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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  
REVISION OF ANNUAL CAPS FOR  
CONTINUING CONNECTED TRANSACTIONS  
IN RELATION TO  
THE CONSULTANCY SERVICES AGREEMENTS**

Reference is made to the announcement of the Company dated 31 December 2024 (the “**Previous Announcement**”) in relation to the Consultancy Services Agreements entered into by each of the Company, AEON GD and ASC with AEON China.

In view of the expected increase in consultancy services required of AEON China as further elaborated below, the Original Annual Caps are expected to be insufficient. The Directors have therefore resolved to revise the Original Annual Caps.

As at the date of this announcement, AEON China 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 Consultancy Services Agreements 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 Annual Caps for the Consultancy Services Agreements, 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 Annual Caps exceeds 5%, the Revised Annual Caps and the transactions contemplated under the Consultancy Services Agreements are subject to the reporting, announcement, Independent Shareholders’ approval and annual review requirements under Chapter 14A of the Listing Rules.

An Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders on the Revised Annual Caps.

The 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 Revised Annual Caps.

A circular containing, among other things, (i) further information on the Revised Annual Caps; (ii) the letter from the Independent Board Committee; (iii) the letter from the Independent Financial Adviser; (iv) the notice of the EGM; and (v) other information as required under the Listing Rules is expected to be despatched to the Shareholders no later than 31 July 2025, as more time is required for preparing and finalizing the circular.

## **BACKGROUND**

Reference is made to the Previous Announcement in relation to the Consultancy Services Agreements entered into by each of the Company, AEON GD and ASC with AEON China. The principal terms of the Consultancy Services Agreements, the consultancy services, their scope and the Original Annual Caps were disclosed in the Previous Announcement.

## **REVISION OF ANNUAL CAPS**

Compared with the Previous Consultancy Services Agreements, in the Consultancy Services Agreements the parties adopted (i) a new streamlined scope of consultancy services, which was set out in the paragraph headed “Consultancy Services” in the Previous Announcement; and (ii) reduced fee charging basis (i.e. from plus 5% to plus 3%). When setting the Original Annual Caps in December 2024, the Directors considered it reasonable to expect lower fee amounts as compared with the previous years in view of the aforesaid streamlined scope of services and reduction in fee charging basis under the Consultancy Services Agreements. However, due to the worsening economy and intense competition with other companies, the Group is compelled to undertake merchandise reforms and adjustments in business operations, as well as revisions to its store development strategy. For these purposes, the Company implemented enhancement projects with AEON China relating to supplier platform, various retail solutions and operational efficiency. These changes necessitate increased consultations with AEON China to ensure alignment and effective implementation. This trend is expected to continue as the Group navigates these challenging economic conditions and strives to maintain its competitive edge. Given that the transaction amount for the first five months out of the 12 months of 2025 already amounted to approximately 49.2% of the Original

Annual Cap for the year ending 31 December 2025, it is expected that the transaction amounts pursuant to the Consultancy Services Agreements will exceed the Original Annual Caps.

Each of the Company, AEON GD and ASC together with AEON China thus conducted a review of the consultancy services required of AEON China for each month in 2025 and re-estimated the service fees to be generated. The revised estimate for the 2025 fees were used to project the estimated fees for 2026 and 2027.

The actual transaction amount for the period from 1 January 2025 to 31 May 2025 was approximately RMB4.87 million, exclusive of tax and after applying the annual maximum service fee (as set out under the paragraph headed “Fees” in the Previous Announcement) by reference to the sales amount recorded on the management accounts of the relevant members of the Group (the “Unaudited Sales Amount”) for the same period. Since the service fee incurred for January to May 2025 (based on 3% over AEON China’s costs) already exceeded the Maximum Service Fee based on the Unaudited Sales Amount for the same period, the Maximum Service Fee was applied to avoid overpayment of Service Fee by the end of the year. As at the date of this announcement, the Original Annual Caps have not been exceeded.

In view of the above, the Original Annual Caps are expected to be insufficient and the Directors have therefore resolved to revise the Original Annual Caps as follows:

<b>Financial Year/Period</b>	<b>Original Annual Caps</b>	<b>Revised Annual Caps</b>
1/1/2025 to 31/12/2025	HK\$9.9 million	RMB14.8 million
1/1/2026 to 31/12/2026	HK\$9.9 million	RMB15.7 million
1/1/2027 to 31/12/2027	HK\$9.9 million	RMB17.7 million

The Revised Annual Caps have been determined with reference to the historical transaction amounts under the Consultancy Services Agreements and the review of the consultancy services required of AEON China in each of the months in 2025 and estimated the service fees generated thereby. The estimated fees for 2025 were used to project the estimated fees in 2026 and 2027.

Notwithstanding the revision of the Original Annual Caps, all the terms and conditions of the Consultancy Services Agreements remain unchanged.

