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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 IT MASTER AGREEMENT

Independent financial adviser to the Independent Board Committee and Independent Shareholders

SOMERLEY CAPITAL LIMITED

Reference is made to the announcement of the Company dated 28 August 2026 in relation to the Renewal Master Agreement entered into between the Company and ADMC to renew the IT Master Agreement in respect of the provision of Services by ADMC for a term of three years from 30 August 2026 to 29 August 2029.

In view of the expected increase in the Group's information technology requirements arising from the business initiatives further elaborated below, the Original Annual Caps are expected to be insufficient. The Directors have therefore resolved to revise the Original Annual Caps to the Revised Annual Caps.

As at the date of this announcement, ADMC 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 Renewal Master Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest of the applicable percentage ratios in respect of the Revised Annual Caps is more than 5% on an annual basis, the transactions contemplated under the Renewal Master Agreement (as revised by the Revised Annual Caps) are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

According to Rule 14A.54(1) of the Listing Rules, as the Company proposes to revise the annual caps for its continuing connected transactions, the Company is required to re-comply with the provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transactions.

An EGM will be convened at which the Independent Shareholders will consider and, where appropriate, approve the Revised Annual Caps for the transactions contemplated under the Renewal Master Agreement (as revised by the Revised Annual Caps).

A circular containing, amongst other things, (i) further information of the Revised Annual Caps; (ii) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendation in respect of the Revised Annual Caps; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Revised Annual Caps; and (iv) a notice of the EGM with the proxy form is expected to be despatched to the Shareholders on or before 25 November 2026.

INTRODUCTION

Reference is made to the Previous Announcement in relation to the Renewal Master Agreement entered into between the Company and ADMC on 28 August 2026 to renew the IT Master Agreement in respect of the provision of Services by ADMC for a further term of three years effective from 30 August 2026 to 29 August 2029 (both dates inclusive).

Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Previous Announcement.

The Directors have been carefully monitoring the historical and expected transaction amounts under the Renewal Master Agreement. Having regard to (i) the utilisation of the Original Annual Caps; (ii) the Company's latest business projections and information technology roadmap; (iii) the acceleration and/or expansion of certain IT projects (including, among others, enhancements to the online store and private-brand systems in the PRC, and the roll-out of smart shopping carts, an AI anti-theft system and cloud warehouse initiatives in Hong Kong); (iv) the expected substitution of certain Independent Third Party service providers with ADMC where this is more efficient or produces group-wide synergy; and (v) cost allocation among members of the AEON Group, the Board expects that the annual caps of RMB3.0 million for the period from 30 August 2026 to 31 December 2026, RMB8.6 million and RMB8.6 million for the two years ending 31 December 2027 and 31 December 2028 respectively, and RMB6.0 million for the period from 1 January 2029 to 29 August 2029 (the "**Original Annual Caps**") may not be sufficient to accommodate the transactions contemplated under the Renewal Master Agreement for the remainder of its term, and proposes that such annual caps be revised and increased to the revised annual caps of RMB11.0 million for the period from 30 August 2026 to 31 December 2026, RMB34.0 million and RMB36.0 million for the two years ending 31 December 2027 and 31 December 2028, and RMB26.0 million for the period from 1 January 2029 to 29 August 2029 (the "**Revised Annual Caps**").

Save for the revision of the Original Annual Caps to the Revised Annual Caps, all the terms and conditions of the Renewal Master Agreement (including the nature of the Services, the procurement process comprising the Cost-plus Basis and the Tendering Basis, the pricing policy, the payment terms, the audit rights and the term) remain unchanged.

HISTORICAL TRANSACTION AMOUNT

Based on the Group's management accounts, the unaudited aggregate consideration between the Group and the ADMC for the Services under the Renewal Master Agreement for the period from 30 August 2026 to 30 September 2026 is approximately RMB1.96 million. As at the date of this announcement, the Original Annual Caps have not been exceeded. The transaction amount under the Renewal Master Agreement up to the date of this announcement is not expected to exceed the Original Annual Cap for the period from 30 August 2026 to 31 December 2026 prior to the EGM.

