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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)

**(1) CONNECTED TRANSACTION AND
CONTINUING CONNECTED TRANSACTION
IN RELATION TO THE MASTER SERVICES AGREEMENT
(2) REVISION OF ANNUAL CAPS FOR CONTINUING
CONNECTED TRANSACTION IN RELATION TO
THE MASTER ATV PURCHASE AGREEMENT
AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



SOMERLEY CAPITAL LIMITED

A letter from the Board is set out on pages 5 to 21 of this circular. A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 22 to 23 of this circular. A letter from Somerley Capital Limited, the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 24 to 39 of this circular.

A notice convening the extraordinary general meeting of the Company to be held at Function Room, Units 07-11, 26 Floor, CDW Building, 388 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong on Thursday, 11 December 2025 at 1:00 p.m. is set out on pages 45 to 47 of this circular. Whether or not you are able to attend and vote at the extraordinary general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar, Tricor Investor Services Limited, at 17 Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the extraordinary general meeting or any adjournment thereof. Completion and return of the form of proxy as instructed will not preclude you from subsequently attending and voting in person at the extraordinary general meeting or any adjourned meeting if you so wish.

25 November 2025

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“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, the issued shares of which are listed on the Tokyo Stock Exchange
“AEON GD”/“GDA”	廣東永旺天河城商業有限公司 (Guangdong AEON Teem Stores Co., Ltd.), a company incorporated in the PRC and owned as to 65% by the Company
“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
“Annual Caps”	the annual caps in respect of the Master Services Agreement for the 3-year period between 1 December 2025 and 30 November 2028
“ASC”	永旺華南商業有限公司 (AEON South China Co., Ltd.), a company incorporated in the PRC and a wholly-owned subsidiary of the Company
“ATV Japan”	AEON TopValu Co., Ltd., a company incorporated in Japan with limited liability
“ATV Japan Group”	ATV Japan and its subsidiaries

DEFINITIONS

“ATV Products”	the products which are developed as AEON Co and/or its subsidiaries’ private brand merchandises and bear one or more TopValu Trademarks
“Board”	the board of Directors
“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)
“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 Previous Master Services Agreement or the Master Services Agreement
“Director(s)”	the director(s) of the Company
“Dongguan Warehouse”	the warehouse of the AGSCM Group in Dongguan of Guangdong Province, PRC
“EGM”	the extraordinary general meeting of Shareholders (and any adjournment thereof) to be held to consider the resolutions relating to the Master Services Agreement and the Revised ATV Purchase Annual Caps
“EGM Notice”	the notice included in this circular in respect of the EGM to consider and, if though fit, approve the Master Services Agreement and the Revised ATV Purchase Annual Caps
“Group”	the Company and its subsidiaries

DEFINITIONS

“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKEX”	Hong Kong Exchanges and Clearing Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the Company comprising all independent non-executive Directors, namely Mr. Hideto Mizuno, Ms. Shum Wing Ting and Ms. Wong Mei Ling
“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 Master Services Agreement and the Revised ATV Purchase Annual Caps
“Independent Shareholders”	Shareholders other than those who have a material interest in the Master Services Agreement and the Revised ATV Purchase Annual Caps
“Latest Practicable Date”	19 November 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Master ATV Purchase Agreement”	the master purchase agreement dated 31 December 2024 entered into by the Company and ATV Japan
“Master Services Agreement”	the master services agreement entered into by the Company and AGSCM Japan on 18 November 2025

DEFINITIONS

“Original ATV Purchase Annual Caps”	the annual caps in respect of the Master ATV Purchase Agreement in the amount of HK\$11.3 million, HK\$14.0 million and HK\$15.3 million for each of the three years ending 31 December 2027, as set out in page 7 of the announcement of the Company dated 31 December 2024
“PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Previous Master Services Agreement”	the master services agreement entered into between the Company and AGSCM Japan on 21 October 2022
“Revised ATV Purchase Annual Caps”	the revised annual caps in respect of the Master ATV Purchase Agreement for the three years ending 31 December 2027
“RMB”	Renminbi, the lawful currency of the PRC
“Services”	as defined in the paragraph headed “Letter from the Board – The Master Services Agreement – Principal terms – Scope of Service” in this circular
“Shares”	share(s) in the Company
“Shareholders”	holders of the shares of the Company from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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 dated 30 June 2021, the Supplemental Master Trademark Licence Agreement dated 31 December 2024 and the Master Licence Agreement dated 1 April 2025, all referred to in the announcement of the Company dated 1 April 2025
“Warehouses”	the Dongguan Warehouse and the Yokkaichi Warehouse
“Yokkaichi Warehouse”	the warehouse of the AGSCM Group in Yokkaichi, Mie Prefecture of Japan
“%”	per cent

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Takenori NAGASHIMA (*Managing Director*)

Mr. Shinya HISANAGA

Non-executive Directors:

Mr. Toshiya GOTO (*Chairman*)

Mr. Hiroyuki INOHARA

Mr. Yasutoshi YOKOCHI

Independent Non-executive Directors:

Mr. Hideto MIZUNO

Ms. SHUM Wing Ting

Ms. Wong Mei Ling

Registered office:

G-4 Floor

Kornhill Plaza (South)

2 Kornhill Road

Hong Kong

*Office and principal place of
business of the Company*

Units 07-11, 26/F

CDW Building

388 Castle Peak Road, Tsuen Wan

New Territories, Hong Kong

25 November 2025

To the Shareholders

Dear Sir or Madam,

**(1) CONNECTED TRANSACTION AND
CONTINUING CONNECTED TRANSACTION
IN RELATION TO THE MASTER SERVICES AGREEMENT
(2) REVISION OF ANNUAL CAPS FOR CONTINUING
CONNECTED TRANSACTIONS IN RELATION TO
THE MASTER ATV PURCHASE AGREEMENT
AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 18 November 2025 in relation to the Master Services Agreement entered into by the Company and AGSCM Japan to renew the Previous Master Services Agreement which expires on 30 November 2025.

LETTER FROM THE BOARD

Reference is also made to the announcements dated 31 December 2024 and 18 November 2025 and circular dated 14 July 2025 of the Company in relation to the Master ATV Purchase Agreement entered into between the Company and ATV Japan and the revision of the Original ATV Purchase Annual Caps.

The purpose of this circular is to provide you with (i) details of the Master Services Agreement, the transactions contemplated thereunder and the Annual Caps; (ii) further information on the Revised ATV Purchase Annual Caps; (iii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iv) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (v) the EGM Notice; and (vi) other information as required under the Listing Rules.

THE MASTER SERVICES AGREEMENT

Reference is made to the announcement of the Company dated 18 November 2025 in relation to the Master Services Agreement entered into by the Company and AGSCM Japan to renew the Previous Master Services Agreement which will expire on 30 November 2025.

Under the Previous Master Services Agreement, member of the Group entered into the respective Definitive Agreements with members of the AGSCM Group. Since the respective Definitive Agreements shall expire together with the Previous Master Services Agreement, the members of the Group have commenced their respective procurement process 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 quotation 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 conducted 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 submitted, the respective members of the AGSCM Group offered the overall lowest fee rates in the respective tenders. As such, the Company and AGSCM Japan have entered into the Master Services Agreement 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.

LETTER FROM THE BOARD

Principal terms

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

Date: 18 November 2025

Parties: (i) the Company; and
(ii) AGSCM Japan

Term: The term of the Master Services Agreement shall be for a period of three years commencing on 1 December 2025 and ending on 30 November 2028 (both dates inclusive) unless terminated earlier in accordance with the terms of the Master Services Agreement. 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 (the “**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.

LETTER FROM THE BOARD

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. For example, the AGSCM Group has in the past advised on the use and integration of third-party (3PL) services into the operation of a member of the Group. The Group had faced uncertainty over the scope and value of using 3PL services, and challenges in selecting and integrating 3PL providers into existing operations. Additionally, members of the Group had difficulty deciding between developing their own warehouse management system (WMS) or adopting a service provider's solution. The AGSCM Group's role is to advise on these matters and support implementation to improve logistics efficiency.

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.
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.

LETTER FROM THE BOARD

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;
3. ASC with regard to the logistics service for ASC's warehouse; 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 summarized as follows:

- i. for transportation of goods from central Japan to Hong Kong: 1.1% or 4% of the merchandise cost for cross-docking goods and goods that require temporary storage, respectively;
- ii. warehouse processing fee ranging from RMB0.16 to RMB1.6 per piece/case;
- iii. delivery fee ranging from RMB0.68 to RMB4.75 per case;
- iv. equipment rental fee ranging from RMB4.03 to RMB1,100 per item per month;
- v. warehouse management and supporting staff fee ranging from RMB4,420 to RMB9,800 per staff member per month;
- vi. warehouse rental fee (applicable to ASC's Dongguan operation only) ranging from RMB27.5 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.

