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**AEON CREDIT SERVICE (ASIA) CO., LTD.**

**AEON 信貸財務(亞洲)有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 900)**

**CONNECTED TRANSACTION  
AND CONTINUING CONNECTED TRANSACTION  
RENEWAL OF KH LICENCE AGREEMENT**

On 29 May 2025, the Company (as licensee) and AEON Stores (as licensor) entered into the 2025 KH Licence Agreement to renew the Existing KH Licence Agreement for the lease of the Premises for another term of one year.

AEON Stores is a fellow subsidiary of the Company. As the Group has to recognise the lease of the Premises under the 2025 KH Licence Agreement as a one-off acquisition of a right-of-use asset under HKFRS 16, the lease of the Premises under the 2025 KH Licence Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. Payment of Outgoings from the Company to AEON Stores under the 2025 KH Licence Agreement constitutes a continuing connected transaction.

As one or more of the applicable percentage ratios in respect of the right to use the Premises under the 2025 KH Licence Agreement exceed 0.1% but are less than 5%, the 2025 KH Licence Agreement is subject to the reporting and announcement requirements, but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

**BACKGROUND**

As the Existing KH Licence Agreement will expire on 31 May 2025, the Company and AEON Stores entered into the 2025 KH Licence Agreement to renew the Existing KH Licence Agreement for the lease of the Premises for a term of one year.

**2025 KH LICENCE AGREEMENT**

**Date**

29 May 2025

**Parties**

- (a) The Company as licensee; and
- (b) AEON Stores as licensor.

**Premises**

Shop No. L108, AEON STYLE Kornhill, 1/F, Kornhill Plaza (South), 2 Kornhill Road, Quarry Bay, Hong Kong, with an approximate area of 827 square feet.

**Term**

One year from 1 June 2025 to 31 May 2026.

**Licence Fee**

HK\$259,477 per month (exclusive of Outgoings).

The Licence Fee was arrived at after arm's length negotiations between the parties with reference to prevailing market rent, which was ascertained through comparing the rentals of other properties of similar use, function and utility in about the same location.

**Rates**

5% of the Licence Fee per month.

**Management Fee**

HK\$12,405 per month (subject to upward adjustment by AEON Stores).

**Utility Charges**

Based on the tariffs of the applicable public utility providers and the actual amount of consumption by the Company (Utility Charges are payable to AEON Stores only with respect to such utilities for which the Company's own accounts with the applicable public utility providers are not maintained).

**Payment Term**

The Licence Fee and Outgoings are to be paid in advance on a monthly basis.

**IMPLICATIONS OF HKFRS 16 TO THE 2025 KH LICENCE AGREEMENT**

As the Remaining 2024 Term and the Term combined exceeds 12 months, the Group has to recognise the lease of the Premises under the 2025 KH Licence Agreement as a one-off acquisition of a right-of-use asset under HKFRS 16. The unaudited value of this right-of-use asset amounts to approximately HK\$3,080,000, which is the present value of (i) the total Licence Fee payable for the Remaining 2024 Term and throughout the Term; and (ii) the estimated costs of reinstatement of the Premises on the surrender of the Premises following expiry or earlier termination of the 2025 KH Licence Agreement, in accordance with HKFRS 16. Incremental borrowing rate of 3.08% is applied to compute the present value.

Outgoings under the 2025 KH Licence Agreement will be recognised as expenses in the profit and loss accounts of the Company in the respective financial periods in which they are incurred.

## **ANNUAL CAPS**

Based on the Outgoings as mentioned above, and taking into account possible upward adjustment to the management fee charged by AEON Stores, it is expected that the maximum aggregate amount payable by the Company to AEON Stores for Outgoings under the 2025 KH Licence Agreement would not exceed the Annual Caps set out below:

<u>Financial Period</u>	<u>Annual Caps</u>
1/6/2025 to 28/2/2026	HK\$276,000
1/3/2026 to 31/5/2026	HK\$ 92,000

The aggregate amount of Outgoings paid by the Company to AEON Stores for the lease of the Premises was approximately HK\$299,000, HK\$309,000 and HK\$317,000 for the three years ended 28 February 2025, and approximately HK\$81,000 for the period from 1 March 2025 to 31 May 2025.

