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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**

**ENTERING INTO OF THE SUPPLEMENTAL MASTER TRADEMARK LICENCE AGREEMENT AND THE MASTER ATV PURCHASE AGREEMENT**

Reference is made to the announcement of the Company dated 30 June 2021 in relation to, among other things, the Previous Master Trademark Licence Agreement with ATV Japan. On 31 December 2024, the Company and ATV Japan have entered into the Supplemental Master Trademark Licence Agreement which ATV Japan agreed to continue to grant to the Group the licence to use the TopValu Trademarks and provide the ancillary services to the Group on the same terms and conditions as set out in the Previous Master Trademark Licence Agreement for a period of three months from 1 January 2025 to 31 March 2025 as an interim measure for both parties to negotiate and finalise the terms and conditions of the renewal of the transactions. On the same day, the Company and ATV Japan have conditionally entered into the Master ATV Purchase Agreement to govern the Company's purchases of the ATV Products which the Company cannot directly obtain from independent manufacturers and suppliers due to exclusivity and/or other supply restrictions from ATV Japan.

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

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

In respect of the Master ATV Purchase Agreement, as the highest of the applicable percentage ratios in respect of the annual caps under the Master ATV Purchase Agreement is more than 5%, 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 and Independent Shareholders' approval requirements and the 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 as to whether the terms of the Master ATV Purchase Agreement and the relevant annual 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 will be 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 ATV Purchase Agreement.

A circular containing, among other things, (i) the details of the Master ATV Purchase Agreement; (ii) the letter from the Independent Board Committee; (iii) the letter from an 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 22 January 2025.

## **INTRODUCTION**

Reference is made to the announcement of the Company dated 30 June 2021 in relation to, among other things, the Previous Master Trademark Licence Agreement with ATV Japan. On 31 December 2024, the Company and ATV Japan have entered into the Supplemental Master Trademark Licence Agreement which ATV Japan agreed to continue to grant to the Group the licence to use the TopValu Trademarks and provide the ancillary services to the Group on the same terms and conditions as set out in the Previous Master Trademark Licence Agreement for a period of three months from 1 January 2025 to 31 March 2025 as an interim measure for both parties to negotiate and finalise the terms and conditions of the renewal of the transactions. On the same day, the Company and ATV Japan have conditionally entered into the Master ATV Purchase Agreement to govern the Company's purchases of the ATV Products which the Company cannot directly obtain from independent manufacturers and suppliers due to exclusivity and/or other supply restrictions from ATV Japan.

## **SUPPLEMENTAL MASTER TRADEMARK LICENCE AGREEMENT**

Pursuant to the Previous Master Trademark Licence Agreement, ATV Japan agreed to (i) grant to the Group the licence to use the TopValu Trademarks and (ii) provide the ancillary services to the Group on the terms set out in the Previous Master Trademark Licence Agreement. As consideration thereunder, the Group pays to the relevant member of the ATV

Japan Group a licence fee equivalent to 7% of the amount of purchase costs of the ATV Products supplied by manufacturers or suppliers to the Group.

The Previous Master Trademark Licence Agreement is due to expire on 31 December 2024. The Company and ATV Japan are negotiating and finalising the terms and conditions of a renewal thereof. It is estimated that the parties may reach an agreement no later than 31 March 2025. In order to avoid any disruption to the business operations of the Group, , the Company and ATV Japan have agreed to continue to grant to the Group the licence to use the TopValu Trademarks and provide the ancillary services to the Group by the entering into of the Supplemental Master Trademark Licence Agreement on same terms and conditions as the Previous Master Trademark Licence Agreement for a period of 3 months from 1 January 2025 to 31 March 2025.

The principal terms of the Supplemental Master Trademark Licence Agreement which are based on the same terms and conditions as the Previous Master Trademark Licence Agreement (save for the term of the agreement) are as follows:

|                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date:                   | 31 December 2024                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Parties:                | the Company; and<br>ATV Japan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Term:                   | For the period of 3 months from 1 January2025 to 31 March 2025.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Nature of transactions: | ATV Japan agreed to (i) grant (and/or procure other members of the ATV Japan Group to grant) to members of the Group the licence to use the TopValu Trademarks and (ii) provide (and/or procure other members of the ATV Japan Group to provide) the ancillary services to the members of the Group on the terms set out in the Previous Master Trademark Licence Agreement. The transactions under the Supplemental Master Trademark Licence Agreement will be on normal commercial terms, on an arm's length basis and on terms not less favourable to which the members of the Group procure such services from independent third parties, or to which members of the ATV Japan Group provide such services to other parties. |
| Licence fee:            | In consideration of the grant of the licence to use the TopValu Trademarks and the ancillary services set out below, the relevant member of the Group shall pay to the relevant member of the ATV Japan Group a licence fee equivalent to 7% of the amount of purchase costs of the ATV Products (excluding any value added tax or other tax or freight expenses) supplied by manufacturers or suppliers to the Group. A default interest of 1% per annum on any overdue amount shall be payable for the period from the original due date to the date of payment in full.                                                                                                                                                       |

Trademarks licence: The Group shall be granted the non-exclusive right and licence to use the TopValu Trademarks in the Territory for the purpose of or in connection with the Business, including but not limited to applying or otherwise using the TopValu Trademarks (or procuring the TopValu Trademarks to be applied) on the products supplied by manufacturers or suppliers to the Group and the marketing, sale and promotional materials in connection with the Business. Members of the ATV Japan Group shall enter into specific licencing agreements with the relevant members of the Group, which adopt the terms and conditions set out in the Previous Master Trademark Licence Agreement and sets out the detailed terms, including but not limited to the arrangements relating to payment of the licence fee.

Ancillary services and control: In addition to the granting of the licence to use the TopValu Trademarks, the ATV Japan Group shall provide to the Group with ancillary services and shall be entitled to exercise control including the following:

- (a) conduct market research, planning and development of products;
- (b) establish product specifications;
- (c) provide to members of the Group with information on product specifications, product cost and related expenses;
- (d) manage production and conduct quality control on products;
- (e) provide information on promotion; and
- (f) any other services in connection with the above.

The Group shall obtain prior written approval from the relevant members of the ATV Japan Group before outsourcing to any third party the manufacturing of the ATV Products. Other than consumers, the Group shall not sell the ATV Products to any third party other than those designated by the ATV Japan Group.

### **The transaction amount and annual cap**

The Directors estimate that the maximum amount payable by the Company to the ATV Japan Group under the Supplemental Master Trademark Licence Agreement during its extended term will not exceed the cap below:

| <b>Period</b>                   | <b>Cap</b><br><i>HK\$ million</i> |
|---------------------------------|-----------------------------------|
| 1 January 2025 to 31 March 2025 | 5.0                               |

In arriving at the above annual caps, the Directors have taken into account (i) historical transaction amounts under the Previous Master Trademark Licence Agreement as set out below; (ii) the expected business growth of the Group (including the opening of new stores). Taking into account the above, the Directors consider that the annual caps for the Previous Master Trademark Licence Agreement are fair and reasonable. The Directors consider that the historical transaction amounts for the Previous Master Trademark Licence Agreement is only one of the factors in arriving at the proposed cap for the Supplemental Master Trademark Licence Agreement.

Historical transaction amount paid by the Company under the Previous Master Trademark Licence Agreement:

| Financial Year/Period             | Annual Cap under<br>Previous Master<br>Trademark Licence<br>Agreement<br>(HK\$ million) | Actual Transaction<br>Amount<br>(HK\$ million) |
|-----------------------------------|-----------------------------------------------------------------------------------------|------------------------------------------------|
| 1 January 2022 – 31 December 2022 | 32.7                                                                                    | 12.9                                           |
| 1 January 2023 – 31 December 2023 | 41.8                                                                                    | 11.2                                           |
| 1 January 2024 – 30 June 2024     | 53.7                                                                                    | 3.4                                            |

(Note)

Note: This annual cap amount is for the period of 1 January 2024 to 31 December 2024.

The Company does not expect that the annual cap under the Previous Master Trademark Licence Agreement for the period from 1 January 2024 to 31 December 2024 will be exceeded.

## **THE MASTER ATV PURCHASE AGREEMENT**

ATV Japan has a long history of developing ATV Products and accumulated an extensive product portfolio which enables the Company to differentiate the merchandise mix from competitors. Since 2019, through the Previous Master Trademark Licence Agreement and its predecessor, the Company has been purchasing the ATV Products directly from the manufacturers and suppliers independent of ATV Japan, AEON Co, its subsidiaries and associates. However, the Company has difficulty to make direct purchases from certain well-established manufacturers or suppliers, especially those multinational corporations who may have exclusive agent(s) in different regions or maintained regional segmentation policy. As such, the Company and ATV Japan conditionally entered into the Master ATV Purchase Agreement so that the Company may purchase from ATV Japan the ATV Products which the Company cannot directly purchase from the manufacturers or suppliers independent of ATV Japan, AEON Co, its subsidiaries and associates.