LETTER FROM THE BOARD

THE CAP AMOUNT IN RESPECT OF THE SERVICES OTHER THAN THE USE OF THE DONGGUAN WAREHOUSE

The historical amounts of the transactions in respect of the Services (other than the use of the Dongguan Warehouse) paid by the Group to the AGSCM Group under the Previous Master Services Agreement are set out below:

Financial Year/Period	Annual Caps under Previous Master Services Agreement	Actual Transaction Amount
1/1/2023 to 31/12/2023	RMB56.5 million	RMB41.4 million
1/1/2024 to 31/12/2024	RMB61.6 million	RMB44.6 million
1/1/2025 to 31/8/2025	RMB64.2 million*	RMB29.5 million

** annual cap amount is for the period from 1 January 2025 to 30 November 2025*

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 Annual Caps below:

Financial Year/Period	Annual Caps (RMB)
1 December 2025 to 31 December 2025	4.4 million <i>(Notes 1 and 2)</i>
1 January 2026 to 31 December 2026	72.0 million <i>(Note 2)</i>
1 January 2027 to 31 December 2027	82.9 million <i>(Note 2)</i>
1 January 2028 to 30 November 2028	84.7 million <i>(Note 2)</i>

Notes:

- (1) The right-of-use asset in respect of the use of the Dongguan Warehouse is not included in the calculation of the above Annual Cap for the period from 1 December 2025 to 31 December 2025. Please refer to the paragraph headed “Connected Transaction in respect of the use of the Dongguan Warehouse” below.
- (2) In the event that Independent Shareholders’ approval is not obtained at the EGM for the Annual Caps, the maximum amount payable by the Company to the AGSCM Group under the Master Services Agreement for each of the period from 1 December 2025 to 31 December 2025, and the three years ending 31 December 2028 shall not exceed HK\$10 million.

LETTER FROM THE BOARD

In arriving at the Annual Caps, the Directors have taken into account (i) the aggregate historical amount of the service fees paid to the AGSCM Group 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%, as further elaborated below.

For the Company, the Group has applied the same rates as quoted by the AGSCM Japan and built in a 18% year-on-year increment on the relevant merchandise cost and volume for the period from December 2025 to November 2028 after having considered (a) the actual increasing purchases of the directly purchased ATV Products (tripling from March 2025 to August 2025) and thus the consequential in service fees paid to AGSCM Group in the first eight months of 2025; and (b) the possible fluctuation of the Japanese Yen in the future.

For GDA, based on (i) the new rates as quoted by the AGSCM Group; (ii) the expected procurement amount from existing and new stores based on its store expansion plan, which are estimated to be approximately RMB3.0 million from new stores and RMB69.0 million from existing stores in 2026, RMB16.6 million and RMB66.3 million in 2027, and RMB16.4 million and RMB68.3 million for the first 11 months of 2028; and (iii) the plan of consolidating ASC's delivery hub in 2026, the Group expects the service fee payable will increase by approximately 53.6% for 2026 (as compared to the annualised figure of the actual amount in the first eight months of 2025), 36.0% for 2027 and 10.5% for 2028 (annualised).

For ASC, based on the new rates as quoted by the AGSCM Group, the scope of the Services and its business performance and plan, the Group expects an increase in service fees by approximately 14.1% for 2026 as compared with the annualized figure of the actual amount in the first eight months of 2025 and no projection is made for 2027 and 2028 as ASC is currently under review as to its business development plan, in particular the potential consolidation of its delivery hub into GDA's.

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

LETTER FROM THE BOARD

CONNECTED TRANSACTION IN RESPECT OF THE USE OF THE DONGGUAN WAREHOUSE

Pursuant to HKFRS 16, the use of the Dongguan Warehouse pursuant to the relevant Definitive Agreement under the Master Services Agreement during the term of the Master Services Agreement will require the Group to recognize a right-of-use asset in the aggregated amount of approximately RMB3.10 million, which is regarded as an acquisition of asset, and hence a one-off connected transaction pursuant to the Listing Rules. Therefore, the use of the Dongguan Warehouse constitutes a connected transaction separate from the continuing connected transaction in respect of the Master Services Agreement and accordingly, neither the amount of the right-of-use asset nor the monthly fee in respect of the Dongguan Warehouse is included in the Annual Caps for the Master Services Agreement.

The Warehouses, which are to be covered under the relevant Definitive Agreements signed under the Master Services Agreement, 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, whereby 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 term of the Master Services Agreement.

The Dongguan Warehouse, which is located at Dongguan City of Guangdong Province, the PRC, has an approximate area of 4,046 m². For the use of the Dongguan Warehouse, a fixed monthly fee of approximately RMB242,000 (excluding tax) is payable to the AGSCM Group. The term of use of the Dongguan Warehouse will be commencing on 1 December 2025 and ending on 31 December 2026. For the Yokkaichi Warehouse located at Yokkaichi, Mie Prefecture of Japan, the use of this warehouse is treated as part and parcel of the logistics services, which include the reception, acceptance, temporary storage, sorting, shipment, and delivery of merchandise. The Company, as one of the users of the Yokkaichi Warehouse, is not assigned a specific area by AGSCM. As such, no fixed monthly fee is payable for its use since the service fees payable to the AGSCM Group for provision of the logistics services (which are calculated solely based on the value of merchandise delivered) already cover the use of the Yokkaichi Warehouse. Hence, no right-of-use asset will be recognized pursuant to HKFRS 16 in respect of the use of the Yokkaichi Warehouse.

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

LETTER FROM THE BOARD

As the highest of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the acquisition of the right-of-use asset is 0.1% or more but less than 5%, the transaction contemplated under the Master Services Agreement in respect of the part on use of the Dongguan Warehouse constitutes a connected transaction for the Company and is subject to the announcement requirement but is exempt from circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. As such, the use of the Dongguan Warehouse under the Master Services Agreement will not form part of the continuing connected transaction, which will be considered, and if thought fit, approved at the EGM.

REASONS FOR AND BENEFITS OF ENTERING INTO THE MASTER SERVICES AGREEMENT

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.

REVISION OF ANNUAL CAPS IN RELATION TO THE MASTER ATV PURCHASE AGREEMENT

Reference is made to the announcements dated 31 December 2024 and 18 November 2025 and circular dated 14 July 2025 of the Company in relation to, among other things, the entering into of the Master ATV Purchase Agreement by the Company and ATV Japan and the revision of the Original ATV Purchase Annual Caps.

LETTER FROM THE BOARD

The Master ATV Purchase Agreement, commencing from 1 January 2025, was to enable the Group to purchase from ATV Japan those ATV Products which the Company previously could not obtain from independent manufacturers and suppliers due to exclusivity and/or other supply restrictions (the “**directly purchased ATV Products**”). While the Company had been procuring the ATV Products for its customers, the purchase of those directly purchased ATV Products was a relatively new operation that commenced in 2025. The Company has been continuously monitoring the business performance, especially in relation to those of the Group’s private brands and those directly purchased ATV Products. The directly purchased ATV Products have received welcoming support from customers. As such, the Company took the opportunity to open new stores, one in each of July and August 2025 to expand the proportion of the Group’s private brands, especially the ATV Products including those directly purchased ATV Products. Having reviewed the performance of the new stores, the Company has consolidated its strategy to strengthen the merchandise mix of private brands to be adopted in new stores. Corresponding adjustments were also made to other selected existing stores. The portion of directly purchased ATV Products has increased from 0.14% of the Group’s total merchandise purchase in March 2025 to 0.42% in August 2025, and this trend is expected to continue in light of the Company’s strategy to enhance its private brand offerings. Therefore, the ATV Products, particularly the directly purchased ATV Products, will account for a more substantial portion of the overall merchandise mix across both existing and new stores. When setting the Original ATV Purchase Annual Caps, the Board did not anticipate the extent of the significant increase in the directly purchased ATV Products in the second half of 2025. The increase is primarily as a result of the strong performance of the directly purchased ATV Products observed in the new stores opened in July and August 2025. The Board first became aware that the Original ATV Purchase Annual Caps could be insufficient in around September 2025 when conducting monthly review based on the then available actual transaction amounts. The transaction amount for the first eight months out of the 12 months of 2025 was HK\$9.1 million, representing approximately 80.5% or 120.8% (on annualized basis) of the Original ATV Purchase Annual Cap for the year ending 31 December 2025. Given the above, and that another new store has opened in October 2025, it is expected that the transaction amounts pursuant to the Master ATV Purchase Agreement will exceed the Original ATV Purchase Annual Caps.