REVISION OF THE ORIGINAL ANNUAL CAPS

The table below sets out the Original Annual Caps and the Revised Annual Caps for the consideration paid and payable by members of the Group to ADMC for the Services under the Renewal Master Agreement:

Financial Year/Period	Original Annual Caps	Revised Annual Caps
30 August 2026 to 31 December 2026	RMB3.0 million	RMB11.0 million
1 January 2027 to 31 December 2027	RMB8.6 million	RMB34.0 million
1 January 2028 to 31 December 2028	RMB8.6 million	RMB36.0 million
1 January 2029 to 29 August 2029	RMB6.0 million	RMB26.0 million

The Revised Annual Caps have been determined with reference to:

(i) the historical transaction amounts between the Group and ADMC under the IT Master Agreement for the period between 30 August 2023 and 31 December 2023, each of the two years ended 31 December 2025 and the period between 1 January 2026 and 30 June 2026 were approximately RMB1.52 million, RMB32.05 million, RMB22.03 million and RMB13.16 million, respectively;

(ii) the actual and annualised transaction amounts under the Renewal Master Agreement for the period from 30 August 2026 up to the date of this announcement;

(iii) the Company's latest business projections and information technology plans, including (a) in the PRC, marketing initiatives to grow membership and sales on the Group's own apps and websites, together with projects to improve the online store and to increase sales of store-brand items; and (b) in Hong Kong, the commencement and/or expansion of smart shopping carts, an AI anti-theft system and cloud warehouse work;

(iv) the expected replacement of certain Independent Third Party service providers with ADMC, where engagement of ADMC is expected to result in greater operational efficiency, familiarity with the Group's systems, or synergy and cost sharing with other members of the AEON Group;

(v) the pricing policy under the Renewal Master Agreement (Cost-plus Basis of Actual Costs plus a mark-up of not more than 10%, or not more than 5% where Actual Costs consist solely of ADMC's personnel expenses; or the Tendering Basis), and the principles for apportionment of Actual Costs among Users;

(vi) the manner in which costs are allocated between the AEON Group and the Group;

(vii) an assumed inflation/cost escalation rate of approximately 2% per annum; and

(viii) a prudent buffer to allow for unforeseen fluctuations in project scope, timing, transaction volume and foreign exchange movements between RMB and other currencies.

REASONS FOR AND BENEFITS OF THE REVISION OF ANNUAL CAPS

The Directors consider that ADMC has been providing the Services under the IT Master Agreement (and now the Renewal Master Agreement) and is therefore familiar with the relevant business operations and information technology environment of the Group. The engagement of ADMC, subject to ADMC being selected during the applicable procurement process, will continue to enhance the Group's information technology systems, increase operational efficiencies and reduce costs, and will enhance the Group's services to customers and improve customers' shopping experiences.

The Original Annual Caps were set at a conservative level having regard to the information then available. In light of the latest sales trend, the acceleration of certain digital and store-operation projects, and updated business projections, the Original Annual Caps are expected to be insufficient. The revision of the annual caps will enable the Group to continue to procure the Services from ADMC, without interruption, in accordance with the Renewal Master Agreement and the Group's information technology roadmap, which is in the interests of the Company and the Shareholders as a whole.

The Directors have been carefully monitoring the historical transacted amounts and estimated transaction amounts for the Services. In view of the above, the Directors expect that the Original Annual Caps will be exceeded and therefore propose to revise the Original Annual Caps to the Revised Annual Caps.

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

INFORMATION ABOUT THE PARTIES

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

ADMC is an indirect wholly-owned subsidiary of AEON Co, and is principally engaged in the provision of technical support, procurement of hardware and software and the development of retail related software. ADMC is a company registered in the PRC.

AEON Co is a public limited company incorporated in Japan and listed on the Tokyo Stock Exchange. AEON Co is the Controlling Shareholder of the Company, who beneficially owns approximately 60.59% of the issued share capital of the Company, and is a connected person of the Company under Chapter 14A of the Listing Rules. 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.

LISTING RULES IMPLICATIONS

As at the date of this announcement, ADMC 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 Renewal Master Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest of the applicable percentage ratios in respect of the Revised Annual Caps is more than 5% on an annual basis, the transactions contemplated under the Renewal Master Agreement (as revised by the Revised Annual Caps) are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

According to Rule 14A.54(1) of the Listing Rules, as the Company proposes to revise the annual caps for its continuing connected transactions, the Company is required to re-comply with the provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transactions.

An EGM will be convened at which the Independent Shareholders will consider and, where appropriate, approve the Revised Annual Caps for the transactions contemplated under the Renewal Master Agreement (as revised by the Revised Annual Caps).

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

An Independent Board Committee comprising Mr. Hideto Mizuno, Ms. Shum Wing Ting and Ms. Wong Mei Ling, each an independent non-executive Director with no material interest in the Renewal Master Agreement and the Revised Annual Caps, has been formed to advise the Independent Shareholders as to whether the terms of the Renewal Master Agreement in respect of the Revised Annual Caps and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and its Shareholders as a whole, and to advise the Independent Shareholders as to how to vote at the EGM.