### **Principal terms**

The principal terms of the Master ATV Purchase Agreement are as follows:

Date: 31 December 2024

|                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Parties:                | the Company; and<br><br>ATV Japan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Term:                   | Subject to the fulfilment of the Condition Precedents, the term of the Master ATV Purchase Agreement shall be a period of three years commencing on 1 January 2025 and expiring on 31 December 2027. If the Condition Precedents have not been fulfilled as certified by the respective party, the Master ATV Purchase Agreement shall immediately terminate and the parties shall have no claims thereunder save as to any antecedent breach.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Nature of Transactions: | The Company will purchase from ATV Japan a variety of the ATV Products which ATV Japan procures from manufacturers and suppliers who are third parties independent of ATV Japan, AEON Co, its subsidiaries and associates. Such merchandise covers a wide range of categories, such as fashion, food and household items, and would then be sold by the Company to retail customers at its general merchandise stores, supermarket stores and retail stores.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Pricing policy:         | <p>The sale and purchase of the ATV Products between the parties will be charged at such price being the Actual Costs plus a mark-up rate of 3% of the Actual Costs. The total price (being the Actual Costs plus a mark-up rate of 3% of the Actual Costs) shall be inclusive of the merchandise costs, agency fee, provision of product information, administration fee, sample fee, system registration fee and all other services incidental to the sale of the ATV Products by ATV Japan.</p> <p>The prices offered by ATV Japan to the Company shall be no less favourable than (i) the prices offered by independent supplier(s) of the Company for the same or similar merchandises at the same delivery destination and (ii) the prices offered by ATV Japan to its other purchaser(s) of the AEON Group, if any, having disregarded the delivery charges which vary according to the relative location of a purchasing party.</p> |
| Sales Contracts:        | The Company shall enter into specific sale and purchase contracts with ATV Japan, which adopt the terms and conditions set out in the Master ATV Purchase Agreement and the standard terms and conditions of the Company prevailing at the time of execution of the sale and purchase contract. The sale and purchase contracts will set out detailed terms (e.g. the payment terms) of the sale and purchase of ATV Products.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Further Assistance:     | For the purposes of facilitating the Company's sourcing of merchandises, which would enable the Company to efficiently provide its stores with the required types and amounts of merchandise and maintain the competitiveness of its business, the Company and ATV Japan shall, as may be practicable in the circumstances, share with each other (on a strictly need-to-know basis) information relating to the purchasing, selling, stocking, pricing and specifications of each other's merchandise. ATV Japan shall, upon request by the Company and within a reasonable period of time, further provide such market information and data as may be required. Both the Company and ATV                                                                                                                                                                                                                                                  |

Japan have undertaken to keep all such information and data received or exchanged confidential.

In addition, both parties agree to allow the other party's auditors sufficient access to their records for the purpose of auditing and/or reporting on the transactions in accordance with the requirements of the Listing Rules.

Termination: The Master ATV Purchase Agreement may be terminated by 3 month's prior written notice by either party. On termination, each sale and purchase contract then in force shall nevertheless continue in full force and effect for the remainder of the term of such sale and purchase contract, unless terminated in accordance with the terms of such contract.

### **The transaction amount and annual cap**

The Directors estimate that the maximum amount payable by the Company to ATV Japan under the Master ATV Purchase Agreement on an annual basis will not exceed the annual caps below:

| <b>Financial Year/Period</b>  | <b>Annual cap<br/><i>HK\$ million</i></b> |
|-------------------------------|-------------------------------------------|
| 1 January to 31 December 2025 | 11.3                                      |
| 1 January to 31 December 2026 | 14.0                                      |
| 1 January to 31 December 2027 | 15.3                                      |

In arriving at the above annual caps, the Directors have taken into account (i) the procurement of ATV Products pursuant to the Previous Master Trademark Licence Agreement, (ii) the availability of such ATV Products which cannot be obtained by the Company directly from manufacturer and suppliers independent of ATV Japan, AEON Co, its subsidiaries and associates, (iii) the Company's plans for ATV Products procurement, and (iv) the expected business growth of the Group (including the opening of new stores) for existing and new stores. Taking into account the above, the Directors consider that the annual caps for the Master ATV Purchase Agreement are fair and reasonable.