The Company thus conducted a review of the Company’s plans for ATV Products procurements relating to the directly purchased ATV Products and re-estimated the maximum amounts payable by the Company to ATV Japan pursuant to the Master ATV Purchase Agreement for the remaining periods in 2025 to 2027.

LETTER FROM THE BOARD

In light of the above, the Directors have resolved to revise the Original ATV Purchase Annual Caps to the Revised ATV Purchase Annual Caps as follows:

Financial Year	Original ATV Purchase Annual Caps	Revised ATV Purchase Annual Caps
1/1/2025 to 31/12/2025	HK\$11.3 million	HK\$15.6 million
1/1/2026 to 31/12/2026	HK\$14.0 million	HK\$37.6 million
1/1/2027 to 31/12/2027	HK\$15.3 million	HK\$47.4 million

The Revised ATV Purchase Annual Caps have been determined with reference to the historical transaction amounts under the Master ATV Purchase Agreement and the review of the Company's plan for ATV Products procurement relating to the directly purchased ATV Products. The actual amount payable by the Company to ATV Japan from January to August 2025 was HK\$9.1 million, representing approximately 80.5% or 120.8% (on annualized basis) of the Original ATV Purchase Annual Cap for the year ending 31 December 2025. Given that the Original ATV Purchase Annual Cap for the year ending 31 December 2025 may not be sufficient, the Directors have revised the Original ATV Purchase Annual Caps to HK\$14.2 million for 2025, HK\$37.6 million for 2026 and HK\$47.4 million for 2027, which are based on (i) the actual purchase amount of the directly purchased ATV Products for the eight months ended 31 August 2025 and the forecasted purchase orders for 2025; (ii) the increase in the Company's estimated total purchase amount of ATV Products and the increase in the proportion of the directly purchased ATV Products out of the total ATV Products purchases for 2026 and 2027; and (iii) a buffer of 10% for each of 2025, 2026 and 2027.

LETTER FROM THE BOARD

In arriving at the above annual caps, the Directors have taken into account the following: (i) the Company's plans for ATV Products procurement which made up about 8% of the total merchandise purchase in 2024 while the Group intends to gradually increase the portion to above 17% of its total merchandise purchase by 2027, (ii) the Group's purchase of ATV Products has increased by approximately 147% in January 2025 as compared with January 2024, (iii) the purchases from ATV Japan are expected to increase from 7% in 2025 to 13% in 2026 and further to 14% in 2027 out of the total ATV Products purchases across different ATV product types (namely, fashion, food, household fashion, and health and beauty care). In particular, the Company has introduced new ATV Products such as seasonal fruits and ice-cream, tissues and kitchen paper starting from the second half of 2025, and plans to procure milk starting from 2026 and significantly step-up the procurement of ice-cream in 2026 and 2027. Therefore, the estimated purchase amounts will increase from HK\$7.5 million for 2025 to HK\$20 million for 2026, and further to HK\$25.9 million for 2027. Purchase of home fashion products is expected to increase from HK\$1.7 million in 2025 to HK\$6.1 million in 2026, and further to HK\$6.5 million in 2027. The substantial increase in 2026 is to facilitate the Company to make bargain purchase and reduce logistic cost as home furniture are generally bulk in size. Purchase of health & beauty care products is expected to increase from HK\$3.3 million in 2025 to HK\$5.7 million in 2026, and further to HK\$7.3 million in 2027. The significant increase in 2026 is due to introduction of new products in view of the popularity of Japanese health and beauty products in Hong Kong; and (iv) the expected business growth arising from the Group's existing stores and opening of new stores, in particular that, as referred to in the Company's circular dated 14 July 2025, the Group plans to open at least 12 new stores in Hong Kong and PRC (in light of the decreased rental levels for commercial properties and to further capture the PRC consumer market) each year starting from 2025. Taking into account the above, the Directors consider that Revised ATV Purchase Annual Caps are fair and reasonable.

The actual transaction amount incurred under the Master ATV Purchase Agreement from 1 January 2025 up to 31 August 2025 was HK\$9.1 million. The Company expects that the transaction amount up to the date of the EGM will fall within the Original ATV Purchase Annual Caps for 2025.

REASONS FOR THE REVISION OF THE ORIGINAL ATV PURCHASE ANNUAL CAPS

While the Group had been purchasing ATV Products from independent manufacturers and suppliers under Previous Master Trademark Licence Agreement, there are certain merchandise that the Group was unable to purchase from independent manufacturers or suppliers due to exclusivity and/or supply restrictions. As such, the Company and ATV Japan entered into the Master ATV Purchase Agreement to allow the Company to have access to those restricted merchandise.

LETTER FROM THE BOARD

The Directors have been carefully monitoring the historical transacted amounts and estimated transaction amounts under the Master ATV Purchase Agreement. As the procurement plans for ATV Products including the directly purchased ATV Products have been revised in response to welcoming support from customers and the encouraging ATV Products sales in 2025 so far as discussed above, the Directors expect that the Original ATV Purchase Annual Caps will be exceeded and therefore propose to revise the Original ATV Purchase Annual Caps.

The terms of the Master ATV Purchase Agreement have been reached after arm's length negotiations between the Company and ATV Japan. Since the directly purchased ATV Products are welcomed by the customers, enlarging the same in the merchandise mix enables the Company to better position its retail stores to capture the customers' needs and seize the sale opportunities.

The Directors, including all the independent non-executive Directors, are of the view that the Revised ATV Purchase Annual Caps are fair and reasonable and in the interests 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 administrative general manager, 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 Master Services Agreement and the Master ATV Purchase Agreement. The Connected Party Transaction Panel generally holds meetings bi-weekly 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 the Master Services Agreement and the Master ATV Purchase Agreement, to ensure they are conducted within the frameworks and the annual caps of the Master Services Agreement and the Master ATV Purchase Agreement. Where necessary, the Connected Party Transaction Panel will conduct bi-annual review of the transactions under the Master Services Agreement and the Master ATV Purchase Agreement, to ensure the transactions are conducted within the framework of the Master Service Agreement and the Master ATV Purchase Agreement, respectively, and monitor the utilisation of the annual caps for the Master Service Agreement and the Master ATV Purchase Agreement, respectively, to ensure timely compliance with the requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

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. It is a subsidiary of AEON Co.

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 Latest Practicable Date, 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. The entering into of the Master Services Agreement in respect of the Services (other than the use of the Dongguan 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 Annual Caps is more than 5%, the transactions contemplated under the Master Services Agreement in respect of the Services (other than the use of the Dongguan Warehouse) constitute non-exempt continuing connected transactions for the Company, and are subject to the reporting, announcement, Independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

As at the Latest Practicable Date, ATV Japan 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 Master ATV Purchase Agreement constitute continuing connected transactions for the Company under the Listing Rules.

LETTER FROM THE BOARD

According to Rule 14A.54 of the Listing Rules, as the Company proposes to revise the Original ATV Purchase Annual Caps for the Master ATV Purchase Agreement, the Company is required to re-comply with the provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transactions.

As the highest of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules the Revised ATV Purchase Annual Caps exceeds 5%, the Revised ATV Purchase Annual Caps and 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, Independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND 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 (i) the terms of the Master Services Agreement and (ii) Revised ATV Purchase Annual Caps, and whether the aforementioned transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Somerley Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

Accordingly, your attention is drawn to the letter from the Independent Board Committee set out on pages 22 to 23 of this circular, which contains its recommendation to the Independent Shareholders, and the letter from the Independent Financial Adviser set out on pages 24 to 39 of this circular, which contains its advice to the Independent Board Committee and the Independent Shareholders.

EGM

The Company will convene an EGM to seek approval from the Independent Shareholders in respect of (i) the terms of the Master Services Agreement and (ii) Revised ATV Purchase Annual Caps. At the EGM, an ordinary resolution approving (i) the terms of the Master Services Agreement and (ii) Revised ATV Purchase Annual Caps shall be proposed and, if thought fit, approved by the Independent Shareholders.

