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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**)

CONTINUING CONNECTED TRANSACTION
RENEWAL OF BRAND ROYALTY AGREEMENT

On 26 February 2026, the Company and AFS Japan entered into the 2026 Royalty Renewal Agreement, pursuant to which the Company shall pay Royalty to AFS Japan for the use of AEON Trademarks in connection with the Group's Business in the Territory for a further term of one year from 1 March 2026 to 28 February 2027.

As AFS Japan is a Controlling Shareholder of the Company, AFS Japan is a connected person of the Company. Accordingly, the 2026 Royalty Renewal Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios for the Annual Cap exceeds 0.1% but is less than 5%, the 2026 Royalty Renewal Agreement is subject to the reporting, announcement and annual review requirements, but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

BACKGROUND

Reference is made to the announcement of the Company dated 27 February 2025 in relation to the right for the Group to use the AEON Trademarks in connection with the Group's Business in the Territory under the Brand Royalty Agreement.

As the Brand Royalty Agreement will expire on 28 February 2026, the Company has entered into the 2026 Royalty Renewal Agreement with AFS Japan on 26 February 2026 to renew the Brand Royalty Agreement for a further term of one year from 1 March 2026 to 28 February 2027.

THE 2026 ROYALTY RENEWAL AGREEMENT

Date

26 February 2026

Parties

(a) The Company; and
(b) AFS Japan.

Right to use the AEON Trademarks

The Group is granted an exclusive right to use the AEON Trademarks in connection with its Business in the Territory under the 2026 Royalty Renewal Agreement.

Term

The 2026 Royalty Renewal Agreement is for a term of one year from 1 March 2026 to 28 February 2027. It may be renewed on such terms and conditions as the Company and AFS Japan may mutually agree.

Consideration and Payment Terms

Pursuant to the 2026 Royalty Renewal Agreement, the Company shall pay Royalty to AFS Japan, calculated at a rate of 0.375% on the Group's audited consolidated operating revenue for the financial year ending 28 February 2027, as reported in AFS Japan's audited consolidated financial statements, with adjustments for applicable exchange rates.

Payment of the Royalty shall be made in JPY on a half-yearly basis after receipt of an invoice from AFS Japan expected to be issued in October 2026 and April 2027.

Pricing Basis

The Royalty rate was determined through arm's length negotiations between the Company and AFS Japan with reference to various factors, including but not limited to (i) the value from the AEON Trademarks as derived by the Group for its Business; (ii) the royalty rates charged by other licensors in similar transactions; (iii) prevailing pricing models for comparable licensing arrangements in the market; and (iv) consistent royalty pricing terms as applied to the Company and AFS Japan's other subsidiaries.

ANNUAL CAP

The maximum annual aggregate amount of Royalty payable by the Company to AFS Japan under the 2026 Royalty Renewal Agreement is estimated to be HK$9,000,000 (approximately JPY140,000,000) for the year ending 28 February 2027.

The Annual Cap is set based on the Group's audited consolidated operating revenue for the financial year ending 28 February 2027, as to be reported in AFS Japan's audited consolidated financial statements, with a buffer to account for potential appreciation in the JPY.

The aggregate Royalty paid by the Company to AFS Japan under the Brand Royalty Agreement was HK$3,517,000 (approximately JPY67,620,000) for the period from 1 September 2024 to 28 February 2025, and is expected to be not exceeding HK$7,100,000 (approximately JPY136,600,000) for the year ending 28 February 2026.

Shareholders should note that the Annual Cap, as well as the actual Royalty expected to be payable to AFS Japan, only represent the Company's best estimates of the maximum transaction amount based on information currently available. Neither the Annual Cap nor any Royalty expected to be actually payable to AFS Japan is, or should be interpreted as, indicative of the Group's actual financial performance or its future financial potential in any manner whatsoever.

REASONS FOR AND BENEFITS OF ENTERING INTO THE 2026 ROYALTY RENEWAL AGREEMENT

The Board believes that the entering into of the 2026 Royalty Renewal Agreement reflects the Company's ongoing due recognition of the market value of the AEON Trademarks, while contractually ensures their continued use through legal agreement that clearly sets out the related rights and obligations, thereby sustaining the certainty and stability afforded to the Group and its operations.

The Directors, including the independent non-executive Directors, are of the view that the 2026 Royalty Renewal Agreement is entered into in the ordinary and usual course of business of the Company, and is on normal commercial terms no less favourable to the Company than if they were with independent third parties. Both the terms of the 2026 Royalty Renewal Agreement and the Annual Cap are considered fair and reasonable and in the interests of the Group and the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

AFS Japan is a Controlling Shareholder of the Company and is interested in approximately 56.86% of the issued shares of the Company. AFS Japan is therefore a connected person of the Company, and the 2026 Royalty Renewal Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios for the Annual Cap exceeds 0.1% but is less than 5%, the 2026 Royalty Renewal Agreement is 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 2026 Royalty Renewal Agreement, save for Mr. Shigeki Mishima who is a director of AFS Japan. Accordingly, Mr. Shigeki Mishima has abstained from voting on the Board resolutions approving the 2026 Royalty Renewal Agreement.

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.

AFS Japan is an investment holding company, with subsidiaries being a bank holding company or otherwise conducting banking business, credit card business and/ or other related or ancillary businesses. Formerly known as AEON Credit Service Co., Ltd., AFS Japan has extensive know-how and expertise in the finance industry.

DEFINITIONS

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

"2026 Royalty Renewal Agreement"	the brand royalty agreement dated 26 February 2026 entered into between the Company and AFS Japan, major terms of which are set out in this announcement
"AEON Japan"	AEON Co., Ltd., a company incorporated in Japan with limited liability, the shares of which are listed on the Tokyo Stock Exchange, Inc. It is a Controlling Shareholder of the Company and AFS Japan respectively
"AFS Japan"	AEON Financial Service Co., Ltd., a company incorporated in Japan with limited liability, the shares of which are listed on the Tokyo Stock Exchange, Inc. It is a Controlling Shareholder of the Company
"AEON Trademarks"	the trademarks, service marks, and associated intellectual property rights owned and registered by AEON Japan in the Territory from time to time, in respect of which AFS Japan may legally and validly contract with the Company or AFS Japan's other subsidiaries pursuant to separate agreement made between AEON Japan and AFS Japan
"Annual Cap"	the maximum annual aggregate Royalty payable by the Company to AFS Japan under the 2026 Royalty Renewal Agreement
"Board"	the board of Directors of the Company
"Brand Royalty Agreement"	the brand royalty agreement dated 25 November 2024 entered into between the Company and AFS Japan, as last renewed by a renewal agreement between the same parties dated 27 February 2025

"Business"	the business of financial services, which include the issuance of credit cards and the provision of personal loan financing, payment processing services, insurance intermediary business, and microfinance business, as well as any such other financial service-related business that the Group may from time to time engage in
"China"	the People's Republic of China
"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)
"Controlling Shareholder"	has the meaning as defined in the Listing Rules
"Directors"	the directors of the Company
"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
"JPY"	Japanese yen, the lawful currency of Japan
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"Royalty"	the royalty payable by the Company to AFS Japan for the Company's use of AEON Trademarks
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Territory"	Hong Kong and mainland China
"%"	per cent

By order of the Board
Wei Aiguo
Managing Director

Hong Kong, 26 February 2026

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. Shigeki Mishima (Chairman) as Non-executive Director; and Mr. Lee Ching Ming Adrian, Ms. Shing Mo Han Yvonne, Ms. Junko Dochi and Mr. Choi Ping Chung as Independent Non-executive Directors.