### **REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL MASTER TRADEMARK LICENCE AGREEMENT AND THE MASTER ATV PURCHASE AGREEMENT**

Since 2019, through the Previous Master Trademark Licence Agreement and its predecessor, the Group has been granted the non-exclusive right and licence to use the TopValu Trademarks and has been purchasing the ATV Products directly from the manufacturers and suppliers independent of ATV Japan, AEON Co, its subsidiaries and associates. Such ATV Products would then be sold by the Group to its customers at its retail stores. As the Previous Master Trademark Licence Agreement will expire on 31 December 2024 and in order to avoid any disruption to the business operations of the Group, the Company and ATV Japan have agreed to continue to grant to the Group the licence to use the TopValu Trademarks

and provide the ancillary services to the Group by entering into of the Supplemental Master Trademark Licence Agreement on same terms and conditions as the Previous Master Trademark Licence Agreement for a period of 3 months from 1 January 2025 to 31 March 2025 as an interim measure for both parties to negotiate and finalise the terms and conditions of the renewal of the transactions.

While the Group is able to purchase a wide range of ATV Products directly from independent manufacturers and suppliers under the Previous Master Trademark Licence Agreement, there are certain merchandise that the Group cannot purchase directly from certain independent manufacturers or suppliers due to exclusively and/or supply restrictions. As such, the Company and ATV Japan conditionally entered into the Master ATV Purchase Agreement to allow the Company to have access to those restricted merchandise.

The terms of the Supplemental Master Trademark Licence Agreement and the Master ATV Purchase Agreement have been reached after arm's length negotiations between the Company and ATV Japan.

In respect of the Supplemental Master Trademark Licence Agreement, the Directors are of the view that (i) the terms of the Supplemental Master Trademark Licence Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable; and (ii) the entering into of the Supplemental Master Trademark Licence Agreement are in the ordinary and usual course of the business of the Company and in the interest of the Company and its Shareholders as a whole.

In respect of the Master ATV Purchase Agreement, the Directors (excluding the independent non-executive Directors whose view will be set out in the circular to be issued by the Company) are of the view that (i) the terms of the Master ATV Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable; and (ii) the entering into of the Master ATV Purchase Agreement are in the ordinary and usual course of the business of the Company and in the interest 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 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 Supplemental Master Trademark Licence Agreement and the Master ATV Purchase Agreement. The Connected Party Transaction Panel generally holds meetings biweekly 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 Supplemental Master Trademark Licence Agreement and the Master ATV Purchase Agreement to ensure they are conducted within the frameworks and the annual cap(s) of the Supplemental Master Trademark Licence Agreement and the Master ATV Purchase Agreement. Where necessary, the Connected Party Transaction Panel will conduct biannual review of the transactions under the Supplemental Master Trademark Licence Agreement and the Master ATV Purchase Agreement to ensure the transactions are conducted within



the framework of the Supplemental Master Trademark Licence Agreement and the Master ATV Purchase Agreement and monitor the utilisation of the annual caps for the Supplemental Master Trademark Licence Agreement and the Master ATV Purchase Agreement to ensure timely compliance with the requirements under Chapter 14A of the Listing Rules.

## **INFORMATION ABOUT THE PARTIES**

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

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, each of ATV Japan and AEON Co is a connected person of the Company by virtue of AEON Co being the controlling shareholder of the Company and ATV Japan being a subsidiary of AEON Co. Accordingly, the transactions contemplated under the Supplemental Master Trademark Licence Agreement and the Master ATV Purchase Agreement constitute continuing connected transactions for the Company under the Listing Rules.

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

In respect of the Master ATV Purchase Agreement, as the highest of the applicable percentage ratios in respect of the annual caps under the Master ATV Purchase Agreement is more than 5%, 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 and Independent Shareholders' approval requirements and the 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 the terms of the Master ATV Purchase Agreement and the relevant annual caps of the underlying transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

An independent financial adviser will be 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 ATV Purchase Agreement; (ii) the letter from the Independent Board Committee; (iii) the letter from an 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 22 January 2025.