LETTER FROM THE BOARD

In view of AEON Co's interests in (i) the Master Services Agreement and (ii) the Master ATV Purchase Agreement, AEON Co (which as at the Latest Practicable Date beneficially held 155,760,000 Shares, representing approximately 59.91% of the issued Shares) and its associates (namely, AEON Credit, which is a subsidiary of AEON Co and as at the Latest Practicable Date was a beneficial owner of 1,776,000 Shares, representing approximately 0.68% of the issued Shares) are required to abstain and shall abstain from voting on the ordinary resolutions to be proposed at the EGM to approve (i) the terms of the Master Services Agreement and (ii) Revised ATV Purchase Annual Caps, respectively.

Mr. Toshiya Goto, Mr. Takenori Nagashima, Mr. Shinya Hisanaga, Mr. Hiroyuki Inohara, and Mr. Yasutoshi Yokochi are shareholders, employees and/or ex-employees of AEON Co and are regarded as potentially having a material interest in (i) the terms of the Master Services Agreement and (ii) Revised ATV Purchase Annual Caps, respectively. Accordingly, they have abstained from voting on the relevant resolutions at the Board meeting convened to consider (i) the terms of the Master Services Agreement and (ii) Revised ATV Purchase Annual Caps, respectively. For the same reason, Mr. Takenori Nagashima and Mr. Shinya Hisanaga (being shareholders of the Company who, as at the Latest Practicable Date, held 12,000 and 30,000 Shares, representing 0.00462% and 0.01154% of the issued Shares, respectively) will also abstain from voting on the relevant resolution as shareholders at the EGM. Apart from the above persons, the Directors are not aware of any other Shareholders who are required to abstain from voting on the resolutions at the EGM.

A notice convening the EGM to be held at Function Room, Units 07-11, 26 Floor, CDW Building, 388 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong on Thursday, 11 December 2025 at 1:00 p.m. is set out on pages 45 to 47 of this circular.

A form of proxy for the EGM is enclosed herewith. Whether or not Shareholders are able to attend and vote at the EGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar, Tricor Investor Services Limited, at 17 Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy as instructed will not preclude Shareholders from subsequently attending and voting at the meeting or any adjourned meeting if you so wish.

LETTER FROM THE BOARD

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 8 December 2025 to Thursday, 11 December 2025, both days inclusive, for the purpose of determining Shareholders' entitlement to attend and vote at the EGM, during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the EGM, Shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's share registrar, Tricor Investor Services Limited, at 17 Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by no later than 4:30 p.m. on Friday, 5 December 2025. The record date for ascertaining shareholders' entitlement to attend and vote at the EGM will be Thursday, 11 December 2025.

RECOMMENDATION

The Directors (including the independent non-executive Directors whose views have been set out in the letter from the Independent Board Committee in this circular after taking into consideration the advice of the Independent Financial Adviser) consider that each of the continuing connected transactions contemplated under (i) the Master Services Agreement and (ii) the Master ATV Purchase Agreement, have been conducted by the Company in its ordinary and usual course of business, on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and the relevant annual caps for the transactions contemplated under (i) the Master Services Agreement and (ii) the Master ATV Purchase Agreement, are fair and reasonable. The Directors therefore recommend the Independent Shareholders to vote in favour of the relevant resolutions set out in the EGM notice.

FURTHER INFORMATION

Your attention is drawn to the additional information set out in the Appendix to this circular.

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



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)

25 November 2025

To: the Independent Shareholders

Dear Sir/Madam,

**(1) CONNECTED TRANSACTION AND
CONTINUING CONNECTED TRANSACTION
IN RELATION TO THE MASTER SERVICES AGREEMENT
(2) REVISION OF ANNUAL CAPS FOR CONTINUING
CONNECTED TRANSACTIONS IN RELATION TO
THE MASTER ATV PURCHASE AGREEMENT
AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

We refer to the circular of the Company dated 25 November 2025 (the “**Circular**”) to the Shareholders, of which this letter forms part. Terms defined in the Circular have the same meanings in this letter unless the context otherwise requires.

In compliance with the Listing Rules, we have been appointed to advise the Independent Shareholders as to whether, in our opinion, (i) the transactions contemplated under the Master Services Agreement and (ii) the Revised ATV Purchase Annual Caps and the transactions contemplated under the Master ATV Purchase Agreement, are conducted by the Company in its ordinary and usual course of business, are on normal commercial terms, are in the interests of the Company and the Shareholders as a whole and are fair and reasonable so far as the Independent Shareholders are concerned. In this connection, Somerley Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of (i) the transactions contemplated under the Master Services Agreement and (ii) the Revised ATV Purchase Annual Caps and the transactions contemplated under the Master ATV Purchase Agreement.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

We wish to draw your attention to the letter from the Board set out on pages 5 to 21 of the Circular, and the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders set out on pages 24 to 39 of the Circular which contains its opinion in respect of (i) the transactions contemplated under the Master Services Agreement and (ii) the Revised ATV Purchase Annual Caps and the transactions contemplated under the Master ATV Purchase Agreement.

Having taken into account the advice of the Independent Financial Adviser and its recommendation in relation thereto, we consider that (i) the transactions contemplated under the Master Services Agreement and (ii) the Revised ATV Purchase Annual Caps and the transactions contemplated under the Master ATV Purchase Agreement, are conducted by the Company in its ordinary and usual course of business, are on normal commercial terms, are in the interests of the Company and the Shareholders as a whole and are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend that you vote in favour of the relevant resolutions set out in the EGM Notice.

Yours faithfully,
Independent Board Committee of
AEON Stores (Hong Kong) Co., Limited
Mr. Hideto Mizuno
Ms. Shum Wing Ting
Ms. Wong Mei Ling
Independent Non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of a letter of advice from Somerley to the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the Master Services Agreement and revision of annual caps relating to the Master ATV Purchase Agreement, which has been prepared for the purpose of inclusion in this circular.



SOMERLEY CAPITAL LIMITED

20th Floor
China Building
29 Queen's Road Central
Hong Kong

25 November 2025

To: the Independent Board Committee and the Independent Shareholders of AEON Stores (Hong Kong) Co., Limited

Dear Sir/Madam,

**(1) CONNECTED TRANSACTION AND
CONTINUING CONNECTED TRANSACTION IN RELATION TO
THE MASTER SERVICES AGREEMENT; AND
(2) REVISION OF ANNUAL CAPS FOR
CONTINUING CONNECTED TRANSACTION IN RELATION TO
THE MASTER ATV PURCHASE AGREEMENT**

INTRODUCTION

We refer to our appointment by the Company to advise the Independent Board Committee and the Independent Shareholders in connection with (i) the terms of the Master Services Agreement entered into between the Company and AGSCM Japan to renew the Previous Master Services Agreement and the Annual Caps; and (ii) the revised annual caps in relation to the Master ATV Purchase Agreement (i.e. the Revised ATV Purchase Annual Caps), details of which are set out in the letter from the Board contained in the circular of the Company to the Shareholders dated 25 November 2025 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter have the same meanings as those defined in the Circular unless the context requires otherwise.

As (i) each of AGSCM Japan and ATV Japan is a connected person of the Company by virtue of it being a subsidiary of AEON Co, the controlling shareholder of the Company; (ii) the highest of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the Annual Caps is more than 5%; and (iii) it is proposed to revise the Original ATV Purchase Annual Caps pursuant to Rule 14A.54 of the Listing Rules, the transactions contemplated under the Master Services Agreement in respect of the Services and the Revised ATV Purchase Annual Caps are subject to reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Hideto Mizuno, Ms. Shum Wing Ting, and Ms. Wong Mei Ling, has been formed to advise the Independent Shareholders as to whether the terms of the Master Services Agreement and the Annual Caps and the Revised ATV Purchase Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole. We, Somerley Capital Limited, have been appointed to advise the Independent Board Committee and the Independent Shareholders in the same regard.

We are not associated with the Company, AGSCM Japan, ATV Japan or their respective substantial shareholders or associates and accordingly we are considered eligible to give independent advice on the terms of the Master Services Agreements and the Annual Caps and the Revised ATV Purchase Annual Caps. Apart from the normal professional fees payable to us in connection with this and similar appointments, no arrangement exists whereby we will receive any fees or benefits from the Company, AGSCM Japan or their respective substantial shareholders or associates.

During the past two years, we acted as the independent financial adviser and issued opinion letters regarding the Company's continuing connected transactions as contained in its circulars dated 6 December 2023, 16 July 2024, 25 February 2025 and 14 July 2025. The past engagements were limited to providing independent advisory services to the Company pursuant to the Listing Rules. Under the past engagements, we received normal professional fees from the Company. Notwithstanding the past engagements, as at the Latest Practicable Date, there were no relationships or interests between Somerley on one hand and the Group, AGSCM Japan, ATV Japan and their respective substantial shareholders and/or associates on the other hand that could reasonably be regarded as a hindrance to our independence as defined under Rule 13.84 of the Listing Rules to act as the independent financial adviser to the Independent Board Committee and Independent Shareholders in connection with the transactions contemplated under the Master Services Agreement and the Revised ATV Purchase Annual Caps.

In formulating our opinion, we have reviewed, amongst other things, the Master Services Agreement, the Previous Master Services Agreement, the annual report of the Company for the year ended 31 December 2024 (the “**Annual Report**”), the interim report of the Company for the six months ended 30 June 2025 (the “**Interim Report**”) and the information contained in the Circular. We have also discussed with and reviewed information provided by the management of the Group regarding the businesses of the Group and the rationale of entering into of the Master Services Agreement and the transactions contemplated thereunder and the Revised ATV Purchase Annual Caps.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We have relied on the information and facts supplied, and the opinions expressed to us, by the management of the Group and have assumed that they are true, accurate and complete and will remain true, accurate and complete up to the time of the EGM. We have also sought and received confirmation from the Company that no material facts have been omitted from the information supplied and opinions expressed to us. We have no reason to believe that any material information has been withheld from us, or to doubt the truth or accuracy of the information provided. We have relied on such information and consider that the information we have received is sufficient for us to reach an informed view. We have not, however, conducted any independent investigation into the business and affairs of the Group, nor have we carried out any independent verification of the information supplied.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our advice and recommendation with regard to the Master Services Agreement and its Annual Caps and the ATV Purchase Annual Caps, we have taken into account the principal factors and reasons set out below:

1. Information on the Group

The Group, which mainly consists of the Company and two of its principal subsidiaries, namely Guangdong AEON Teem Stores Company, Limited (“**GDA**”) and AEON South China Company Limited (“**ASC**”), is principally engaged in the operation of retail stores in Hong Kong and the PRC.

2. Information on the AGSCM Group and ATV Japan

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. It is a subsidiary of AEON Co.

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.

3. **Reasons for and benefits of entering into the Master Services Agreement and the Revision of the Original ATV Purchase Annual Caps**

Master Services Agreement

The AGSCM Group has been providing 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.

Having considered that (i) the Group is principally engaged in the operation of general merchandise stores which procures merchandises from various places in Japan and the PRC and, in turn, requires stable support from its logistics partners; (ii) the Previous Master Services Agreement and the Definitive Agreements will expire after 30 November 2025 and the renewal is to ensure the Group's business operation continuity; and (iii) our review of the tender documents with respect to the provision of logistics services to the Group as set out in section 4 below, we concur with the Directors' view that the entering into of the Master Services Agreement is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

Revision of the Original ATV Purchase Annual Caps

The Master ATV Purchase Agreement, commencing from 1 January 2025, was to enable the Group to purchase from ATV Japan those ATV Products which the Company previously could not obtain from independent manufacturers and suppliers due to exclusivity and/or other supply restrictions (the "**directly purchased ATV Products**"). The Company has been continuously monitoring the business performance, especially in relation to those of the Group's private brands and those directly purchased ATV Products. The directly purchased ATV Products have received welcoming support from customers. As such, the Company took the opportunity to open new stores, one in each of July and August 2025 to expand the proportion of the Group's private brands, especially the ATV Products including those directly purchased ATV Products. Having reviewed the performance of the new stores, the Company has consolidated its strategy to strengthen the merchandise mix of private brands to be adopted in new stores. Corresponding adjustments were also made to other selected existing stores. Therefore, the ATV Products, particularly

the directly purchased ATV Products, will account for a more substantial portion of the overall merchandise mix across both existing and new stores. Another new store is open in October 2025 and it is expected to continue expanding the retail network in the future. As such, it is expected that the transaction amounts pursuant to the Master ATV Purchase Agreement will exceed the Original ATV Purchase Annual Caps, the Directors propose to adopt the Revised ATV Purchase Annual Caps.

The terms of the Master ATV Purchase Agreement have been reached after arm's length negotiations between the Company and ATV Japan. Since the directly purchased ATV Products are welcomed by the customers, enlarging the same in the merchandise mix enables the Company to better position its retail stores to capture the customers' needs and seize the sale opportunities.

Having considered that (i) the Company is principally engaged in the operation of general merchandise stores which procure merchandises from various places in Japan and the PRC; (ii) our review of the sales of the ATV Products in the first eight months of 2025, suggesting the increasing welcoming response to the ATV Products by customers as discussed in section 5 below; and (iii) adjustments in merchandise mix and expansion of retail network are seen in response to increasing popularity of the ATV Products, we concur with the Directors' view that the revision of the Original ATV Purchase Annual Caps are in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

4. Master Services Agreement

(a) Principal terms of the Master Services Agreement

A summary of the key terms of the Master Services Agreement is set out as follows:

Date:	18 November 2025
Parties:	The Company; and AGSCM Japan
Term:	The term of the Master Services Agreement shall be for a period of three years commencing on 1 December 2025 and expiring on 30 November 2028 (both dates inclusive) unless terminated earlier in accordance with the terms of the Master Services Agreement.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Scope of Services: The AGSCM Group shall provide the following services to the Group:

Logistics services

The AGSCM Group shall transport merchandise (from suppliers) to locations designated by the Group and assist with related matters, including without limitation the distribution, storage (temporarily), handling and packaging of merchandise, distribution, processing and the processing of logistics information.

Consultancy Services

The AGSCM Group shall provide logistics related solution services.

Termination: The Master Services Agreement may be terminated by not less than three months prior written notice by either party.

For details of the principal terms of the Master Services Agreement, please refer to section headed under “The Master Services Agreement” of the letter from the Board.

In addition, as stated in the letter from the Board, where a member of the AGSCM Group is selected through relevant 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. We have reviewed the Master Services Agreement and the Previous Master Services Agreement and noted that the terms of both agreements are materially the same.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We have discussed with the management of the Group in relation to the selection of goods suppliers/service providers and are advised that, if the AGSCM Group is invited, the Group will also invite quotations or bids from at least two other independent third party suppliers/service providers. The management of the Group will then compare the quotations offered by the respective bidders and conduct an assessment, taking into account factors such as their background and reputation, existing business relationship with such bidders, the price, scope and quality of services offered by the bidders before deciding the bidder to engage with and entering into a service contract with the bidder for the provision of goods or services.

Recently, the Group conducted four tenders for procurement of the Services, primarily for the transportation of merchandise from Central Japan to Hong Kong for its Hong Kong operations and within Mainland China for its Mainland China operations, and the use of warehouses. Members of the AGSCM Group won all four bids and are expected to provide the Services and the use of warehouses to the members of the Group including the Company, GDA and ASC.

As advised by the management of the Group, (i) the Company is engaged in procurement of certain AEON Group's private label items and non-private label items from Central Japan; and (ii) both GDA and ASC source all products for their own stores in the PRC.

For the tender conducted by the Company, the Company selected the service provider by comparison of costs which is calculated based on the proposed fee rates quoted by the respective bidder and the Group's estimated total value of goods to be handled by the service provider for the next three years commencing from 1 December 2025. The Group invited three service providers (including AGSCM Japan and two other independent service providers) to provide their quotations in August 2025. We have reviewed the tender documents submitted by each of the bidders and the Group's assessment report and noted that (i) the fees/rates used to assess the Group's estimated cost agree to those set out in their respective tender documents; and (ii) the estimated costs based on AGSCM Japan's quotation is the lowest amongst the three bidders. For remaining tenders conducted by GDA and ASC, the Group selected the service provider primarily after comparing the total fees to be borne by the Group which is calculated based on their actual procurement amount for the 12 months ended 30 June 2025 multiplied by the rates quoted by the bidders. In each of the tenders, all conducted in the third quarter of 2025, there were three qualified service providers (including AGSCM China and two other independent service providers) provided their quotations. We have reviewed the tender documents submitted by each of the bidders and the Group's assessment report and noted that (i) the fees/rates used to assess the Group's estimated cost

agree to those set out in their respective tender documents; and (ii) the total fees calculated based on the quotes provided by the AGSCM Group is the lowest amongst the three bidders. The tender procedure adopted by the Group and its assessment basis, in our view, are fair and reasonable.