## **REASONS FOR THE REVISION OF ANNUAL CAPS**

AEON Co is a company listed on the Tokyo Stock Exchange, whose subsidiaries and associated companies are principally engaged in the operation of general merchandise stores, specialty stores, the development of shopping centres as well as

services and other operations in Japan and other Asian countries. In addition to having the skills and experience of the AEON Co group in relation to the Japanese retail industry, AEON China has also developed specific skills and experience in relation to the PRC retail industry through its research and analysis. The entering into of the Consultancy Services Agreements will allow the Group to leverage on the expertise of AEON China, thereby enhancing its business operations, procurement activities and developments in the local market.

The Directors have been carefully monitoring the historical transacted amounts and estimated transaction amounts under the Consultancy Services Agreements. In view of the revised business projections as set out above, the Directors expect that the Original Annual Caps will be exceeded and therefore revised the Original Annual Caps.

The Directors, including all the independent non-executive Directors, are of the view that (i) the Consultancy Services Agreements and the transactions contemplated thereunder are on normal commercial terms; (ii) the terms of the Consultancy Services Agreements and the transactions contemplated thereunder, together with the Revised Annual Caps, are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (iii) the Consultancy Services Agreements and the transactions contemplated thereunder are entered into in the ordinary and usual course of the Company's business.

At a Board meeting convened to consider the Revised Annual Caps, Mr. Toshiya Goto, Mr. Takenori Nagashima, Mr. Shinya Hisanaga, Mr. Hiroyuki Inohara and Mr. Yasutoshi Yokochi, who are shareholders, employees and/or ex-employees of AEON Co, were regarded as potentially having a material interest in the Consultancy Services Agreements and accordingly abstained from voting on the relevant resolutions.

## **INFORMATION ABOUT THE PARTIES**

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

AEON China is principally engaged in, among others, the provision of consultancy services, technical support and training in relation to matters such as product manufacturing, sales, market development and procurement.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, AEON China 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 Consultancy Services Agreements 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 Annual Caps for the Consultancy Services Agreements, 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 Annual Caps exceeds 5%, the Revised Annual Caps and the transactions contemplated under the Consultancy Services Agreements 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 THE INDEPENDENT FINANCIAL ADVISER**

An Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders on the Revised Annual Caps.

The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in the same regards.

## **CIRCULAR**

A circular containing, among other things, (i) further information on the Revised Annual Caps; (ii) the letter from the Independent Board Committee; (iii) the letter from the Independent Financial Adviser; (iv) the notice of the EGM; and (v) other information as required under the Listing Rules is expected to be despatched to the Shareholders no later than 31 July 2025, as more time is required for preparing and finalizing the circular.

## **EGM**

The Company will convene an EGM to seek approval from the Independent Shareholders in respect of the Revised Annual Caps. At the EGM, an ordinary resolution approving the Revised Annual Caps shall be proposed and, if thought fit, approved by the Independent Shareholders.

In view of AEON Co's interests in the Consultancy Services Agreements, AEON Co and its associates are required to abstain and shall abstain from voting on the ordinary resolution to be proposed at the EGM to approve the Revised Annual Caps.

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 the Consultancy Services Agreements. Accordingly, they have abstained from voting on the relevant resolutions at the Board meeting convened to consider the Revised Annual Caps. For the same reason, Mr. Takenori Nagashima and Mr. Shinya Hisanaga (being Shareholders of the Company) will also abstain from voting on the relevant resolution as Shareholders at the EGM. Apart from the above persons, the Directors are not aware of any other Shareholders 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 China”	永旺（中國）投資有限公司 (AEON (China) Investment Co., Ltd.), a company incorporated in the PRC and wholly owned by AEON Co
“AEON GD”	廣東永旺天河城商業有限公司 (Guangdong AEON Teem Co., Ltd.), a company incorporated in the PRC and owned as to 65% by the Company
“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
“Board”	the board of Directors
“Company”	AEON Stores (Hong Kong) Co., Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange

“connected person”	has the meaning ascribed thereto under the Listing Rules
“Consultancy Services Agreement(s)”	the consultancy services agreement(s) dated 31 December 2024 entered into between AEON China and each of the Company, AEON GD and ASC respectively, each supplemented by an agreement dated 31 December 2024 between the same respective parties
“continuing connected transactions”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of Shareholders (and any adjournment thereof) to be held to consider the resolution(s) relating to the Revised Annual Caps
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region, 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 Securities and Futures Ordinance, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Revised Annual Caps
“Independent Shareholders”	Shareholders other than those who have a material interest in the Consultancy Services Agreements
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Original Annual Caps”	the annual caps in respect of the Consultancy Services Agreements for the three years ending 31 December 2027, as disclosed in 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, Macau Special Administrative Region and Taiwan
“Previous Consultancy Services Agreements”	the consultancy services agreements entered into between AEON China and each of the Company, AEON GD and ASC respectively on 4 October 2021, each supplemented by an agreement dated 4 October 2021 between the same respective parties
“Revised Annual Caps”	the revised annual caps in respect of the Consultancy Services Agreements for the three years ending 31 December 2027, as set out on page 3 of this announcement
“RMB”	renminbi, the lawful currency of the PRC
“Shareholders”	holders of the shares of the Company from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 9 July 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.*