 18 November 2025, the Company has entered into the Master Services Agreement with AGSCM Japan to renew the Previous Master Services Agreement which will expire on 30 November 2025.

Reference is also made to the announcement of the Company dated 31 December 2024 and circular of the Company dated 14 July 2025 in relation to, among other things, the entering into of the Master ATV Purchase Agreement by the Company and ATV Japan.

## **THE MASTER SERVICES AGREEMENT**

Under the Previous Master Services Agreement, member of the Group entered into the respective Definitive Agreements with members of the AGSCM Group. Since the respective Definitive Agreements shall expire together with the Previous Master Services Agreement, the members of the Group have commenced their respective procurement process as a continuous effort to explore the possibility of lowering the logistics related costs. In each case, each of the members of the Group has invited service providers, including the respective member of the AGSCM Group and two other service providers, which are parties independent of the Company and its connected persons, to submit quotation for providing the Services. The management of the relevant member of the Group made comparison on the available quotations offered by the respective bidders and conducted an assessment, taking into account factors such as their background and reputation, any existing business relationship with such bidders, the price, scope and quality of services offered by the bidders.

Among the quotations submitted, the respective members of the AGSCM Group offered the overall lowest fee rates in the respective tenders. As such, the Company and AGSCM Japan have entered into the Master Services Agreement so as to enable the respective members of the AGSCM Group to provide the required Services in compliance with the requirements under Chapter 14A of the Listing Rules.

### **Principal terms**

The principal terms of the Master Services Agreement are as follow:

- Date: 18 November 2025
- Parties: (i) the Company; and  
(ii) AGSCM Japan

|                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Term:                | The term of the Master Services Agreement shall be for a period of three years commencing on 1 December 2025 and ending on 30 November 2028 (both dates inclusive) unless terminated earlier in accordance with the terms of the Master Services Agreement. The parties to the Master Services Agreement may, subject to compliance with the Listing Rules, renew the Master Services Agreement by written agreement.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Scope of Services:   | <p>The AGSCM Group shall provide the following services (the “<b>Services</b>”) to the Group:</p> <p><u>Logistics services</u></p> <p>The AGSCM Group shall transport merchandise (from suppliers) designated by the Group to locations designated by the Group and assist with related matters, including without limitation the distribution, storage (temporarily in the Warehouses in accordance with the Group’s operational needs), handling and packaging of merchandise (in the quantity and assortment as designated by the Group), distribution, processing and the processing of logistics information.</p> <p><u>Consultancy services</u></p> <p>The AGSCM Group shall first identify issues and/or problems with the existing logistics systems of members of the Group. The AGSCM Group shall then provide proposals for and assistance with, handling and resolving the identified issues and/or problems. For example, the AGSCM Group has in the past advised on the use and integration of third-party (3PL) services into the operation of a member of the Group. The Group had faced uncertainty over the scope and value of using 3PL services, and challenges in selecting and integrating 3PL providers into existing operations. Additionally, members of the Group had difficulty deciding between developing their own warehouse management system (WMS) or adopting a service provider’s solution. The AGSCM Group’s role is to advise on these matters and support implementation to improve logistics efficiency.</p> |
| Procurement Process: | The Group selects providers for logistics and/or consultancy services with reference to prevailing market conditions and based on a procurement process conducted on arm’s length basis, and makes their selection based on normal commercial considerations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Termination:         | The Master Services Agreement may be terminated by not less than three months’ prior written notice by either party.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

## THE PROCUREMENT PROCESS

As part of the procurement procedure of the Group, the relevant member of the Group may, in their sole and absolute discretion, engage service provider(s) to provide logistics and/or consultancy services. If the AGSCM Group is invited to tender, the relevant member of the Group will endeavor to invite quotations or tenders from at least two other independent third-party suppliers for such services. The management of the relevant member of the Group will then compare the available quotations offered by the respective bidders and conduct an assessment, taking into account factors such as their background and reputation, any existing business relationship with such bidders, the price, scope and quality of services offered by the bidders. After considering the abovementioned factors, the management of the relevant member of the Group will then decide on which bidder to engage and enter into a service contract with the bidder for the provision of services.

Pursuant to the procurement process so conducted and subject to the approval to be obtained in the EGM, the respective members of the AGSCM Group are selected by:

1. the Company with regard to the use of warehouse and related logistics services in Yokkaichi, Mie Prefecture, Japan;
2. GDA with regard to the logistics services for GDA's warehouse;
3. ASC with regard to the logistics service for ASC's warehouse; and
4. ASC with regard to the use of warehouse and related logistics services in Dongguan of Guangdong Province, the PRC.