## **EGM**

The Company will convene an EGM to seek approval from the Independent Shareholders in respect of the Master ATV Purchase Agreement. In view of AEON Co's interests in the Master ATV Purchase 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 the Master ATV Purchase Agreement and the relevant annual caps of the underlying transactions contemplated thereunder. Mr. Toshiya Goto, Mr. Takenori Nagashima, Mr. Shinya Hisanaga, Mr. Hiroyuki Inohara, Mr. Kenji Fujita and Mr. Yasutoshi Yokochi are shareholders, employees or ex-employees of AEON Co and are regarded as potentially having a material interest in the Supplemental Master Trademark Licence Agreement and the Master ATV Purchase Agreement. Accordingly, they have accordingly abstained from voting on the relevant resolutions at the Board meeting convened to consider the Supplemental Master Trademark Licence Agreement and the Master ATV Purchase Agreement. For the same reason, Mr. Takenori Nagashima and Mr. Shinya Hisanaga (being shareholders of the Company) will abstain from voting on the relevant resolutions as a 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.

|                                     |                                                                                                                                                                                                                                                                   |
|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Actual Costs”                      | the actual costs of the ATV Products paid and/or payable by ATV Japan to the manufacturers, factories and/or suppliers who are independent third parties from AEON Co., its subsidiaries and/or associates                                                        |
| “AEON Co”                           | AEON Co., Ltd., a company incorporated in Japan with limited liability and the issued shares of which are listed on the Tokyo Stock Exchange                                                                                                                      |
| “AEON Group”                        | AEON Co and its subsidiaries                                                                                                                                                                                                                                      |
| “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 its subsidiaries’ private brand merchandises and bear one or more TopValu Trademarks                                                                                                                              |
| “Board”                             | the board of Directors                                                                                                                                                                                                                                            |
| “Business”                          | the business of procuring and selling merchandise (including but not limited to fashion, food, and household products) to retail customers in the general merchandise stores, supermarket stores and retail stores operated by the Group in Hong Kong and the PRC |
| “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 (stock code: 984)                                                                                |
| “Condition Precedents”              | in respect of the Master ATV Purchase Agreement, the approval by the Company’s Independent Shareholders and compliance with all applicable requirements under the Listing Rules by the relevant parties to the Master ATV Purchase Agreement                      |
| “connected person”                  | has the meaning ascribed thereto under the Listing Rules                                                                                                                                                                                                          |
| “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 to be held to consider resolutions relating to the Master ATV Purchase Agreement and the transactions contemplated thereunder and any adjournment of such EGM                                                   |
| “Group”                             | the Company and its subsidiaries                                                                                                                                                                                                                                  |
| “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. Chow Chi Tong, Mr. Hideto Mizuno and Ms. Shum Wing Ting                                                                                             |

|                                                   |                                                                                                                                                          |
|---------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Independent Shareholders”                        | Shareholders other than those who have a material interest in the Master ATV Purchase Agreement                                                          |
| “Listing Rules”                                   | the Rules Governing the Listing of Securities on the Stock Exchange                                                                                      |
| “PRC”                                             | the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan                                         |
| “Master ATV Purchase Agreement”                   | the mater purchase agreement dated 31 December 2024 conditionally entered into by the Company and ATV Japan                                              |
| “Previous Master Trademark Licence Agreement”     | the master trademark licence agreement dated 30 June 2021 entered into by the Company and ATV Japan                                                      |
| “RMB”                                             | renminbi, the lawful currency of the PRC                                                                                                                 |
| “SFO”                                             | the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)                                                                              |
| “Share(s)”                                        | share(s) in the Company                                                                                                                                  |
| “Shareholder(s)”                                  | holders of the Shares from time to time                                                                                                                  |
| “Stock Exchange”                                  | The Stock Exchange of Hong Kong Limited                                                                                                                  |
| “Supplemental Master Trademark Licence Agreement” | the short term agreement dated 31 December 2024 entered into by the Company and ATV Japan                                                                |
| “Territory”                                       | Hong Kong and Macau                                                                                                                                      |
| “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 |
| “%”                                               | per cent.                                                                                                                                                |

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

Hong Kong, 31 December 2024

*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, Mr. Kenji Fujita and Mr. Yasutoshi Yokochi; and the Independent Non-executive Directors are Mr. Chow Chi Tong, Mr. Hideto Mizuno and Ms. Shum Wing Ting.*