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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)

**MAJOR TRANSACTION IN RELATION TO
THE LEASE AGREEMENT**

The Board is pleased to announce that on 15 December 2025, AEON GD, a non-wholly-owned subsidiary of the Company, as lessee and the Lessor as lessor entered into the Lease Agreement in respect of the lease of the Premises for a term of 15 years commencing from the Commencement Date. The Premises will be leased by AEON GD for operating its retail business therein.

Pursuant to HKFRS 16, the entering into of the Lease Agreement by AEON GD will require the Group to recognise the Premises as a right-of-use asset. Therefore, the entering into of the Lease Agreement will be regarded as an acquisition of asset by the Group under the Listing Rules. The value of right-of-use asset recognised by the Group under the Lease Agreement amounted to approximately RMB38.8 million.

As the highest applicable percentage ratio as defined under the Listing Rules in respect of the transactions contemplated under the Lease Agreement based on the value of the right-of-use asset to be recognised by the Group pursuant to HKFRS 16 is 25% or more but is less than 100%, the entering into of the Lease Agreement constitutes a major transaction for the Company and is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge of the Directors, no Shareholder has a material interest in the Lease Agreement and the transactions contemplated thereunder. As such, no Shareholder would be required to abstain from voting at a general meeting of the Company for approving the same if the Company were to convene such a general meeting. Accordingly, pursuant to Rule 14.44 of the Listing Rules, written shareholders' approval may be accepted in lieu of holding a general meeting for approving the Lease Agreement. The Company has obtained written approval from AEON Co, which holds 155,760,000 issued ordinary shares of the Company (representing 59.91% of its entire issued share capital as at the date of this announcement). As such, the Company is exempted from convening a general meeting to approve the Lease Agreement and the transaction contemplated thereunder.

A circular containing, among other things, further information regarding the Lease Agreement and the transactions contemplated thereunder will be dispatched to the Shareholders for information purposes in accordance with the Listing Rules on or before 8 January 2026.

INTRODUCTION

The Board is pleased to announce that on 15 December 2025, AEON GD, a non-wholly-owned subsidiary of the Company, as lessee and the Lessor as lessor entered into the Lease Agreement in respect of the lease of the Premises for a term of 15 years commencing from the Commencement Date. The Premises will be leased by AEON GD for operating its retail business therein.

The Lease Agreement

The principal terms of the Lease Agreement are as follow:

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| Date: | 15 December 2025 |
| Parties: | (a) AEON GD, as lessee; and (b) the Lessor, as lessor |
| Premises: | Shop A2001, 2nd Floor, Building 1, 8 Zhuhai Road, Xiangzhou District, Zhuhai City, Guangdong Province, China*(中國廣東省珠海市香洲區珠海大道 8 號 1 號樓二層 A2001 號店舖) |
| Term: | Fifteen years from the Commencement Date which shall be the date immediately following the expiry of the renovation period or the date when AEON GD commences business operation in the Premises, whichever is the earlier |
| Handover Date: | The date when the Lessor hands over the Premises to AEON GD in accordance with the terms and conditions of the Lease Agreement. The agreed handover date is 9 March 2026. By mutual consent, the handover date may be extended to 30 September 2026. The actual handover date shall be notified by the Lessor by 90 days advance written notice. |
| Handover condition: | The Lessor warrants that, by the handover date, the formal leases signing up rate of the shopping mall (after excluding AEON GD's lease area) is not less than 70% both in terms of the number of shops leased out and in terms of the leasing area of the shops leased out Provided that it shall not be counted towards the formal leases signing up rate any letter of intent for lease or short-term lease of period shorter than 12 months (excluding 12 months) |
| Renovation Period: | AEON GD shall be entitled to a renovation period of six months from the actual date of handover of the Premises. During the renovation period, AEON GD shall pay a total rent (including tax) of approximately RMB23,000 and a total management fee (including tax) of approximately RMB210,000. |
| Rent and management fee: | The total base rent (including tax) payable under the Lease Agreement during the term is approximately RMB55.1 million, which is subject to the turnover rent which may be imposed pursuant to the terms and conditions of the Lease Agreement and is exclusive of management fee, other charges and outgoings. The total management fee (including tax) payable under the Lease Agreement during the term is approximately RMB15.3 million (inclusive of air-conditioning charges). The rent and management fee under the Lease Agreement have been determined after arm's length negotiations between AEON GD and the Lessor, after taking into consideration the prevailing market price for comparable premises in the vicinity of the Premises. |

