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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**

The Board is pleased to announce that on 1 March 2016, the Company entered into the Master Agreement with ACSA in relation to the sales of AEON Stores Gift Certificates to ACSA.

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.

### **1. INTRODUCTION**

The Board is pleased to announce that on 1 March 2016, the Company entered into the Master Agreement with ACSA in relation to the Company's sales of AEON Stores Gift Certificates to ACSA.

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

#### **Date**

1 March 2016

#### **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 AEON Stores Gift Certificates. Upon acceptance of the order and receipt of payment, the Company will issue 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 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 2016 and expiring on 28 February 2019. The parties to the Master Agreement may, subject to compliance with the Listing Rules, renew the Master Agreement.

## **Termination**

By either party with ninety (90) days' prior written notice.

### **3. THE CAP AMOUNT**

The Company has not previously entered into any transaction with ACSA for the sale of AEON Stores Gift Certificates.

The Cap for each of the following periods shall be:

	<b>Annual Cap</b> <i>(HK\$)</i>
Financial Year/Period	
1 March 2016 to 31 December 2016	10.5 million
1 January 2017 to 31 December 2017	12.5 million
1 January 2018 to 31 December 2018	12.5 million
1 January 2019 to 28 February 2019	2.0 million

In arriving at the Cap, the Directors have taken into account various factors including estimated purchase amounts as estimated/advised by ACSA.

### **4. REASONS FOR AND BENEFITS OF THE TRANSACTION**

The Company believes that the entering into of the Master Agreement for the sale of 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. Yoshiaki Mizushima, Mr. Hideaki Yajima, Ms. Yuki Habu and Mr. Shinya Wako 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, the shares of which are listed on the Stock Exchange and is owned as to 67% by AEON Co
“AEON Stores Gift Certificates”	cash certificates issued by the Company denominated in HK \$50 or HK \$100 each (or such other denomination as the Company may from time to time issue), 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 for each of the three years ending 28 February 2019
“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
“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 1 March 2016
“PRC”	the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, Macau and Taiwan
“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**  
**Chan Pui Man, Christine**  
*Managing Director*

Hong Kong, 1 March 2016

*As at the date of this announcement, the executive Directors are Ms. Chan Pui Man, Christine, Mr. Yoshiaki Mizushima and Mr. Chak Kam Yuen and Mr. Hideaki Yajima; the non-executive Directors are Ms. Yuki Habu and Mr. Shinya Wako; and the independent non-executive Directors are Ms. Cheng Yin Ching, Anna, Ms. Chan Yi Jen Candi Anna, Ms. Lo Miu Sheung, Betty and Mr. Chow Chi Tong.*