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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 RENEWAL OF THE MASTER AGREEMENT

Reference is made to the announcements of the Company dated 17 April 2023 and 29 November 2023 in relation to the Existing Master Agreement entered into between the Company and AGMd in respect of purchase of merchandise by the Company from AGMd.

The Board is pleased to announce that on 17 April 2026, the Company and AGMd entered into the 2026 Master Agreement to renew the term of the Existing Master Agreement in respect of the purchase of merchandise by the Company from AGMd for the Term.

As at the date of this announcement, AGMd 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 2026 Master Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since one or more of the applicable percentage ratios as defined in the Listing Rules calculated with reference to the highest Annual Caps for the 2026 Master Agreement less than 25% and the total consideration less than HK\$10,000,000, the 2026 Master Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Board (including all the independent non-executive Directors) is of the view that (i) the 2026 Master Agreement and the transactions contemplated thereunder are on normal commercial terms; (ii) the terms of the 2026 Master Agreement and the transactions contemplated thereunder, together with the Annual Caps, are fair and reasonable and in the interests of the Company and its shareholders as a whole; and (iii) the 2026 Master Agreement and the transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Group.

As Mr. Takenori Nagashima, Mr. Shinya Hisanaga, Mr. Toshiya Goto, Mr. Hiroyuki Inohara and Mr. Yasutoshi Yokochi were regarded as potentially having a material interest in the 2026 Master Agreement, they are required to abstain from voting on the relevant board resolutions approving the 2026 Master Agreement and the transactions contemplated thereunder.

INTRODUCTION

Reference is made to the announcements of the Company dated 17 April 2023 and 29 November 2023 in relation to the Existing Master Agreement entered into between the Company and AGMd in respect of purchase of merchandise by the Company from AGMd.

The Board is pleased to announce that on 17 April 2026, the Company and AGMd entered into the 2026 Master Agreement to renew the term of the Existing Master Agreement in respect of the purchase of merchandise by the Company from AGMd for the Term.

THE 2026 MASTER AGREEMENT

AGMd has been set up by AEON Co to gather and co-ordinate demands by all the members in the different retail lines of the AEON Group in Japan for merchandise of various popular brands (the “**NB Merchandise**”) which are made widely available in the market by the respective brand owners who are third parties independent of AEON Co, its subsidiaries and associates.

By taking advantage of the vast volume of demands created by thousands of the retail outlets of the AEON Group, AGMd is in a good position to maximize the discount in the purchase price of the NB Merchandise. In turn, the retail members of the AEON Group enjoy a better discount as bargained by AGMd.

As part of the Company’s ordinary and usual course of business, the Company has been selling items (which the Company procures from third-party suppliers independent of AEON Co, its subsidiaries and associates) similar to, if not the same as, the NB Merchandise procured by AGMd for other members of AEON Group. Having obtained further details from AGMd, the Company realized that AGMd had been able to obtain the NB Merchandise at a better discounted price.

Since May 2022, the Company has, in the ordinary and usual course of its business, made purchases of certain items of the NB Merchandise from AGMd with a view to evaluate the synergy effects brought about by AGMd. To better regulate the purchase from AGMd, the parties on 17 April 2023 entered into the Existing Master Agreement.

As the Existing Master Agreement will expire on 16 April 2026, the Company and AGMd entered into the 2026 Master Agreement to renew the term of the Existing Master Agreement in respect of the purchase of merchandise by the Company from AGMd for the Term.

The principal terms of the 2026 Master Agreement are as follows:

Date

17 April 2026

Parties

- (i) The Company, as purchaser; and
- (ii) AGMd, as seller.

Term

The Term of the 2026 Master Agreement shall be for a period of three years commencing from the Effective Date and ending on 16 April 2029. The parties to the 2026 Master Agreement may, subject to compliance with the Listing Rules, renew the 2026 Master Agreement.

Nature of Transactions

The Company will purchase from AGMd a variety of the NB Merchandise which AGMd procures from popular brand owners who are third parties independent of 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 and supermarket stores.

Pricing

The sale and purchase of the NB Merchandise 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 NB Merchandise by AGMd.

The prices offered by AGMd shall be no less favourable than (i) the prices available in the market for the same or similar merchandises; and (ii) the prices offered by AGMd to its other purchaser(s), if any, save and except certain difference in prices arising out of the difference in the relative location and the actual freight costs applicable to a purchasing party. There is no other fees payable by the Company in respect of the deliveries of the NB Merchandise to the Company's warehouse in Japan.

Rebates

AGMd may, taking into account factors such as purchase volume, promotions from manufacturers, its own budgets, results and profits earned, grant rebates to the Company as agreed mutually between the parties from time to time.