The rent and management fees will be satisfied by internal resources of the Group.

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| Payment term: | AEON GD shall provide the Lessor with the sales turnover of the preceding month on or before the 8 th day of each month. The Lessor shall provide AEON GD with tax invoice corresponding to the amounts of the monthly base rent and the turnover rent, if any, for the preceding month. AEON GD shall pay the monthly base rent and the turnover rent, if any, for the preceding month within 5 working days from receipt of the said tax invoice from the Lessor. Should the Lessor fail, refuse or delay in providing the tax invoice, AEON GD is entitled to suspend rental payment. On or before the 10 th day of each month, the Lessor shall provide AEON GD with tax invoice for the management fee. AEON GD shall pay the management fees within 5 working days from receipt of the tax invoice. |
| Usage: | For the purpose of AEON GD's operation of a retail store in the name of "AEON" / "永旺" |
| Deposit: | In the sum of RMB 0.6 million to be paid by way of bank guarantee within 60 days from the execution of the Lease Agreement. |
| Opening rate: | <p>The Lessor warrants the opening rate for shops on the first to third floor of the shopping mall (excluding AEON GD's lease area and then calculated based on both the area and number of shops):</p> <p>(i) prior to AEON GD's business commencement, should the opening rate be less than 80% (excluding 80%), AEON GD is entitled to postpone its business commencement and rental concession period shall be extended;</p> <p>(ii) after AEON GD's business commencement, should the opening rate be less than 60% (excluding 60%) for any month, no rent is payable for that month and rental concession period shall be extended;</p> <p>(iii) after the rental concession period referred to (ii) above expires, should the opening rate be higher than 60% (including 60%) but lower than 80% (excluding 80%), the rental amount will be reduced by half;</p> <p>(iv) after the rental concession period referred to (ii) above expires, should the opening rate be less than 60% (excluding 60%) for six consecutive months, AEON GD is entitled to terminate the Lease Agreement, obtain refund of deposit, damages in the sum equal to the deposit, compensation equal to the depreciated costs of non-removable fixtures and fittings and reasonable legal costs.</p> |
| Early termination: | Within the first 60 months from the date of AEON GD's formal business commencement in the Premises of the term, AEON GD may early terminate the lease by giving 6 months' advance written notice to the Lessor and by paying to the Lessor a compensation equivalent to four times of the average monthly rental amount paid by AEON GD in the last six months prior to the termination and then no other damages or compensation is payable. After the said first 60 months of the term, AEON GD may terminate the lease at any time by giving twelve months' advance notice to the Lessor and no damages or compensation is payable |
| Facilities: | During the term, the Lessor shall at its own costs provide for the use by AEON GD the escalators, freight elevators, fire elevators and passenger elevators; two advertising light boxes on the outdoor signage tower; directional signage(s) from car park to shop |

INFORMATION OF THE PARTIES

The Group is principally engaged in the operation of general merchandise stores in Hong Kong and the PRC.