## **REASONS FOR THE TRANSACTION**

The Company has been using the Premises as a branch office of the Company for years for the provision of credit finance services and insurance-related advisory services to the customers of both the Company and AEON Stores.

The Company considers it beneficial to enter into the 2025 KH Licence Agreement to support the uninterrupted provision of the services to the customers at the Premises, as well as to maintain a close business relationship and collaboration with AEON Stores.

The Directors, including the independent non-executive Directors, consider that the 2025 KH Licence Agreement is entered into in the ordinary and usual course of business of the Company, the terms of the 2025 KH Licence Agreement are on normal commercial terms, and both the terms of the 2025 KH Licence Agreement and the Annual Caps are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

AEON Stores is a connected person of the Company within the meaning of the Listing Rules by virtue of its being 60.59% owned by AEON Co., Ltd., which in turn is a controlling shareholder of the Company interested in approximately 70.42% of the issued shares of the Company.

The one-off acquisition of a right-of-use asset under HKFRS 16 with respect to the 2025 KH Licence Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. Payment of Outgoings from the Company to AEON Stores under the 2025 KH Licence Agreement constitutes a continuing connected transaction.

As one or more of the applicable percentage ratios in respect of the right to use the Premises under the 2025 KH Licence Agreement exceed 0.1% but are less than 5%, the 2025 KH Licence Agreement is subject to the reporting and announcement requirements, but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The

right-of-use asset recognised with respect to the Existing KH Licence Agreement did not exceed HK\$3,000,000 at any time.

Given that none of the applicable percentage ratios in relation to the Annual Caps exceed 0.1%, the continuing connected transaction with respect to payment of Outgoings under the 2025 KH Licence Agreement constitutes a de minimis transaction of the Company and is exempt from reporting, announcement, annual review (as applicable) and independent shareholders' approval requirements.

None of the Directors has a material interest in the transactions contemplated under the 2025 KH Licence Agreement, save for Mr. Kenji Fujita who was a director of AEON Stores at the time of voting on the Board resolutions approving the 2025 KH Licence Agreement. Accordingly, Mr. Kenji Fujita has abstained from voting on such Board resolutions.

## **GENERAL INFORMATION**

The Group is principally engaged in the provision of financial services, which includes the issuance of credit cards and the provision of personal loan financing, payment processing services, insurance intermediary business, and microfinance business.

AEON Stores is principally engaged in the operation of general merchandise stores.

## **DEFINITIONS**

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

“2025 KH Licence Agreement”	the licence agreement dated 29 May 2025 entered into between the Company and AEON Stores, particulars of which are set out in this announcement
“AEON Stores”	AEON Stores (Hong Kong) Co., Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange (stock code: 984)
“Annual Caps”	the maximum aggregate annual value of Outgoings
“Board”	the board of Directors of the Company
“Company”	AEON Credit Service (Asia) Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange (stock code: 900)
“Directors”	the directors of the Company
“Existing KH Licence Agreement”	the previous licence agreement entered into between the Company and AEON Stores for the lease of the Premises for one year from 1 June 2024 to 31 May 2025

“Group”	the Company and its subsidiaries
“HKFRS 16”	Hong Kong Financial Reporting Standard 16 “Leases” issued by the Hong Kong Institute of Certified Public Accountants
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Outgoings”	outgoings under the 2025 KH Licence Agreement, comprising the rates, management fee and utility charges
“Remaining 2024 Term”	the remaining term of the Existing KH Licence Agreement of no more than one month as at the date of 2025 KH Licence Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the Board  
**Wei Aiguo**  
*Managing Director*

Hong Kong, 29 May 2025

*As at the date of this announcement, the Board comprises Mr. Wei Aiguo (Managing Director), Mr. Lai Yuk Kwong (Deputy Managing Director) and Ms. Wan Yuk Fong as Executive Directors; Mr. Kenji Fujita (Chairman) and Ms. Jin Huashu as Non-executive Directors; and Mr. Lee Ching Ming Adrian, Ms. Shing Mo Han Yvonne, Ms. Junko Dochi and Mr. Choi Ping Chung as Independent Non-executive Directors.*