The service fees (excluding tax) chargeable by the AGSCM Group are summarized as follows:

- i. for transportation of goods from central Japan to Hong Kong: 1.1% or 4% of the merchandise cost for cross-docking goods and goods that require temporary storage, respectively;
- ii. warehouse processing fee ranging from RMB0.16 to RMB1.6 per piece/case;
- iii. delivery fee ranging from RMB0.68 to RMB4.75 per case;
- iv. equipment rental fee ranging from RMB4.03 to RMB1,100 per item per month;
- v. warehouse management and supporting staff fee ranging from RMB4,420 to RMB9,800 per staff member per month;
- vi. warehouse rental fee (applicable to ASC's Dongguan operation only) ranging from RMB27.5 to RMB110 per m<sup>3</sup> (depending on the usage of spaces); and
- vii. other miscellaneous charges (e.g. part-time staff fee and pesticide control fee).

Where a member of the AGSCM Group is selected through the abovementioned procurement process to provide the Services, the Company and/or the relevant member of the Group and the relevant member of the AGSCM Group may from time to time (and AGSCM Japan shall procure such member of the AGSCM Group to) enter into Definitive Agreement(s) setting out the detailed terms under which the relevant member of the AGSCM Group shall provide, or procure to be provided, the Services to the Company and/or the relevant member of the Group. Such terms shall be on normal commercial terms, on an arm's length basis and are on comparable terms to which the Company and/or the relevant member of the Group procures the Services from independent third parties.

## THE CAP AMOUNT IN RESPECT OF THE SERVICES OTHER THAN THE USE OF THE DONGGUAN WAREHOUSE

The historical amounts of the transactions in respect of the Services (other than the use of the Dongguan Warehouse) paid by the Group to the AGSCM Group under the Previous Master Services Agreement are set out below:

| <b>Financial Year/Period</b> | <b>Annual Caps under<br/>Previous Master<br/>Services Agreement</b> | <b>Actual Transaction<br/>Amount</b> |
|------------------------------|---------------------------------------------------------------------|--------------------------------------|
| 1/1/2023 to 31/12/2023       | RMB56.5 million                                                     | RMB41.4 million                      |
| 1/1/2024 to 31/12/2024       | RMB61.6 million                                                     | RMB44.6 million                      |
| 1/1/2025 to 31/8/2025        | RMB64.2 million*                                                    | RMB29.5 million                      |

\* annual cap amount is for the period from 1 January 2025 to 30 November 2025

The Directors estimate that the maximum amount payable by the Company to the AGSCM Group under the Master Services Agreement on an annual basis will not exceed the Annual Caps below:

| <b>Financial Year/Period</b>        | <b>Annual Cap (RMB)</b>                |
|-------------------------------------|----------------------------------------|
| 1 December 2025 to 31 December 2025 | 4.4 million <sup>(Notes 1 and 2)</sup> |
| 1 January 2026 to 31 December 2026  | 72.0 million <sup>(Note 2)</sup>       |
| 1 January 2027 to 31 December 2027  | 82.9 million <sup>(Note 2)</sup>       |
| 1 January 2028 to 30 November 2028  | 84.7 million <sup>(Note 2)</sup>       |

Notes:

- (1) The right-of-use asset in respect of the use of the Dongguan Warehouse is not included in the calculation of the above Annual Cap for the period from 1 December 2025 to 31 December 2025. Please refer to the paragraph headed “Connected Transaction in respect of the use of the Dongguan Warehouse” below.
- (2) In the event that the Independent Shareholders’ approval is not obtained at the EGM for the Annual Caps, the maximum amount payable by the Company to the AGSCM Group under the Master Services Agreement for each of the period from 1 December 2025 to 31 December 2025, and the three years ending 31 December 2028 shall not exceed HK\$10 million.

In arriving at the Annual Caps, the Directors have taken into account (i) the aggregate historical amount of the service fee paid to the AGSCM Group and the independent service provider for the Services; (ii) the potential increase in both the scope and volume of the Services; (iii) the tender results obtained through the procurement process; (iv) recent market conditions and sales performance of members of the Group; (v) the Group’s sales projection and business expansion plans; and (vi) a buffer of 10%, as further elaborated below.

For the Company, the Group has applied the same rates as quoted by the AGSCM Japan and built in a 18% year-on-year increment on the relevant merchandise cost and volume for the period from December 2025 to November 2028 after having considered (a) the actual increasing purchases of the directly purchased ATV Products (tripling from March 2025 to August 2025) and thus the consequential service fees paid to AGSCM Group in the first eight months of 2025; and (b) the possible fluctuation of the Japanese Yen in the future.

For GDA, based on (i) the new rates as quoted by the AGSCM Group; (ii) the expected procurement amount from existing and new stores based on its store expansion plan, which are estimated to be approximately RMB3.0 million from new stores and RMB69.0 million from existing stores in 2026, RMB16.6 million and RMB66.3 million in 2027, and RMB16.4 million and RMB68.3 million for the first 11 months of 2028; and (iii) the plan of consolidating ASC's delivery hub in 2026, the Group expects the service fee payable will increase by approximately 53.6% for 2026 (as compared to the annualised figure of the actual amount in the first eight months of 2025), 36.0% for 2027 and 10.5% for 2028 (annualised).

For ASC, based on the new rates as quoted by the AGSCM Group, the scope of the Services and its business performance and plan, the Group expects an increase in service fees by approximately 14.1% for 2026 as compared with the annualized figure of the actual amount in the first eight months of 2025 and no projection is made for 2027 and 2028 as ASC is currently under review as to its business development plan, in particular the potential consolidation of its delivery hub into GDA's.

Taking into account the above, the Directors consider that the Annual Caps for the Master Services Agreement are fair and reasonable.

## **CONNECTED TRANSACTION IN RESPECT OF THE USE OF THE DONGGUAN WAREHOUSE**

Pursuant to HKFRS 16, the use of the Dongguan Warehouse pursuant to the relevant Definitive Agreement under the Master Services Agreement during the term of the Master Services Agreement will require the Group to recognize a right-of-use asset in the aggregated amount of approximately RMB3.10 million, which is regarded as an acquisition of asset, and hence a one-off connected transaction pursuant to the Listing Rules. Therefore, the use of the Dongguan Warehouse constitutes a connected transaction separate from the continuing connected transaction in respect of the Master Services Agreement and accordingly, neither the amount of the right-of-use asset nor the monthly fee in respect of the Dongguan Warehouse is included in the Annual Caps for the Master Services Agreement.

The Warehouses, which are to be covered under the relevant Definitive Agreements signed under the Master Services Agreement, are currently located at Dongguan of Guangdong Province, PRC and Yokkaichi, Mie Prefecture of Japan. The use of the Warehouses by the Group is part of the logistics services which the AGSCM Group will provide, whereby the AGSCM Group will transport merchandise from suppliers designated by the Group to locations designated by the Group and assist with related matters, including distribution and storage in the Warehouses. As such, it is expected that the Group will use the Warehouses during the term of the Master Services Agreement.

The Dongguan Warehouse, which is located at Dongguan City of Guangdong Province, the PRC, has an approximate area of 4,046 m<sup>2</sup>. For the use of the Dongguan Warehouse, a fixed monthly fee of approximately RMB242,000 (excluding tax) is payable to the AGSCM Group. The term of use of the Dongguan Warehouse will be commencing on 1 December 2025 and ending on 31 December 2026. For the Yokkaichi Warehouse located at Yokkaichi, Mie Prefecture of Japan, the use of this warehouse is treated as part and parcel of the logistics services, which include the

reception, acceptance, temporary storage, sorting, shipment, and delivery of merchandise. The Company, as one of the users of the Yokkaichi Warehouse, is not assigned a specific area by AGSCM. As such, no fixed monthly fee is payable for its use since the service fees payable to the AGSCM Group for provision of the logistics services (which are calculated solely based on the value of merchandise delivered) already cover the use of the Yokkaichi Warehouse. Hence, no right-of-use asset will be recognized pursuant to HKFRS 16 in respect of the use of the Yokkaichi Warehouse.

The monthly fee for use of the Dongguan Warehouse is excluded from the calculation of the Annual Caps, while the use of the Yokkaichi Warehouse, which does not form part of the acquisition of the right-of-use assets, is included in the calculation of the Annual Caps.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE MASTER SERVICES AGREEMENT**

The AGSCM Group has been providing the basic logistics services to the Group under the Previous Master Services Agreement and has become familiar with the Group's business operations. The Directors consider that the engagement of members of the AGSCM Group, which specialize in the provision of logistics related services and supply chain management, to provide the Services on a larger scale and in the ordinary and usual course of businesses, subject to member of the AGSCM Group being selected under the Group's procurement process, would allow the Group to further improve the efficiency of the Group's logistics system and enhance the Group's control of its operation costs.