The Lessor is principally engaged in construction engineering, construction management and property leasing.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Lessor and its ultimate beneficial owners are Independent Third Parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE LEASE AGREEMENT

The principal business of the Group is the operation of retail businesses through chain stores under the trade names of "AEON STYLE", "AEON" and "AEON SUPERMARKET" in Hong Kong and the PRC. Due to the nature of its retail businesses, the Group has to enter into tenancy agreements for the leasing of retail stores from time to time. Each of the retail stores, especially sizable stores like the Premises, contributes to and maintains the Group's scale of operation which in turn benefits the Group in lowering the overall operation costs, in enhancing the Group's negotiations with its business partners and in expanding its store network and market shares.

The terms of the Lease Agreement, including the rental charge, were determined after arm's length negotiations between the parties and with reference to the open market rent of comparable properties and the rental payment made for other retail stores operated by the Group. The entering into of the Lease Agreement is necessary for the operation of the retail business in the ordinary and usual course of business of the Group. Therefore, the Board considers that the terms of the Lease Agreement are on normal commercial terms and are fair and reasonable and the entering into of the Lease Agreement is in ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to HKFRS 16, the entering into of the Lease Agreement as tenant by AEON GD will require the Group to recognise the Premises as a right-of-use asset. Therefore, the entering into of the Lease Agreement will be regarded as an acquisition of asset by the Group under the Listing Rules. The value of right-of-use asset recognised by the Group under the Lease Agreement amounted to approximately RMB38.8 million.

As the highest applicable percentage ratio as defined under the Listing Rules in respect of the transactions contemplated under the Lease Agreement based on the value of the right-of-use asset to be recognised by the Group pursuant to HKFRS 16 is more than 25% or more but is less than 100%, the entering into of the Lease Agreement constitutes a major transaction for the Company and is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge of the Directors, no Shareholder has a material interest in the Lease Agreement and the transactions contemplated thereunder. As such, no Shareholder would be required to abstain from voting at a general meeting of the Company for approving the same if the Company were to convene such a general meeting. Accordingly, pursuant to Rule 14.44 of the Listing Rules, written shareholders' approval may be accepted in lieu of holding a general meeting for approving the Lease Agreement. The Company has obtained written approval from AEON Co, which holds 155,760,000 issued ordinary shares of the Company (representing 59.91% of its entire issued share capital as at the date of this announcement). As such, the Company is exempted from convening a general meeting to approve the Lease Agreement and the transaction contemplated thereunder.

A circular containing, among other things, further information regarding the Lease Agreement and the transactions contemplated thereunder will be dispatched to the Shareholders for information purposes in accordance with the Listing Rules on or before 8 January 2026.

DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context requires otherwise.

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| “AEON Co” | AEON Co., Ltd., a company incorporated in Japan with limited liability and the issued shares of which are listed on the Tokyo Stock Exchange |
| “AEON GD” | 廣東永旺天河城商業有限公司 (Guangdong AEON Teem Co., Ltd.), a company incorporated in the PRC and owned as to 65% by the Company |
| “Board” | board of Directors |
| “Commencement Date” | The date immediately following the expiry of the renovation period or the date when AEON GD commences business operation in the Premises, whichever is the earlier |
| “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 |
| “Director(s)” | the directors of the Company |
| “Group” | the Company and its subsidiaries |
| “HKFRS” | Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Independent Third Parties” | any person or company and their respective ultimate beneficial owner, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, is/are not connected persons of the Group and is third party independent of the Group and its connected persons in accordance with the Listing Rules |

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| “Lessor” | Zhuhai Huafu Business Development Co., Ltd.* (珠海華福商貿發展有限公司), a company incorporated in the PRC with limited liability and is an indirect wholly owned subsidiary of Zhuhai Huafa Properties Co., Ltd.* (珠海華發實業股份有限公司) a company incorporated in the PRC and whose shares are listed on the Shanghai Stock Exchange (stock code: 600325). The Lessor and its ultimate beneficial owner(s) are Independent Third Parties. |
| “Lease Agreement” | The Lease Agreement dated 15 December 2025 in respect of the Premises entered into by AEON GD and the Lessor. |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| “PRC” | the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |
| “Premises” | