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

AEON 信貨財務(亞洲)有限公司

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 900)**

## **CONTINUING CONNECTED TRANSACTION RENEWAL OF GIFT CERTIFICATE MASTER AGREEMENT**

The Company and AEON Stores has on 19 February 2025 entered into the 2025 Renewal Agreement to renew the Gift Certificate Master Agreement for a term of three years commencing from the Effective Date. The 2025 Renewal Agreement is subject to the fulfilment of the condition precedent stated below.

AEON Stores is a fellow subsidiary of the Company. Accordingly, the 2025 Renewal Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios in relation to the Transactions under the 2025 Renewal Agreement exceeds 0.1% but is less than 5%, the Transactions are subject to the reporting, announcement and annual review requirements, but exempt from the independent shareholders' approval requirements under the Listing Rules.

### **BACKGROUND**

Reference is made to the announcement of the Company dated 22 February 2022 with respect to the sale and purchase of AEON Stores Gift Certificates contemplated under the Gift Certificate Master Agreement, which will expire on 28 February 2025.

The Company has a continuously growing demand for AEON Stores Gift Certificates in connection with its business. Following negotiation at arm's length, the Company and AEON Stores have on 19 February 2025 entered into the 2025 Renewal Agreement to renew the Gift Certificate Master Agreement for a term of three years commencing from the Effective Date on terms as set out below.

### **2025 RENEWAL AGREEMENT**

#### **Date**

19 February 2025

## **Parties**

- (a) AEON Stores; and
- (b) the Company.

## **Term**

Fixed term of three years commencing from the Effective Date.

## **Effective Date**

Either (i) 1 March 2025, subject to fulfilment of the condition precedent below; or (ii) another date after fulfilment of such condition precedent and mutually agreed by the Company and AEON Stores, whichever is later.

## **Sale and purchase**

AEON Stores and the Company may enter into the Transactions in accordance with the terms and conditions of the 2025 Renewal Agreement and in compliance with the Listing Rules.

## **Consideration and payment terms**

Pursuant to the 2025 Renewal Agreement, consideration for the AEON Stores Gift Certificates payable to AEON Stores shall be the aggregate of the respective face values of the AEON Stores Gift Certificates actually sold to the Company, less the applicable discount based on the discount rates as follows:

<b>Cumulative total face value of AEON Stores Gift Certificates purchased by the Company in each Contract Year</b>	<b>Discount rate</b>
HK\$1 to HK\$1,000,000	2%
Amount in excess of HK\$1,000,000, up to HK\$2,000,000	3%
Amount in excess of HK\$2,000,000, up to HK\$3,000,000	4%
Amount in excess of HK\$3,000,000, up to HK\$4,000,000	4.5%
Amount in excess of HK\$4,000,000	5%

Payment by the Company to AEON Stores for the AEON Stores Gift Certificates shall be made at the time of placing an order. Upon receipt of payment, AEON Stores shall arrange for issuance of AEON Stores Gift Certificates.

## **Condition precedent**

The 2025 Renewal Agreement is conditional upon:

- (i) the obtaining of the approval of the independent shareholders of AEON Stores of the 2025 Renewal Agreement, the transactions contemplated thereunder and the relevant annual caps; and
- (ii) each of the 2025 Renewal Agreement and all the transactions contemplated thereunder respectively by both the Company and AEON Stores being in compliance with all applicable requirements under the Listing Rules (save as to antecedent breach).

Should the 2025 Renewal Agreement fail to fulfill the condition precedent above, the 2025 Renewal Agreement shall immediately become null and void, and neither the Company nor AEON Stores shall have any claims against each other whatsoever.

### **Termination and renewal**

The 2025 Renewal Agreement may be terminated by either party prior to the expiry of the fixed term by giving not less than ninety (90) days' prior written notice of termination to the other party and may be renewed on such terms and conditions as the Company and AEON Stores may mutually agree.