Somerley Capital Limited has been appointed as the Independent Financial Adviser of the Company to advise the Independent Board Committee and the Independent Shareholders in this respect.

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 Renewal Master Agreement, AEON Co, which as at the date of this announcement beneficially holds 155,760,000 shares in the Company (representing approximately 59.91% of the issued shares in the Company), and its associates (including AEON Credit Service (Asia) Company Limited, which is a subsidiary of AEON Co and as at the date of this announcement is a beneficial owner of 1,776,000 shares in the Company, representing approximately 0.68% of the issued shares in the Company) 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.

As such, AEON Co and AEON Credit Service (Asia) Company Limited, which (i) in aggregate beneficially own and control 157,536,000 shares in the Company (representing approximately 60.59% of the issued shares in the Company) and (ii) are entitled to exercise control over the voting rights in respect of their respective shares in the Company, shall abstain from voting at the EGM under the Listing Rules.

Mr. Takenori Nagashima, Mr. Shinya Hisanaga, Mr. Yasutoshi Yokochi, Mr. Tsukasa Konno and Mr. Wei Aiguo were regarded as potentially having a material interest in the Renewal Master Agreement. 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 (who as at the date of this announcement beneficially holds 12,000 shares in the Company, representing approximately 0.00462% of the issued shares in the Company) and Mr. Shinya Hisanaga (who as at the date of this announcement beneficially holds 30,000 shares in the Company, representing approximately 0.01154% of the issued shares in 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.

CIRCULAR

A circular containing, amongst other things, (i) further information of the Revised Annual Caps; (ii) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendation in respect of the Revised Annual Caps; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Revised Annual Caps; and (iv) a notice of the EGM with the proxy form is expected to be despatched to the Shareholders on or before 25 November 2026.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

"ADMC"	永旺數字科技有限公司 (AEON Digital Management Centre*) (formerly known as AEON 信息系統集成(杭州)有限公司 (AEON Integrated Business Service China Co., Limited*)), a company registered in the PRC and a subsidiary of AEON Co
"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 Group"	AEON Co and its subsidiaries and, unless the context requires otherwise, excluding members of the Group
"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
"Controlling Shareholder"	has the meaning ascribed thereto under the Listing Rules
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting or any adjournment thereof of the Company to be convened for the Independent Shareholders to consider and, if thought fit, approving, inter alia, the Revised Annual Caps and the transactions contemplated under the Renewal Master Agreement
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	an independent board committee 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 licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Revised Annual Caps and the transactions contemplated under the Renewal Master Agreement
"Independent Shareholders"	Shareholders other than those who have a material interest in the Renewal Master Agreement
"Independent Third Party(ies)"	a third party which, together with its beneficial owner(s) (if any) and to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, is independent of the Company (or, if the context requires, AEON Group) and its connected persons in accordance with the Listing Rules
"IT Master Agreement"	the master agreement entered into between the Company and ADMC on 30 August 2017 which was renewed by master agreements dated 31 July 2020, 25 July 2023 and 28 August 2026
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Original Annual Caps"	the annual caps in respect of the transactions contemplated under the Renewal Master Agreement as set out in the Previous Announcement
"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 Announcement"	the announcement of the Company dated 28 August 2026 in relation to the Renewal Master Agreement
"Renewal Master Agreement"	the renewal master agreement dated 28 August 2026 conditionally entered into between the Company and ADMC renewing the IT Master Agreement for a further term of three years effective from 30 August 2026 to 29 August 2029 (both dates inclusive)
"Revised Annual Caps"	the revised annual caps in respect of the transactions contemplated under the Renewal Master Agreement as set out in this announcement

"Services"	services to be provided by ADMC under the Renewal Master Agreement, including but not limited to consultancy, design, development, enhancement, planning, project management, vendor selection and/or management, operation, training, management and maintenance services relating to the Group's information technology systems, infrastructure, network, platform, equipment, applications and software and such other services as may be agreed between the members of the Group and ADMC from time to time
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shareholder(s)"	the holder(s) of the share(s) of the Company from time to time
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"RMB"	Renminbi, the lawful currency of the PRC
"%"	per cent.

* *the English names of the entities incorporated in the PRC are translation of their respective Chinese company names for the purpose of identification only.*

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

Hong Kong, 4 November 2026

As at the date of this announcement, the Executive Directors are Mr. Takenori Nagashima and Mr. Shinya Hisanaga; the Non-executive Directors are Mr. Tsukasa Konno, Mr. Wei Aiguo and Mr. Yasutoshi Yokochi; and the Independent Non-executive Directors are Mr. Hideto Mizuno, Ms. Shum Wing Ting and Ms. Wong Mei Ling.