Among the bids submitted, the respective member of the AGSCM Group offered the quotation(s) resulting in the lowest costs to be borne by the Group based on either the actual procurement amounts in 2024/2025 or expected procurement amounts for the next three years commencing from 1 December 2025 as stated in the Group's tender notice. As such, the Group intends to enter into four agreements with the AGSCM Group for the procurement of the Services, and in return the AGSCM Group will charge the Group service fees equivalent to (i) fixed percentages of merchandise costs of the goods for their transportation from Central Japan to Hong Kong based on the AGSCM Group's quotation (1.1% for cross-docking goods or 4% for goods that require temporary storage); (ii) the same rates quoted by the AGSCM Group in the relevant tender for each type of required services (e.g. warehouse processing and delivery) in the PRC; and (iii) the same rates quoted by the AGSCM Group in the relevant tender for required manpower and equipment and other miscellaneous charges (as the case may be) in the PRC. For details of the service fee chargeable by the AGSCM Group, please refer to the section headed "The Procurement Process" of the letter from the Board.

We have also reviewed all four existing agreements entered into with current service providers (i.e. members of the AGSCM Group) and all four draft agreements to be entered with members of the AGSCM Group relating to the Group's procurement of the Services and noted that (a) the pricing mechanism, payment terms and termination of draft agreements to be entered with members of the AGSCM Group and those of the relevant existing agreements are the same; and (b) the rates stated in the draft agreements are the same as those stated in their quotations in the tenders. In addition, for existing agreements entered with members of the AGSCM Group, we have randomly selected and reviewed a total of 20 sample invoices in 2023-2025 and related documents and noted that payment terms are in accordance with the relevant existing agreements. On these grounds and taking into account (i) the AGSCM Group was only be selected for the provision of the Services based on the tender results, where at least two other independent third party suppliers were invited to provide their quotations for comparison; and (ii) the quotation provided by the AGSCM Group for each tender was, amongst all the bids, the most favourable to the Group, we consider the terms of the transactions contemplated under the Master Services Agreement are on normal commercial terms and fair and reasonable so far as the Company and the Independent Shareholders are concerned.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(b) The Annual Caps

Members of the AGSCM Group won all four bids for the provision of the Services in 2022 and 2025. Set out below are the service fees paid to the members of the AGSCM Group in respect of the Services in 2023 and 2024 and eight months ended 31 August 2025 and the projected service fee payable in the next three years:

	2023	2024	2025	2025	2026	2027	2028
			(Jan – Aug)	(Dec)			(Jan – Nov)
<i>(RMB million)</i>	Actual amount			Estimated amount			
Service fee paid/ payable to the AGSCM Group	41.4	44.6	29.5	4.0	65.5	75.4	77.1
Buffer of 10%				0.4	6.5	7.5	7.6
Annual cap	56.5⁽¹⁾	61.6⁽¹⁾	64.2⁽²⁾	4.4⁽³⁾	72.0⁽¹⁾	82.9⁽¹⁾	84.7⁽²⁾

Notes:

1. The annual caps are for the year ended/ending 31 December 2023, 2024, 2026 or 2027 (as the case may be).
2. The annual caps are for the 11 months ended/ending 30 November 2025 or 2028 (as the case may be).
3. The annual cap is for the one month ending 31 December 2025.

We have discussed with the management of the Group and have reviewed their estimated service fee payable to the AGSCM Group for determining the Annual Caps covering 1 December 2025 to 30 November 2028, the basis of which is summarised as follows:

For the Company

The Company handles the procurement of certain ATV Products and non-private label items from Central Japan and settles the service fees in Japanese Yen. Based on the information provided by the management of the Group, the new service fee rates will be about the same as those under the existing arrangement.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Based on the information provided by the Group, we noted that the related service fee payable to the AGSCM Group for the first half of 2025 was slightly less than half of that for the full year of 2024 and for the one month ending 31 December 2025 has been projected to be slightly less than half of that for the first half of 2025. The previous annual caps had built in the use of temporary warehouse during the shipping process, which was to facilitate holding, sorting and consolidation of goods as they move between the suppliers' factories and the ports. As advised by the management of the Group, despite the actual Service fees were mainly logistics services with storage fee accounting for a small portion in the first eight months of 2025, it is considered necessary to include the use of temporary warehouse in the estimated Service fee for December 2025 in case it is needed. For FY2026, FY2027 and the 11 months ending 30 November 2028, the management of the Group has projected the Service fee payable to AGSCM by applying the weighted average service fee (which is the same as the one in the tender assessment as discussed in 4(a) above) on the revised projected purchase of ATV Products (as referred to Revised ATV Purchase Annual Caps as discussed in the next section) and some other merchandises in Japan. Having considered the increase in the projected purchases of the ATV Products, we are of the view that the corresponding increases in the Service fees payable to AGSCM is justifiable.

For GDA

Based on the information with respect to the latest tender provided by the management of the Group, the new service fee rate will be about 4% higher than that under the existing arrangement. We have discussed with the management of the Group and are advised that the projected Service fee payable to AGSCM for December 2025 is equivalent to the new service fee multiplied by 105% of the actual shipment volume for December 2024, where the 5% markup is for business growth and contingency purpose.

As advised by the management of the Group, GDA will continue to expand its businesses by opening 4-7 new stores in each of the next three years. In addition, in order to enhance logistics efficacy and benefits, the management of the Group plans to consolidate ASC's delivery hub into GDA's in 2026 resulting in a substantial increase in projected Service fee in 2027 and 2028. Based on the above, we are of the view that such projection is reasonable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

For ASC

We have reviewed ASC's service fee projections as provided by the management of the Group and noted that the new service fee rates will decrease by 1% as compared to those under the existing arrangement. Based on the projection, it is estimated that the projected shipment volume is either the same as or equivalent to 105% of that for the 12 months ended 30 June 2025, multiplied by the new service fee rates for December 2025 (on pro rata basis) and full year of 2026. As advised by the management of the Group, no projection is made for 2027 and 2028 as ASC is currently under review as to its business development plan, in particular the possible consolidation of its delivery hub into GDA's as mentioned above. On these basis, we are of the view that the projection basis is reasonable.

A buffer of 10% is applied to the estimated service fee payable to the AGSCM Group for each of the period/years ending 31 December 2025, 2026, 2027 and 30 November 2028 to allow flexibility to the Group's business operations as well as to accommodate unexpected increase in merchandise cost and/or volume of goods to be handled by the AGSCM Group resulting from, among other things, additional number of stores and/or exchange rate fluctuations.

Given the Annual Caps are determined based on (i) historical transaction amount; (ii) the potential increase in the volume of the shipment as well as the Services; (iii) the new rates as quoted by the AGSCM Group; (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%, we are of the view that the basis in arriving at the Annual Caps are reasonable so far as the Company and the Independent Shareholders are concerned.

5. REVISION OF THE ORIGINAL ATV PURCHASE ANNUAL CAPS

The Group has been procuring the ATV Products from independent suppliers/manufacturers and paying license fees and service fees to ATV Japan or ATV China. There were certain merchandises that the Group was unable to purchase directly from certain independent manufacturers or suppliers due to exclusivity and/or supply restrictions. As such, on 31 December 2024, the Company and ATV Japan entered into the Master ATV Purchase Agreement to allow the Company to have access to those restricted merchandise (i.e. the directly purchased ATV Products).

We have reviewed and discussed with the management of the Group their actual and estimated purchases of ATV Products for FY2025 – FY2027 (the “**Revised Projection**”) and noted that the Original ATV Purchase Annual Cap for FY2025 is about to be exceeded. As advised by the management of the Group, the Original ATV Purchase Annual Caps had taken into account the Group’s target to increase the purchase of ATV Products to 30% of its total purchases by 2030 as opposed to 7.5% in FY2024 as the gross profit margins of the ATV Products are higher than third party brands and the procurement of directly purchased ATV Products is only conducted by the Company (i.e. Hong Kong operation). In the past couple of months, the Company encountered difficulties in procuring some attractive items from independent suppliers/manufacturers but found the same items from ATV Japan. The Company therefore procured the directly purchased ATV Products from ATV Japan resulting in the Original ATV Purchase Annual Caps becoming insufficient for FY2025.

Set out below is the actual and estimated procurement of the directly purchased ATV Products for FY2025-FY2027:

(HK\$ million)	FY2025			Total	FY2026 (Estimated amount)	FY2027 (Estimated amount)
	Jan-May (Actual amount)	Jun-Aug (Actual amount)	Sep – Dec (Estimated amount)			
Fashion	0.7	0.4	0.6	1.7	2.3	3.0
Food	2.6	2.4	2.5	7.5	20.0	25.9
Home fashion	0.8	0.1	0.8	1.7	6.1	6.5
Health & beauty care	1.4	0.7	1.2	3.3	5.7	7.3
Sub-total	5.5	3.6	5.1	14.2	34.1	42.6
Buffer				1.4 ⁽¹⁾	3.5	4.8
Revised ATV Purchase						
Annual Caps				15.6	37.6	47.4
Original ATV Purchase						
Annual Caps				11.3	14.0	15.3

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Notes:

- (1) The buffer, representing about 10% of the estimated amount of the directly purchased ATV Products for FY2025 mainly due to the opening of a new store in Tsing Yi in October 2025.
- (2) The figures are subject to rounding and may not be added to the sub-totals or totals.

We have been provided with the actual purchase amounts of ATV Products by the Company from ATV Japan and independent third parties for the eight months ended 31 August 2025 and compared it with the projection of the Original ATV Purchase Annual Caps (the “**Original Projection**”). It is noted that (i) the total actual purchase amounts of ATV Products by the Company in the first eight months of 2025 remains within the estimation for FY2025 in the Original Projection; and (ii) the directly purchased ATV Products accounted for 7% of the total ATV Products purchases for the eight months ended 31 August 2025, which is about the same for the 2H2025 in the Original Projection. However, if the directly purchased ATV Products amount is estimated, on an annualized basis, based on its actual purchase amount for the eight months ended 31 August 2025, which is HK\$9.1 million, it is expected that the Original ATV Purchase Annual Cap for FY2025 will not be sufficient. The management of the Group therefore has revised the estimated directly purchased ATV Products amount for FY2025 to HK\$14.2 million, which is based on the actual purchase for the eight months ended 31 August 2025 and the forecasted purchase orders and applied a buffer of 10%.

According to the Revised Projection, the management of the Group has (i) increased the Company’s estimated total purchase amount of ATV Products; and (ii) adjusted the split of the directly purchased ATV Products amounts from 7% to 13% and 14% out of the total ATV Products purchases for FY2026 and FY2027, respectively, and applied a 10% buffer. As advised by the management of the Group, the Company has been continuously monitoring the business performance, especially in relation to those of the Group’s private brands and those directly purchased ATV Products and noted that the ATV Products have received welcoming support from customers. Based on the information provided by the Company, it is noted that (i) the sales of ATV Products increased by 30% in the first eight months of 2025 as compared to the corresponding period in 2024; and (ii) the sales of directly purchased ATV Products increased from 0.8% of the total sales of ATV Products in January 2025 to 8.4% in August 2025. As advised by the management of the Group, (i) well-established Japanese suppliers usually maintain stringent sales procedures prohibiting direct sales to overseas markets; and (ii) the directly purchased ATV Products include a wide array of merchandises. To further capture customers’ demand for the Group’s private brands and the ATV Products, the Company took the opportunity to open new stores, one in each of July and August 2025. Having reviewed the performance of the new stores, the Company has consolidated its strategy to strengthen the merchandise mix of private brands to be adopted in new stores. Corresponding adjustments were also made to other selected

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

existing stores. Therefore, the ATV Products, particularly the directly purchased ATV Products, will account for a more significant portion of the overall merchandise mix across both existing and new stores. Apart from the two new stores opened in July and August 2025, the Company has just opened another one in Tsing Yi in October 2025.

In addition, the Company has commenced procurement of seasonal fruits, tissue and kitchen items in the second half of 2025 and plans to procure milk starting from FY2026 and significantly step-up the procurement of ice-cream in FY2026 – FY2027. Therefore, the estimated purchase amounts will increase from HK\$7.5 million for FY2025 to HK\$20 million for FY2026 and further to HK\$25.9 million for FY2027. We have been provided with the monthly sales of TopValu ice-cream in June to September 2025 and noted that the sales amount increased from HK\$3,600 in June 2025 to HK\$338,000 in July 2025 but reduced to HK\$133,000 and HK\$118,000 in August 2025 and September 2025, respectively. As advised by the management of the Group, the substantial surge in TopValu ice-cream in July 2025 was due to the introduction of the same in their stores but such sales were unable to sustain in the following months due to the shortage of goods as limited by the Original ATV Purchase Annual Cap. Home fashion is expected to increase from HK\$1.7 million in FY2025 to HK\$6.1 million in FY2026 and further to HK\$6.5 million in FY2027. As advised by the management of the Group, the substantial increase in FY2026 is to facilitate the Company to make bargain purchase and reduce logistic cost as home furniture are generally bulk in size. Health & beauty care products are expected to increase from HK\$3.3 million in FY2025 to HK\$5.7 million in FY2026 and further to HK\$7.3 million in FY2027. As advised by the management of the Group, the significant increase in FY2026 is due to introduction of new products in view of the popularity of Japanese health and beauty products in Hong Kong. On these bases, the management of the Group has estimated the Company's procurement of ATV Products will increase by 168% and 206% in FY2026 and FY2027, respectively, as compared to the Original Projection.

In view of the encouraging ATV Products sales in 2025, we consider reasonable to increase its procurement projection for FY2026 and FY2027. Given (i) the difficulties faced by the Company in procuring some attractive items from independent suppliers/manufacturers; (ii) the interchangeable nature of the purchase of ATV Products between ATV Japan and the independent suppliers/manufacturers; and (iii) the procurement cost of the directly purchased ATV Products, being actual cost plus a mark-up of 3%, is slightly lower than the total cost of the ATV Products procured from independent suppliers/manufacturers where the Group is required to pay a combined licence and service fee of 3.2%, it is considered reasonable to increase the split of the directly purchased ATV Products for FY2026 and FY2027 in order to facilitate the Company's procurement flexibility to respond quickly to the different requirements of its suppliers.

6. Internal control

As stated in the letter from the Board, as part of the Group's internal control systems, the Company's Connected Party Transaction Panel, comprising the administration general manager, 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 Master Services 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 the Master Services Agreement and the Master ATV Purchase Agreement to ensure they are conducted within the frameworks and the annual caps. Where necessary, the Connected Party Transaction Panel will conduct biannual review of the transactions under the Master Services Agreement and the Master ATV Purchase Agreement to ensure the transactions are conducted within the framework of the Master Services Agreement and the Master ATV Purchase Agreement and monitor the utilisation of the Annual Caps and the Revised ATV Purchase Annual Caps to ensure timely compliance with the requirements under Chapter 14A of the Listing Rules.

In addition, the independent non-executive Directors will, pursuant to Rule 14A.55 of the Listing Rules, review, among other things, whether the transactions under the Master Services Agreement and the Master ATV Purchase Agreement are conducted on normal commercial terms and the auditors of the Company will, for the purpose of Rule 14A.56 of the Listing Rules, review, among other things, whether the transactions under the Master Services Agreement and the Master ATV Purchase Agreement are conducted in accordance with the terms therein. Furthermore, we noted from the Annual Report that the transactions under the Previous Master Services Agreement were carried out within their respective applicable annual cap for 2024.

On the above basis, we concur with the view of the management of the Group that adequate measures have been put in place to monitor the transactions under the Master Services Agreement and the Master ATV Purchase Agreement in order to protect the interests of the Company and the Independent Shareholders.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

OPINION AND RECOMMENDATION

Having taken into account the above principal factors and reasons, we consider that (i) the entering into of the transactions contemplated under the Master Services Agreement are in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole; and (ii) the terms of the Master Services Agreement are on normal commercial terms and fair and reasonable and the bases in arriving at the Annual Caps and the Revised ATV Purchase Annual Caps are reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders, to vote in favour of the ordinary resolutions to be proposed at the EGM in relation to approval of the Master Services Agreement and the Annual Caps and the Revised ATV Purchase Annual Caps.

Yours faithfully,
for and on behalf of
SOMERLEY CAPITAL LIMITED
Jenny Leung
Director

Ms. Jenny Leung is licensed person and responsible officer of Somerley Capital Limited registered with the SFC to carry out type 6 (advising on corporate finance) regulated activities under the SFO and has participated in the provision of independent financial advisory services for various transactions involving companies listed in Hong Kong.

1 RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2 INTEREST IN SECURITIES

(A) Directors' and chief executive's interests

Save as disclosed below, as at the Latest Practicable Date, none of the Directors and chief executives of the Company had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register of the Company referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

(a) *The Company*

Name of Directors	Number of ordinary shares held as personal interests	Approximate percentage of interests
NAGASHIMA Takenori	12,000	0.00462%
HISANAGA Shinya	30,000	0.01154%

(b) AEON Co, the Company's ultimate holding company

Name of Directors	Number of ordinary shares held as personal interests	Approximate percentage of interests
GOTO Toshiya	6,300	0.00072%
HISANAGA Shinya	2,130	0.00024%

Note: The shareholding information above had been confirmed by the respective Directors as at the Latest Practicable Date.

(B) Substantial Shareholders' interests

Save as disclosed below, as at the Latest Practicable Date, none of the shareholders (other than Directors or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

Name of substantial shareholder	Long positions Number of ordinary shares held	Approximate percentage of the total number of issued shares
AEON Co	157,536,000 <i>(Note)</i>	60.59%

Note: These Shares are held as to 155,760,000 Shares by AEON Co and 1,776,000 Shares by AEON Credit. AEON Credit is directly or indirectly owned or controlled by AEON Co as to 294,888,000 shares representing 70.42% of the issued share capital of AEON Credit. AEON Co is deemed to be interested in the 1,776,000 Shares owned by AEON Credit.

3 DIRECTORS' EMPLOYMENT WITH SUBSTANTIAL SHAREHOLDER

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or proposed Directors is a director or employee of a company which had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

	Name of substantial shareholder of the Company	Position in the substantial shareholder of the Company
GOTO Toshiya	AEON Co	Executive Officer
YOKOCHI Yasutoshi	AEON Co	General Manager of Overseas Company Management Department

4 DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into any service contract with the Company or any of its subsidiaries which is not expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

5 DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS OF THE GROUP

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting as of the Latest Practicable Date and which was significant in relation to the business of the Group; and none of the Directors or proposed Directors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to, or which were proposed to be acquired or disposed of by or leased to, any member of the Group since 31 December 2024, being the date to which the latest published audited financial statements of the Company were made up.

6 DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors and their respective close associates was interested in any business which competed, or was likely to compete, either directly or indirectly, with the business of the Group pursuant to Rule 8.10 of the Listing Rules.

7 MATERIAL ADVERSE CHANGE

Reference is made to the Company's interim report for the six months ended 30 June 2025 published on 25 September 2025. Save for the factors and challenges as referred to in the publication above, as at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Company were made up.

8 MATERIAL CONTRACTS

Save for (i) the sale and purchase agreement dated 17 May 2024 entered into between the Company as vendor and the AEON Financial Service (Hong Kong) Co., Limited as purchaser in relation to the disposal by the Company of 1,654,500 shares in AEON Credit at the total consideration of HK\$9,993,180 (details of which are set out in the announcements of the Company dated 17 May 2024 and 20 May 2024) and (ii) the sale and purchase agreement dated 28 July 2025 entered into between the Company as vendor and the AEON Financial Service (Hong Kong) Co., Limited as purchaser in relation to the disposal by the Company of 1,346,000 shares in AEON Credit at the total consideration of HK\$9,960,400.00 (details of which are set out in the announcement of the Company dated 28 July 2025), the Group did not enter into any contract which was or might be material other than those entered into in the ordinary course of business carried on or intended to be carried on by the Company or any of its subsidiaries within the two years immediately preceding and including the Latest Practicable Date.

9 LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance nor was any litigation or claims of material importance known to the Directors to be pending or threatened against any member of the Group.

10 EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion or advice contained in this circular:

Name	Qualification
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

As at the Latest Practicable Date, the above expert:

- (a) had given and had not withdrawn its written consent to the issue of this circular with the inclusion of its letter of advice and references to its name, in the form and context in which they appear;
- (b) did not have any shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (c) did not have any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group, since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Company were made up.

11 GENERAL

- (1) The registered office of the Company is at G-4 Floor, Kornhill Plaza (South), 2 Kornhill Road, Hong Kong.
- (2) The head office and principal place of business of the Company is at Units 07-11, 26/F, CDW Building, 388 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong.
- (3) The share registrar of the Company is Tricor Investor Services Limited at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (4) The secretary of the Company is Mr. Chan Kwong Leung, Eric, who is a Chartered Secretary, a Chartered Governance Professional and an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute.

12 DOCUMENTS ON DISPLAY

A copy of the Master Service Agreement and the Master ATV Purchase Agreement will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.aeonstores.com.hk) for a period of 14 days from the date of this circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of shareholders of AEON Stores (Hong Kong) Co., Limited (the “**Company**”) will be held at Function Room, Units 7-11, 26/F, CDW Building, 388 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong on Thursday, 11 December 2025 at 1:00 p.m. (the “**EGM**”), to consider and, if thought fit, pass, with or without amendments, the following resolutions as ordinary resolutions.

Words and expressions that are not expressly defined in this notice of extraordinary general meeting shall bear the same meaning as that defined in the circular to shareholders of the Company dated 25 November 2025.

ORDINARY RESOLUTIONS

Ordinary Resolution no.1

1. “**THAT:**

- (a) The Master Services Agreement, copy of which has been produced to the meeting marked “A” and signed by the Chairman of the meeting for the purpose of identification, and the transaction contemplated thereunder, together with the Annual Caps (as defined and described in the Circular) for the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (b) all acts done and things executed and all such documents or deeds entered into in connection with the implementation of the Master Services Agreement and the transactions contemplated thereunder, together with the Annual Caps for the transactions contemplated thereunder be and are hereby ratified, confirmed and approved, and any one Director be and is hereby authorised to do all such acts and things and execute all such documents or deeds and to take all steps as the Director may in his/her discretion consider necessary, desirable or expedient in connection with the implementation of the Master Services

NOTICE OF EXTRAORDINARY GENERAL MEETING

Agreement and/or the transactions contemplated thereunder and/or the Annual Caps for the transactions contemplated thereunder and to make and agree to such variations, amendments or waivers of matters relating thereto, as are, in the opinion of the Director, necessary or desirable.”

Ordinary Resolution no.2

2. “**THAT:**

- (a) the Revised ATV Purchase Annual Caps (as defined and described in the Circular) be and are hereby approved, confirmed and ratified; and
- (b) all acts done and things executed and all such documents or deeds entered into in connection with the implementation of the Master ATV Purchase Agreement and the transactions contemplated thereunder and the Revised ATV Purchase Annual Caps for the transactions contemplated thereunder be and are hereby ratified, confirmed and approved, and any one Director be and is hereby authorised to do all such acts and things and execute all such documents or deeds and to take all steps as the Director may in his/her discretion consider necessary, desirable or expedient in connection with the implementation of the Revised ATV Purchase Annual Caps of the transactions contemplated thereunder and to make and agree to such variations, amendments or waivers of matters relating thereto, as are, in the opinion of the Director, necessary or desirable.”

By Order of the Board of
AEON Stores (Hong Kong) Co., Limited
CHAN Kwong Leung, Eric
Company Secretary

Hong Kong, 25 November 2025

Registered office:
G-4 Floor
Kornhill Plaza (South)
2 Kornhill Road
Hong Kong

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. Any member of the Company entitled to attend and vote at the EGM is entitled to appoint one or (if he is a holder of two or more shares) more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, form(s) of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited at the office of the Company's share registrar, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before the time fixed for the holding of the EGM or any adjournment thereof.
3. The Register of Members of the Company will be closed from Monday, 8 December 2025 to Thursday, 11 December 2025, both days inclusive, for the purpose of determining Shareholders' entitlement to attend and vote at the EGM, during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the EGM, Shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's share registrar, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong by no later than 4:30 p.m. on Friday, 5 December 2025. The record date for ascertaining shareholders' entitlement to attend and vote at the EGM will be Thursday, 11 December 2025.
4. Where there are joint registered holders of any share, any one of such persons may vote at the EGM, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but should there be more than one of such joint holders present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
5. Voting of the ordinary resolutions set out in this notice will be by way of poll.
6. Reference to times and dates in this notice are to Hong Kong times and dates.
7. If Typhoon Signal No.8 or above is hoisted or remains hoisted at 7:30 a.m. on the date of the EGM, the EGM will be postponed. The Company will post an announcement on the Company's website at www.aeonstores.com.hk and the Stock Exchange's website at www.hkexnews.hk to notify shareholders of the Company of the date, time and place of the rescheduled EGM.
8. The EGM will be held on Thursday, 11 December 2025 as scheduled when an Amber or a Red Rainstorm Warning Signal or a Black Rainstorm Warning Signal is in force in Hong Kong at any time on that day. Shareholders should decide on their own whether they would attend the EGM under bad weather conditions bearing in mind their own situations.