### **ANNUAL CAPS**

The aggregate amount of consideration paid by the Company to AEON Stores for the Transactions under the Gift Certificate Master Agreement for the three years ending 28 February 2025 was HK\$13,200,000, HK\$15,600,000 and approximately HK\$16,100,000 respectively.

It is estimated that the maximum annual aggregate amount of consideration payable by the Company to AEON Stores in respect of the Transactions under the 2025 Renewal Agreement would not exceed the Annual Caps set out below:

<u>Financial Year</u>	<u>Annual Caps</u>
1/3/2025 to 28/2/2026	HK\$23,000,000
1/3/2026 to 28/2/2027	HK\$28,500,000
1/3/2027 to 29/2/2028	HK\$31,100,000

The Annual Caps have been determined after taking into account the anticipated further increase in the demand for AEON Stores Gift Certificates as a potential result of, among others, (i) discount to the Company under the 2025 Renewal Agreement, which in turn permits the Company to offer AEON Stores Gift Certificates for redemption by its cardholders for fewer credit card bonus points, and as incentives to its customers, at a lower cost; (ii) recent introduction of AEON Stores Gift Certificates in electronic format, as a more convenient alternative to the printed equivalent; (iii) higher hurdles for cardholders of the Company to settle their credit card bills using the bonus points earned; (iv) proposed further expansion of the Company's cardholder recruitment/ acquisition network that aims to boost the number of its cardholders; and (v) ongoing collaboration between the Company and AEON Stores to promote the business of the Group.

## **REASONS FOR THE TRANSACTIONS**

The Group is principally engaged in the provision of consumer credit finance 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.

The Company is issuing credit cards as well as providing credit purchase facilities, card instalment facilities, payment solutions and related services to customers of AEON Stores. It remains in the interest of the Company to maintain close collaboration with AEON Stores and to provide sufficient AEON Stores Gift Certificates for redemption and as incentive to keep on stimulating customer spending and promoting the business of the Group.

The Directors, including the independent non-executive Directors, consider that 2025 Renewal Agreement is entered into in the ordinary and usual course of business of the Company, the terms of the 2025 Renewal Agreement are on normal commercial terms and were negotiated on an arm's length basis, and both the terms of the 2025 Renewal 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. Accordingly, the 2025 Renewal Agreement constitutes a continuing connected transaction for the Company under the Listing Rules.

As each of the applicable percentage ratios in relation to the Transactions under the 2025 Renewal Agreement exceeds 0.1% but is less than 5%, the Transactions are subject to the reporting, announcement and annual review requirements, but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

None of the Directors has a material interest in the Transactions contemplated under the 2025 Renewal Agreement, save for Mr. Kenji Fujita who is a director of AEON Stores. Accordingly, Mr. Kenji Fujita has abstained from voting on the Board resolutions approving the 2025 Renewal Agreement.

## **DEFINITIONS**

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

“2025 Renewal Agreement”	the agreement dated 19 February 2025 entered into between the Company and AEON Stores, major terms of which are set out in this announcement
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“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)
“AEON Stores Gift Certificates”	cash certificates issued by AEON Stores, which may either be in printed form or in electronic format, with their respective value and expiry date clearly stated and readily accepted by AEON Stores as cash equivalents for settling transactions within its validity period usually of one (1) to two (2) years from issuance
“Annual Caps”	the annual caps under the 2025 Renewal Agreement
“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)
“Contract Year”	any period of twelve (12) months within the Term of the 2025 Renewal Agreement commencing either on the Effective Date or subsequent anniversary thereof
“Directors”	the directors of the Company
“Gift Certificate Master Agreement”	the agreement dated 1 March 2016 entered into between the Company and AEON Stores in respect of the Transactions, as renewed by two renewal agreements respectively dated 26 February 2019 and 22 February 2022
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	the transactions between the Company and AEON Stores for sale and purchase of AEON Stores Gift Certificates
“%”	per cent

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

Hong Kong, 19 February 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.*