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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 CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE MASTER AGREEMENT**

Reference is made to the announcement of the Company dated 26 February 2019 regarding the Previous Master Agreement in relation to the Company's sale of the AEON Stores Gift Certificates to ACSA.

The Board is pleased to announce that on 22 February 2022, the Company entered into the Master Agreement with ACSA on substantially the same terms as the Previous Master Agreement which is due to expire on 28 February 2022.

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

As the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the Cap are 0.1% or more but less than 5%, the transactions under the Master Agreement are subject to annual review and the applicable disclosure requirements and are exempt from shareholders' approval requirements under Chapter 14A of the Listing Rules.

#### **1 INTRODUCTION**

Reference is made to the announcement of the Company dated 26 February 2019 regarding the Previous Master Agreement in relation to the Company's sale of the AEON Stores Gift Certificates to ACSA.

The Board is pleased to announce that on 22 February 2022, the Company entered into the Master Agreement with ACSA in relation to the sales of the AEON Stores Gift Certificates to ACSA on substantially the same terms as the Previous Master Agreement which is due to expire on 28 February 2022.

## **2 TERMS OF THE MASTER AGREEMENT**

### **Date**

22 February 2022

### **Parties**

- (i) the Company (as seller); and
- (ii) ACSA (as purchaser).

### **Nature of Transactions**

ACSA may from time to time place purchase orders with the Company for the AEON Stores Gift Certificates. Upon acceptance of the order and receipt of payment, the Company will issue the AEON Stores Gift Certificates in such quantity corresponding to the amount of payment received from ACSA. Upon collection by ACSA, the AEON Stores Gift Certificates shall be non-returnable, non-refundable and non-exchangeable for cash.

### **Pricing**

The AEON Stores Gift Certificates shall be sold by the Company to ACSA at face value.

### **Non-exclusivity**

The Company or ACSA shall not be prohibited or restricted from selling, purchasing, giving or receiving the AEON Stores Gift Certificates to or from any third party during the term of the Master Agreement or after its termination.

### **Duration**

The term of the Master Agreement shall be a period of three years commencing on 1 March 2022 and expiring on 28 February 2025. The parties to the Master Agreement may, subject to compliance with the Listing Rules, renew the Master Agreement.

### **Termination**

Either party may terminate the Master Agreement by giving not less than ninety (90) days' prior written notice to the other party.

### 3 THE CAP AMOUNT

For each of the following periods, the historical transaction amount under the Previous Master Agreement is as follows:

<b>Financial Year/Period</b>	<b>(HK\$)</b>
1 January to 31 December 2019	9.1 million
1 January to 31 December 2020	8.5 million
1 January to 31 December 2021	8.8 million

It is estimated that the Cap for each of the following periods shall be:

<b>Financial Year/Period</b>	<b>(HK\$)</b>
1 March to 31 December 2022	13.8 million
1 January to 31 December 2023	16.5 million
1 January to 31 December 2024	16.5 million
1 January to 28 February 2025	2.7 million

In arriving at the Cap, the Directors have taken into account various factors including the historical transaction amounts under the Previous Master Agreement as set out above and the estimated purchase amounts for the period from 1 March 2022 to 28 February 2025 as estimated/advised by ACSA.

### 4 REASONS FOR AND BENEFITS OF THE MASTER AGREEMENT

The Company believes that the entering into of the Master Agreement for the sale of the AEON Stores Gift Certificates will help advertise and promote the brand and business of the Group, achieve more sales by reaching more customers and hence increase revenue of the Group.

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

At a Board meeting convened to consider the Master Agreement, Mr. Isei Nagakawa, Mr. Isao Sugawara, Mr. Takenori Nagashima, Mr. Shinya Hisanaga; Ms. Yuki Habu and Mr. Makoto Fukuda were regarded as potentially having a material interest in the Master Agreement and accordingly abstained from voting on the relevant resolutions.

### 5 INFORMATION ON THE PARTIES

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

ACSA and its subsidiaries are principally engaged in the provision of consumer credit finance services, which include the issuance of credit cards and the provision of personal loan financing.

## **6 LISTING RULES IMPLICATIONS**

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

As the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the Cap are 0.1% or more but less than 5%, the transactions thereunder are subject to annual review and the applicable disclosure requirements and are exempt from shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **7 DEFINITIONS**

In this announcement, the following expressions have the respective meanings set out below 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
“ACSA”	Aeon Credit Service (Asia) Co., Ltd., a company incorporated in Hong Kong with limited liability whose shares are listed on the Stock Exchange, which is a subsidiary of AEON Co
“AEON Stores Gift Certificates”	the cash certificates issued by the Company with its value and expiry date marked thereon and readily accepted by the Company as cash equivalents for settling transactions in its stores within its validity of usually two (2) years from issuance and subject to such conditions printed thereon, which may be amended by the Company from time to time in its sole and absolute discretion
“Board”	the board of Directors of the Company
“Cap”	the maximum aggregate annual value of the fees payable to the Company by ACSA pursuant to the Master Agreement
“Company”	AEON Stores (Hong Kong) Co., Limited, a company incorporated in Hong Kong with limited liability and the issued 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
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region, PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region, PRC
“Master Agreement”	the Master Agreement – Gift Certificate entered into between the Company and ACSA on 22 February 2022
“PRC”	the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, Macau and Taiwan
“Previous Master Agreement”	the Master Agreement – Gift Certificate entered into between the Company and ACSA on 26 February 2019
“Shareholder(s)”	registered holders of the Shares from time to time
“Shares”	shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board of  
**AEON Stores (Hong Kong) Co., Limited**  
**Isei NAGAKAWA**  
*Chairman*

Hong Kong, 22 February 2022

*As at the date of this announcement, the Executive Directors are Mr. Isao Sugawara, Mr. Chak Kam Yuen, Mr. Takenori Nagashima and Mr. Shinya Hisanaga; the Non-executive Directors are Mr. Isei Nagakawa, Ms. Yuki Habu and Mr. Makoto Fukuda; and the Independent Non-executive Directors are Ms. Chan Yi Jen Candi Anna, Mr. Chow Chi Tong, Mr. Hideto Mizuno and Ms Law Chi Yan Joyce.*