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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

Reference is made to the Company's announcement dated 3 December 2019 in relation to the Previous Master Services Agreement. The Board is pleased to announce that on 21 October 2022, the Company has conditionally entered into the Master Services Agreement with AGSCM Japan to renew the Previous Master Services Agreement, which will expire on 30 November 2022.

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.

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

The entering into of the Master Services Agreement in respect of the Services other than the use of Warehouse 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 Caps is more than 5%, the transactions contemplated under the Master Services Agreement in respect of the Services other than the use of 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.

An Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders as to whether the terms of the Master Services Agreement and the Caps of the underlying transactions contemplated thereunder 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.

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 4 November 2022.

INTRODUCTION

Reference is made to the Company's announcement dated 3 December 2019 in relation to the Previous Master Services Agreement. The Board is pleased to announce that on 21 October 2022, the Company has conditionally entered into the Master Services Agreement with AGSCM Japan to renew the Previous Master Services Agreement, which will expire on 30 November 2022.

THE MASTER SERVICES AGREEMENT

Under the Previous Master Services Agreement, members of the Group entered into the respective Definitive Agreements with members of the AGSCM Group in relation to the provision of the Services by AGSCM Group. Since (i) the Previous Master Services Agreement and the Definitive Agreements and (ii) certain agreements entered into between members of the Group and an independent service provider shall expire on 30 November 2022, the members of the Group have commenced their respective procurement processes 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 tender 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 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.

Among the quotations received by the Group, the respective members of the AGSCM Group offered the overall lowest fees in the respective tenders. As such, the Company and AGSCM Japan have conditionally entered into the Master Services Agreement on 21 October 2022 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.

The Master Services Agreement, if approved at the EGM by the Independent Shareholders, will replace and supersede the Previous Master Services Agreement, which will expire on 30 November 2022.

Principal terms

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

- Date: 21 October 2022
- Parties: (i) the Company; and
(ii) AGSCM Japan
- Term: Subject to the fulfilment of the Conditions Precedent, the term of the Master Services Agreement shall be for a period of three years commencing on 1 December 2022 and ending on 30 November 2025. If the Conditions Precedent have not been fulfilled as certified by the respective party, the Master Services Agreement shall immediately terminate and the parties shall have no claims thereunder save as to any antecedent breach. 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: The AGSCM Group shall provide the following services to the Group:
- Logistics services
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.
- Consultancy services
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.
- 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. For further information, please refer to the section headed "Procurement Process" in this announcement below.
- 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 is 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, a service which is currently provided by an independent third party;
3. ASC with regard to the logistics service for ASC's warehouse, a service which is currently provided by an independent third party; 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 summarised as follows:

- (i) for transportation of goods from central Japan to Hong Kong: 1.1% or 4.0% of the merchandise cost for cross-docking goods and goods that require temporary storage, respectively;
- (ii) warehouse processing fee ranging from RMB0.09 to RMB2.20 per piece/case;
- (iii) delivery fee ranging from RMB0.68 to RMB5.02 per case;
- (iv) equipment rental fee ranging from RMB4.03 to RMB3,194 per item per month;
- (v) warehouse management and supporting staff fee ranging from RMB4,468 to RMB10,000 per staff member per month;
- (vi) warehouse rental fee (applicable to ASC's Dongguan operation only) ranging from RMB34.92 to RMB110 per m³ (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 WAREHOUSE

The historical transaction amounts in respect of the Services between the Group and the AGSCM Group and amount of service fee paid to the independent service provider for the part of the Services which will be taken up the AGSCM Group and to be covered under Master Services Agreement are as follows:

	For the year ended 31 December		For the seven months ended
	2020	2021	31 July 2022
	<i>(RMB)</i>	<i>(RMB)</i>	<i>(RMB)</i>
With the AGSCM Group	10.6 million	10.4 million	5.8 million
With independent service provider	28.1 million	29.3 million	19.3 million

The historical annual cap determined for each of the year/period for the Services with the AGSCM Group is as follows:

	For the year ended 31 December		For the eleven months ended
	2020	2021	30 November 2022
	<i>(RMB)</i>	<i>(RMB)</i>	<i>(RMB)</i>
The annual cap for transactions with the AGSCM Group	19.65 million	19.65 million	18.01 million

The actual historical services fees paid to the AGSCM Group were lower than expected when determining the caps back in 2019 largely due to the fact that (i) it took longer time for the Group to build up relationships with different manufacturers and suppliers in Japan after adopting the current TOPVALU products procurement arrangement since January 2019, (ii) the unsatisfactory performance of the PRC operations following the outbreak of the COVID-19 pandemic in 2020 and the slower than expected recovery due to intense competition from online stores; and (iii) the inability to sustain the sales trends of certain merchandise during pandemic and subsequent period.

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 Caps below:

Financial Year/Period	Annual caps RMB
1 December to 31 December 2022	3.7 million
1 January to 31 December 2023	56.5 million
1 January to 31 December 2024	61.6 million
1 January to 30 November 2025	64.2 million

In arriving at the 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%.

The right-of-use assets in respect of the use of Warehouse are excluded from the calculation of the above Caps.

The Directors consider that the historical transaction amounts is only one of the factors in arriving at the proposed Caps. The other factors such as the service utilization patterns in order to meet the ever-changing consumers' needs, the new tendered service fee rates set out in section headed "The Procurement Process" above in this announcement and the timing of new stores opening take a heavier weight in the process of determining the proposed Caps.

For the Company, the Group has applied the new rates as quoted by the AGSCM Group and built in a 15% year-on-year increment on the relevant merchandise cost for the period from December 2022 to November 2024 after having considered (a) the actual annual increase in service fee paid to AGSCM Group for the first seven months of 2022; and (b) the possible rebound of the Japanese Yen in the future.

For GDA, based on the new rates as quoted by the AGSCM Group and the expected procurement amount from existing and new stores based on its store expansion plan, the Group expected the service fee payable will increase by 25.7% for 2023 (as compared to the annualised figure of the actual amount in the first seven months of 2022), 11.7% for 2024 and 17.7% for 2025 (annualised).

For ASC, based on the new rates as quoted by the AGSCM Group, the extension of the scope of the Services and its business performance and plan, the Group expects an increase in service fees by 7.6% for 2023 as compared with the annualized figure of the actual amount in the first seven months of 2022 and remain at same level for 2024 and 2025.

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

USE OF WAREHOUSE

Pursuant to HKFRS 16, the use of Warehouses pursuant to the Master Services Agreement during the term of the Master Services Agreement will require the Group to recognize the use of the Warehouse as an acquisition of an right-of-use assets of the Group in the aggregated amounts of approximately RMB8.5 million, which is regarded as a one-off connected transaction pursuant to the Listing Rules.

The warehouses, which are to be covered under the Master Services Agreement or a definitive agreement signed thereunder, 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, whereas 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 entire term of the Master Services Agreement.

The Warehouse, which is located at Dongguan City of Guangdong Province, the PRC, is approximate of the size of 4,046 m². For the use of the Warehouse, a fixed monthly fee of approximately RMB238,000 (excluding tax) is payable to the AGSCM Group. The term of use of the Warehouse will be commencing on 1 December 2022 and ending on 30 November 2025. For the warehouse located at Yokkaichi, Mie Prefecture of Japan (“**Yokkaichi Warehouse**”), no fixed monthly fee is payable for the use of the Yokkaichi Warehouse since the service fees payable to the AGSCM Group for provision of the logistics services have included the fees payable for the use of the Yokkaichi Warehouse.

The monthly fee for the use of the Warehouse is excluded from the calculation of the 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 Caps.

REASONS FOR AND BENEFITS OF THE TRANSACTION

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 Caps are fair and reasonable and in the interest of the Company and its shareholders as a whole.

At a Board meeting convened to consider the Master Services Agreement, Mr. Isei Nakagawa, Mr. Isao Sugawara, Mr. Takenori Nagashima, Mr. Shinya Hisanaga, Mr. Makoto Fukuda and Mr. Hiroyuki Inohara, who are shareholders, employees and/or ex-employees of AEON Co, were regarded as potentially having a material interest in the Master Services Agreement and accordingly abstained from voting on the relevant resolutions.

INTERNAL CONTROL

As part of the Group's internal control systems, the Company's Connected Party Transaction Panel, comprising the administration director, finance general 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. The Connected Party Transaction Panel generally holds meetings biweekly to review and monitor all continuing connected transactions of the Group. Whilst the financial 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 to ensure they are conducted within the frameworks and the Caps of the Master Services Agreement. Where necessary, the Connected Party Transaction Panel will conduct biannual review of the transactions under the Master Services Agreement to ensure the transactions are conducted within the framework of the Master Services Agreement and monitor the utilization of the annual caps for the Master Services Agreement 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.

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.