Sales Contracts

The Company shall enter into specific sale and purchase contracts with AGMd, which adopt the terms and conditions set out in the 2026 Master 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 merchandise.

Further Assistance

For the purposes of facilitating the Company's sourcing of merchandises, which would enable the Company to efficiently provide its general merchandise stores and supermarket stores with the required types and amounts of merchandise and maintain the competitiveness of its business, the Company and AGMd 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. AGMd 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 AGMd have undertaken to keep all such information and data received or exchanged confidential.

In addition, AGMd agrees to allow the Company'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 2026 Master 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.

ANNUAL CAPS

The Directors estimate that the maximum aggregate amount payable by the Company to AGMd on an annual basis in respect of the transactions under the 2026 Master Agreement will not exceed the annual caps (the "Annual Caps") below:

Financial Year/Period	Annual Caps
17 April 2026 to 31 December 2026	HK\$6.8 million
1 January 2027 to 31 December 2027	HK\$9.9 million
1 January 2028 to 31 December 2028	HK\$9.9 million
1 January 2029 to 16 April 2029	HK\$2.9 million

In arriving at the Annual Caps, the Directors took into account (i) the historical amount of the transactions between the Company and AGMd under the Existing Master Agreement for the three years ended 31 December 2025, being approximately HK\$7,200,000 in 2023, HK\$10,100,000 in 2024 and HK\$14,300,000 in 2025 respectively; (ii) the Company's business projections; (iii) the fluctuation in foreign exchange rate(s); and (iv) certain buffer.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE 2026 MASTER AGREEMENT

As mentioned above, the Company has been engaged in merchandise transactions with AGMd in its ordinary and usual course of business. In view of the Company's strategy to continue control on merchandise cost which in turn may enhance the gross profit margin of the Company's business operations. The Directors believe that the entering into of the 2026 Master Agreement should allow the Company to share AGMd's aggregated purchasing power.

The Board (including all the independent non-executive Directors) is of the view that (i) the 2026 Master Agreement and the transactions contemplated thereunder are on normal commercial terms; (ii) the terms of the 2026 Master Agreement and the transactions contemplated thereunder, together with the Annual Caps, are fair and reasonable and in the interests of the Company and its shareholders as a whole; and (iii) the 2026 Master Agreement and the transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Group.

As Mr. Takenori Nagashima, Mr. Shinya Hisanaga, Mr. Toshiya Goto, Mr. Hiroyuki Inohara and Mr. Yasutoshi Yokochi were regarded as potentially having a material interest in the 2026 Master Agreement, they are required to abstain from voting on the relevant board resolutions approving the 2026 Master Agreement and the transactions contemplated thereunder.

LISTING RULES IMPLICATIONS

As at the date of this announcement, AGMd is a connected person of the Company by virtue of it being a subsidiary of AEON Co, which in turn is a Controlling Shareholder of the Company. Accordingly, the transactions contemplated under the 2026 Master Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since one or more of the applicable percentage ratios as defined in the Listing Rules calculated with reference to the highest Annual Caps for the 2026 Master Agreement less than 25% and the total consideration less than HK\$10,000,000, the 2026 Master Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INFORMATION ABOUT THE PARTIES

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

AGMd is principally engaged in merchandise procurement for members of the AEON Group with its mission to maximize AEON Group's purchasing volume, to consolidate business negotiations with business partners and manufacturers and to reduce costs by aggregating demands from group companies.

DEFINITIONS

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

“2026 Master Agreement”	the master agreement dated 17 April 2026 entered into between the Company and AGMd in respect of the purchases of the NB Merchandise by the Company from AGMd
“Actual Costs”	the actual costs of the merchandises paid and/or payable 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, the issued shares of which are listed on the Tokyo Stock Exchange
“AEON Group”	AEON Co and its subsidiaries (unless the context otherwise requires, excluding members of the Group)
“AGMd”	AEON Global Merchandising Company Limited, a company incorporated in Japan with limited liability, and a wholly owned subsidiary of AEON Co
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“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
“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
“Effective Date”	the effective date of the 2026 Master Agreement, being 17 April 2026
“Existing Master Agreement”	the previous master agreement entered into between the Company and AGMd in respect of the purchases of the NB Merchandise by the Company from AGMd for a term of three years commencing from 17 April 2023 and ending on 16 April 2026

“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macao Special Administration Region of the PRC and Taiwan
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Term”	Three years commencing from the Effective Date and ending on 16 April 2029
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 17 April 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. Toshiya Goto, Mr. Hiroyuki Inohara and Mr. Yasutoshi Yokochi; and the Independent Non-executive Directors are Mr. Hideto Mizuno, Ms. Shum Wing Ting and Ms. Wong Mei Ling.