The terms of the Master Services Agreement have been reached after arm's length negotiations between the Company and AGSCM Japan. The Directors (including the independent non-executive Directors) are of the view that (i) the entering into of the Master Services Agreement is in the ordinary and usual course of business of the Group; (ii) the terms of the Master Services Agreement are on normal commercial terms; and (iii) the terms of the Master Services Agreement and the Annual Caps are fair and reasonable and in the interest of the Company and its shareholders as a whole.

## **REVISION OF ANNUAL CAPS IN RELATION TO THE MASTER ATV PURCHASE AGREEMENT**

Reference is made to the announcements dated 31 December 2024 and circular dated 14 July 2025 of the Company in relation to, among other things, the entering into of the Master ATV Purchase Agreement by the Company and ATV Japan.

The Master ATV Purchase Agreement, commencing from 1 January 2025, was to enable the Group to purchase from ATV Japan those ATV Products which the Company previously could not obtain from independent manufacturers and suppliers due to exclusivity and/or other supply restrictions (the "directly purchased ATV Products"). While the Company had been procuring the ATV Products for its customers, the purchase of those directly purchased ATV Products was a relatively new operation that commenced in 2025. The Company has been continuously

monitoring the business performance, especially in relation to those of the Group's private brands and those directly purchased ATV Products. The directly purchased ATV Products have received welcoming support from customers. As such, the Company took the opportunity to open new stores, one in each of July and August 2025 to expand the proportion of the Group's private brands, especially the ATV Products including those directly purchased ATV Products. Having reviewed the performance of the new stores, the Company has consolidated its strategy to strengthen the merchandise mix of private brands to be adopted in new stores. Corresponding adjustments were also made to other selected existing stores. The portion of directly purchased ATV Products has increased from 0.14% of the Group's total merchandise purchase in March 2025 to 0.42% in August 2025, and this trend is expected to continue in light of the Company's strategy to enhance its private brand offerings. Therefore, the ATV Products, particularly the directly purchased ATV Products, will account for a more substantial portion of the overall merchandise mix across both existing and new stores. When setting the Original ATV Purchase Annual Caps, the Board did not anticipate the extent of the significant increase in the directly purchased ATV Products in the second half of 2025. The increase is primarily as a result of the strong performance of the directly purchased ATV Products observed in the new stores opened in July and August 2025. The Board first became aware that the Original ATV Purchase Annual Caps could be insufficient in around September 2025 when conducting monthly review based on the then available actual transaction amounts. The transaction amount for the first eight months out of the 12 months of 2025 was HK\$9.1 million, representing approximately 80.5% or 120.8% (on annualized basis) of the Original ATV Purchase Annual Cap for the year ending 31 December 2025. Given the above, and that another new store has opened in October 2025, it is expected that the transaction amounts pursuant to the Master ATV Purchase Agreement will exceed the Original ATV Purchase Annual Caps.

The Company thus conducted a review of the Company's plans for ATV Products procurements relating to the directly purchased ATV Products and re-estimated the maximum amounts payable by the Company to ATV Japan pursuant to the Master ATV Purchase Agreement for the remaining periods in 2025 to 2027.

In light of the above, the Directors have resolved to revise the Original ATV Purchase Annual Caps to the Revised ATV Purchase Annual Caps as follows:

| <b>Financial Year</b>  | <b>Original ATV Purchase Annual Caps</b> | <b>Revised ATV Purchase Annual Caps</b> |
|------------------------|------------------------------------------|-----------------------------------------|
| 1/1/2025 to 31/12/2025 | HK\$11.3 million                         | HK\$15.6 million                        |
| 1/1/2026 to 31/12/2026 | HK\$14.0 million                         | HK\$37.6 million                        |
| 1/1/2027 to 31/12/2027 | HK\$15.3 million                         | HK\$47.4 million                        |

The Revised ATV Purchase Annual Caps have been determined with reference to the historical transaction amounts under the Master ATV Purchase Agreement and the review of the Company's plan for ATV Products procurement relating to the directly purchased ATV Products. The actual amount payable by the Company to ATV Japan from January to August 2025 was HK\$9.1 million, representing approximately 80.5% or 120.8% (on annualized basis) of the Original ATV Purchase Annual Cap for the year ending 31 December 2025. Given that the Original ATV Purchase Annual Cap for the year ending 31 December 2025 may not be sufficient, the Directors have revised the Original ATV Purchase Annual Caps to HK\$14.2 million for 2025, HK\$37.6 million for 2026 and

HK\$47.4 million for 2027, which are based on (i) the actual purchase amount of the directly purchased ATV Products for the eight months ended 31 August 2025 and the forecasted purchase orders for 2025; (ii) the increase in the Company's estimated total purchase amount of ATV Products and the increase in the proportion of the directly purchased ATV Products out of the total ATV Products purchases for 2026 and 2027; and (iii) a buffer of 10% for each of 2025, 2026 and 2027.

In arriving at the above annual caps, the Directors have taken into account the following: (i) the Company's plans for ATV Products procurement which made up about 8% of the total merchandise purchase in 2024 while the Group intends to gradually increase the portion to above 17% of its total merchandise purchase by 2027, (ii) the Group's purchase of ATV Products has increased by approximately 147% in January 2025 as compared with January 2024, (iii) the purchases from ATV Japan are expected to increase from 7% in 2025 to 13% in 2026 and further to 14% in 2027 out of the total ATV Products purchases across different ATV product types (namely, fashion, food, household fashion, and health and beauty care). In particular, the Company has introduced new ATV Products such as seasonal fruits and ice-cream, tissues and kitchen paper starting from the second half of 2025, and plans to procure milk starting from 2026 and significantly step-up the procurement of ice-cream in 2026 and 2027. Therefore, the estimated purchase amounts will increase from HK\$7.5 million for 2025 to HK\$20 million for 2026, and further to HK\$25.9 million for 2027. Purchase of home fashion products is expected to increase from HK\$1.7 million in 2025 to HK\$6.1 million in 2026, and further to HK\$6.5 million in 2027. The substantial increase in 2026 is to facilitate the Company to make bargain purchase and reduce logistic cost as home furniture are generally bulk in size. Purchase of health & beauty care products is expected to increase from HK\$3.3 million in 2025 to HK\$5.7 million in 2026, and further to HK\$7.3 million in 2027. The significant increase in 2026 is due to introduction of new products in view of the popularity of Japanese health and beauty products in Hong Kong; and (iv) the expected business growth arising from the Group's existing stores and opening of new stores, in particular that the Group plans to open at least 12 new stores in Hong Kong and PRC (in light of the decreased rental levels for commercial properties and to further capture the PRC consumer market) each year starting from 2025. Taking into account the above, the Directors consider that Revised ATV Purchase Annual Caps are fair and reasonable.

The actual transaction amount incurred under the Master ATV Purchase Agreement from 1 January 2025 up to 31 August 2025 was HK\$9.1 million. The Company expects that the transaction amount up to the date of the EGM will fall within the Original ATV Purchase Annual Caps for 2025.

## **REASONS FOR THE REVISION OF THE ORIGINAL ATV PURCHASE ANNUAL CAPS**

While the Group had been purchasing ATV Products from independent manufacturers and suppliers under Previous Master Trademark Licence Agreement, there are certain merchandise that the Group was unable to purchase from independent manufacturers or suppliers due to exclusivity and/or supply restrictions. As such, the Company and ATV Japan entered into the Master ATV Purchase Agreement to allow the Company to have access to those restricted merchandise.

The Directors have been carefully monitoring the historical transacted amounts and estimated transaction amounts under the Master ATV Purchase Agreement. As the procurement plans for ATV Products including the directly purchased ATV Products have been revised in response to welcoming support from customers and the encouraging ATV Products sales in 2025 so far as discussed above, the Directors expect that the Original ATV Purchase Annual Caps will be exceeded and therefore propose to revise the Original ATV Purchase Annual Caps.

The terms of the Master ATV Purchase Agreement have been reached after arm's length negotiations between the Company and ATV Japan. Since the directly purchased ATV Products are welcomed by the customers, enlarging the same in the merchandise mix enables the Company to better position its retail stores to capture the customers' needs and seize the sale opportunities.

The Directors, including all the independent non-executive Directors, are of the view that the Revised ATV Purchase Annual Caps are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **INTERNAL CONTROL**

As part of the Group's internal control systems, the Company's Connected Party Transaction Panel, comprising administrative general manager, corporate planning senior manager, finance manager, legal senior manager and the finance/administration general managers of two subsidiaries of the Company, will assist the Directors to review and monitor all connected transactions of the Group including the transactions under the Master Services Agreement and the Master ATV Purchase Agreement. The Connected Party Transaction Panel generally holds meetings bi-weekly to review and monitor all continuing connected transactions of the Group. The finance departments of the relevant members of the Group will conduct the initial level of control over the transaction and the transaction amounts under the Master Services Agreement and the Master ATV Purchase Agreement, to ensure they are conducted within the frameworks and the annual caps of the Master Services Agreement and the Master ATV Purchase Agreement. Where necessary, the Connected Party Transaction Panel will conduct bi-annual review of the transactions under the Master Services Agreement and the Master ATV Purchase Agreement, to ensure the transactions are conducted within the framework of the Master Service Agreement and the Master ATV Purchase Agreement, respectively, and monitor the utilisation of the annual caps for the Master Service Agreement and the Master ATV Purchase Agreement, respectively, to ensure timely compliance with the requirements under Chapter 14A of the Listing Rules.

## **INFORMATION OF THE PARTIES**

The Group is principally engaged in the operation of general merchandise stores in Hong Kong and the PRC.

The AGSCM Group is principally engaged in the business of international cargo transport services, including cargo booking, consignment, packaging; supervision of the freight transport distribution, transfer; application for inspection; charging service; international multimodal transport and other international freight forwarding business; acting as domestic cargo transport agents; and provision of consultancy services in the PRC and Japan. It is a subsidiary of AEON Co.

ATV Japan is principally engaged in the development, procurement and supply of a variety of merchandise, including fashion, household and food items. It is a subsidiary of AEON Co.

AEON Co is a public limited company incorporated in Japan and listed on the Tokyo Stock Exchange. AEON Co's subsidiaries and associated companies are principally engaged in the operation of general merchandise stores, the operation of specialty stores, the development of shopping centres as well as services and other operations in Japan and other Asian countries.

## **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, AGSCM Japan is a connected person of the Company by virtue of it being a subsidiary of AEON Co, the controlling shareholder of the Company. The entering into of the Master Services Agreement in respect of the Services constitutes a continuing connected transaction for the Company.

As the highest of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the Annual Caps is more than 5%, the transactions contemplated under the Master Services Agreement in respect of the Services (other than the use of the Dongguan Warehouse) constitute non-exempt continuing connected transactions for the Company, and are subject to the reporting, announcement, Independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

Pursuant to HKFRS 16, the entering into of the Master Services Agreement in respect of the use of the Dongguan Warehouse will require the Group to recognise a right-of-use asset. The acquisition of right-of-use asset is a one-off connected transaction pursuant to the Listing Rules. As the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of such right-of-use asset is 0.1% or more but less than 5%, the entering into of the Master Services Agreement in respect of the use of the Dongguan Warehouse constitutes a one-off connected transaction for the Company and is subject to the announcement requirement but is exempt from circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As at the date of this announcement, ATV Japan is a connected person of the Company by virtue of it being a subsidiary of AEON Co, the controlling shareholder of the Company. Accordingly, the transactions contemplated under the Master ATV Purchase Agreement constitute continuing connected transactions for the Company under the Listing Rules.

According to Rule 14A.54 of the Listing Rules, as the Company proposes to revise the Original ATV Purchase Annual Caps for the Master ATV Purchase Agreement, the Company is required to re-comply with the provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transactions.

As the highest of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules the Revised ATV Purchase Annual Caps exceeds 5%, the Revised ATV Purchase Annual Caps and the transactions contemplated under the Master ATV Purchase Agreement constitute non-exempt continuing connected transactions for the Company, and are subject to the reporting,

announcement, Independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

## **FORMATION OF AN INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

An Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders as to whether (i) the terms of the Master Services Agreement and (ii) Revised ATV Purchase Annual Caps, and whether the aforementioned transactions are fair and reasonable and in the interests of the Company the Independent Shareholders as a whole.

An Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this respect.

## **CIRCULAR**

A circular containing, among other things, (i) the details of the Master Services Agreement, the transactions contemplated thereunder and the Annual Caps, (ii) further information on the Revised ATV Purchase Annual Caps, (iii) the letter from the Independent Board Committee, (iv) the letter from the Independent Financial Adviser, (v) the notice of EGM, and (vi) other information as required under the Listing Rules is expected to be despatched to the Shareholders no later than 28 November 2025.

## **EGM**

The Company will convene an EGM to seek approval from the Independent Shareholders in respect of (i) the terms of the Master Services Agreement and (ii) Revised ATV Purchase Annual Caps.

In view of AEON Co's interests in the Master Services Agreement, AEON Co and its associates are required to abstain and shall abstain from voting on the ordinary resolutions to be proposed at the EGM to approve (i) the terms of the Master Services Agreement and (ii) Revised ATV Purchase Annual Caps, respectively. Mr. Toshiya Goto, Mr. Takenori Nagashima, Mr. Shinya Hisanaga, Mr. Hiroyuki Inohara and Mr. Yasutoshi Yokochi are shareholders, employees and/or ex-employees of AEON Co and are regarded as potentially having a material interest in (i) the terms of the Master Services Agreement and (ii) Revised ATV Purchase Annual Caps, respectively, they have accordingly abstained from voting on the relevant resolutions at the Board meeting convened to consider (i) the terms of the Master Services Agreement and (ii) Revised ATV Purchase Annual Caps, respectively. For the same reason, Mr. Takenori Nagashima and Mr. Shinya Hisanaga (being Shareholders of the Company who, as at the date of this announcement, held 12,000 and 30,000 Shares, representing 0.00462% and 0.01154% of the issued Shares, respectively) will also abstain from voting on the relevant resolutions as Shareholder of the Company at the EGM. Apart from the above persons, the Directors are not aware of any other

Shareholders of the Company who are required to abstain from voting on the resolutions at the EGM.

## DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context requires otherwise.

|                       |                                                                                                                                                                                                   |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “AEON Co”             | AEON Co., Ltd., a company incorporated in Japan with limited liability, the issued shares of which are listed on the Tokyo Stock Exchange                                                         |
| “AEON GD” / “GDA”     | 廣東永旺天河城商業有限公司 (Guangdong AEON Teem Stores Co., Ltd.), a company incorporated in the PRC and owned as to 65% by the Company                                                                        |
| “AGSCM China”         | 永旺環球（北京）國際貨運代理有限公司 (AEON Global SCM (Beijing) Co. Limited)), a company incorporated in the PRC and an indirect subsidiary of AEON Co                                                              |
| “AGSCM China Group”   | AGSCM China and its subsidiaries                                                                                                                                                                  |
| “AGSCM Group”         | AGSCM Japan and its subsidiaries including members of the AGSCM China Group                                                                                                                       |
| “AGSCM Japan”         | AEON GLOBAL SCM Co., Ltd., a company incorporated in Japan and a subsidiary of AEON Co                                                                                                            |
| “Annual Caps”         | the annual caps in respect of the Master Services Agreement for the 3-year periods between 1 December 2025 and 30 November 2028                                                                   |
| “ASC”                 | 永旺華南商業有限公司 (AEON South China Co., Ltd.), a company incorporated in the PRC and a wholly-owned subsidiary of the Company                                                                           |
| “ATV Japan”           | AEON TopValu Co., Ltd., a company incorporated in Japan with limited liability                                                                                                                    |
| “ATV Japan Group”     | ATV Japan and its subsidiaries                                                                                                                                                                    |
| “ATV Products”        | the products which are developed as AEON Co and/or its subsidiaries’ private brand merchandises and bear one or more TopValu Trademarks                                                           |
| “Board”               | board of Directors                                                                                                                                                                                |
| “Company”             | AEON Stores (Hong Kong) Co., Limited (永旺(香港)百貨有限公司), a company incorporated in Hong Kong with limited liability and the issued shares of which are listed on the Stock Exchange (stock code: 984) |
| “connected person(s)” | has the meaning ascribed to it under the Listing Rules                                                                                                                                            |

|                                     |                                                                                                                                                                                                                                                                                                                                                                                                             |
|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “continuing connected transactions” | has the meaning ascribed to it under the Listing Rules                                                                                                                                                                                                                                                                                                                                                      |
| “controlling shareholder”           | has the meaning ascribed to it under the Listing Rules                                                                                                                                                                                                                                                                                                                                                      |
| “Definitive Agreements”             | the agreements and/or such other documentation which may be entered into between any member(s) of the Group and any member(s) of the AGSCM Group in relation to any of the Services at any time during the term of the Previous Master Services Agreement or the Master Services Agreement                                                                                                                  |
| “Director(s)”                       | the directors of the Company                                                                                                                                                                                                                                                                                                                                                                                |
| “Dongguan Warehouse”                | the warehouse of the AGSCM Group in Dongguan of Guangdong Province, PRC                                                                                                                                                                                                                                                                                                                                     |
| “EGM”                               | the extraordinary general meeting of Shareholders (and any adjournment thereof) to be held to consider the resolutions relating to the Master Services Agreement and the Revised ATV Purchase Annual Caps                                                                                                                                                                                                   |
| “EGM Notice”                        | the notice in respect of the EGM                                                                                                                                                                                                                                                                                                                                                                            |
| “Group”                             | the Company and its subsidiaries                                                                                                                                                                                                                                                                                                                                                                            |
| “HKFRS”                             | Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants                                                                                                                                                                                                                                                                                                   |
| “HK\$”                              | Hong Kong dollars, the lawful currency of Hong Kong                                                                                                                                                                                                                                                                                                                                                         |
| “Hong Kong”                         | the Hong Kong Special Administrative Region of the PRC                                                                                                                                                                                                                                                                                                                                                      |
| “Independent Board Committee”       | the independent board committee of the Company comprising all independent non-executive Directors, namely Mr. Hideto Mizuno, Ms. Shum Wing Ting and Ms. Wong Mei Ling;                                                                                                                                                                                                                                      |
| “Independent Financial Adviser”     | Somerley Capital Limited, a corporation licenced to carry out Type 1 (Dealing in Securities) and Type 6 (Advising on Corporate Finance) regulated activities under the SFO, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the transactions contemplated under the Master Services Agreement and the Revised ATV Purchase Annual Caps |
| “Independent Shareholders”          | Shareholders other than those who have a material interest in the relevant Master Services Agreement and the Revised ATV Purchase Annual Caps                                                                                                                                                                                                                                                               |
| “Listing Rules”                     | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited                                                                                                                                                                                                                                                                                                                    |
| “Master ATV Purchase Agreement”     | the mater purchase agreement dated 31 December 2024 entered into by the Company and ATV Japan                                                                                                                                                                                                                                                                                                               |
| “Master Services Agreement”         | the master services agreement entered into by the Company and AGSCM Japan on 18 November 2025                                                                                                                                                                                                                                                                                                               |
| “Original ATV Purchase Annual Caps” | the annual caps in respect of the Master ATV Purchase Agreement in the amount of HK\$11.3 million, HK\$14.0 million and HK\$15.3                                                                                                                                                                                                                                                                            |

|                                      |                                                                                                                                                                                                                                                                                                                                                                                    |
|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                      | million for each of the three years ending 31 December 2027, as set out in page 7 of the announcement of the Company dated 31 December 2024                                                                                                                                                                                                                                        |
| “PRC”                                | the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan                                                                                                                                                                                                                      |
| “Previous Master Services Agreement” | the master services agreement entered into between the Company and AGSCM Japan on 21 October 2022                                                                                                                                                                                                                                                                                  |
| “Revised ATV Purchase Annual Caps”   | the revised annual caps in respect of the Master ATV Purchase Agreement for the three years ending 31 December 2027                                                                                                                                                                                                                                                                |
| “RMB”                                | Renminbi, the lawful currency of the PRC                                                                                                                                                                                                                                                                                                                                           |
| “Services”                           | as defined in the paragraph headed “The Master Services Agreement – Principal terms – Scope of Service” in this announcement                                                                                                                                                                                                                                                       |
| “Shares”                             | share(s) in the Company                                                                                                                                                                                                                                                                                                                                                            |
| “Shareholder(s)”                     | holders of the shares of the Company from time to time                                                                                                                                                                                                                                                                                                                             |
| “Stock Exchange”                     | The Stock Exchange of Hong Kong Limited                                                                                                                                                                                                                                                                                                                                            |
| “TopValu Trademarks”                 | trademarks and logos owned by AEON Co and licensed to members of the Group from time to time pursuant to the Previous Master Trademark Licence Agreement dated 30 June 2021, the Supplemental Master Trademark Licence Agreement dated 31 December 2024 and the Master Licence Agreement dated 1 April 2025, all referred to in the announcement of the Company dated 1 April 2025 |
| “Warehouses”                         | the Dongguan Warehouse and the Yokkaichi Warehouse                                                                                                                                                                                                                                                                                                                                 |
| “Yokkaichi Warehouse”                | the warehouse of the AGSCM Group in Yokkaichi, Mie Prefecture of Japan                                                                                                                                                                                                                                                                                                             |
| “%”                                  | per cent.                                                                                                                                                                                                                                                                                                                                                                          |

By Order of the Board  
**AEON Stores (Hong Kong) Co., Limited**  
**Toshiya Goto**  
*Chairman*

Hong Kong, 18 November 2025

*As at the date of this announcement, the Executive Directors are Mr. Takenori Nagashima and Mr. Shinya Hisanaga; the Non-executive Directors are Mr. Toshiya Goto, Mr. Hiroyuki Inohara and Mr. Yasutoshi Yokochi; and the Independent Non-executive Directors are Mr. Hideto Mizuno, Ms. Shum Wing Ting and Ms. Wong Mei Ling.*