Pursuant to HKFRS 16, the entering into of the Master Services Agreement in respect of the use of Warehouse will require the Group to recognize the use of the Warehouse as an acquisition of a right-of-use asset of the Group. The acquisition of right-of-use asset is a one-off 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 are 0.1% or more but less than 5%, the entering into of the Master Services Agreement in respect of the use of Warehouse constitutes a one-off connected transaction for the Company and is subject to the announcement requirements but are exempt from circular and shareholders' approval requirements under Chapter 14A of the Listing Rules.

The entering into of the Master Services Agreement in respect of the Services other than the use of Warehouse 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 Caps is more than 5%, the transactions contemplated under the Master Services Agreement in respect of the Services other than the use of 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.

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 the terms of the Master Services Agreement and the Caps of the underlying transactions contemplated thereunder 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, (ii) the letter from the Independent Board Committee, (iii) the letter from the 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 4 November 2022.

EGM

The Company will convene an EGM to seek approval from the Independent Shareholders in respect of the Master Services Agreement. In view of AEON Co's interests in the Master Services Agreement, AEON Co, which as at the date of this announcement beneficially holds 155,760,000 shares in the Company, and its associates (namely, Aeon Credit Services (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) are required to abstain and shall abstain from voting on the ordinary resolutions to be proposed at the EGM to approve the Master Services Agreement and the Caps of the underlying transactions contemplated thereunder.

As such, AEON Co and Aeon Credit Service (Asia) Company Limited, which in aggregate beneficially own and control 157,536,000 shares in the Company, shall abstain from voting at the EGM under the Listing Rules.

Mr. Isei Nakagawa, Mr. Isao Sugawara, Mr. Takenori Nagashima, Mr. Shinya Hisanaga, Mr. Makoto Fukuda and Mr. Hiroyuki Inohara are shareholders, employees and/or ex-employees of AEON Co and are regarded as potentially having a material interest in the Master Services Agreement, they have accordingly abstained from voting on the relevant resolutions at the Board meeting convened to consider the Master Services Agreement. For the same reason, Mr. Isei Nakagawa, Mr. Isao Sugawara, Mr. Takenori Nagashima and Mr. Shinya Hisanaga 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
“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
“ASC”	AEON South China Co., Ltd. (永旺華南商業有限公司), a company incorporated under the laws of the PRC and a direct wholly-owned subsidiary of the Company
“Board”	board of Directors
“Caps”	The maximum aggregated amounts payable by members of the Group to members of the AGSCM Group in respect of the Services (other than the use of Warehouse) pursuant to the Master Services Agreement for each of the periods set out under Section 3 of this announcement
“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)
“Conditions Precedent”	Approval of the Master Services Agreement by the Company’s Independent Shareholders and compliance with all applicable requirements under the Listing Rules by the party to the Master Services Agreement
“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 Master Services Agreement or the Previous Master Services Agreement
“Director(s)”	the directors of the Company
“EGM”	the extraordinary general meeting of Shareholders to be held to consider resolutions relating to the Master Services Agreement and the transactions contemplated thereunder and any adjournment of such EGM
“EGM Notice”	the notice in respect of the EGM
“GDA”	Guangdong AEON Teem Co., Ltd. (廣東永旺天河城商業有限公司), a company incorporated under the laws of the PRC and a direct wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“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. Chow Chi Tong, Mr. Hideto Mizuno and Ms. Law Chi Yan Joyce;
“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
“Independent Shareholders”	Shareholders other than those who have a material interest in the relevant Master Services Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Master Services Agreement”	The master services agreement conditionally entered into between the Company and AGSCM on 21 October 2022

“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 by the Company and AGSCM Japan on 3 December 2019
“RMB”	renminbi, the lawful currency of the PRC
“Services”	Such consultancy and logistics services to be provided by AGSCM Group under the Master Services Agreement, and such other services as may be agreed between the members of the Group and the members of the AGSCM Group from time to time
“Shareholder(s)”	holders of the shares of the Company from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Warehouse”	the warehouse of members of AGSCM Group in Dongguan of Guangdong Province, the PRC
“%”	per cent.

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

Hong Kong, 21 October 2022

As at the date of this announcement, the Executive Directors are Mr. Isao Sugawara, Mr. Takenori Nagashima and Mr. Shinya Hisanaga; the Non-executive Directors are Mr. Isei Nakagawa, Mr. Makoto Fukuda and Mr. Hiroyuki Inohara; and the Independent Non-executive Directors are Mr. Chow Chi Tong, Mr. Hideto Mizuno and Ms. Law Chi Yan Joyce.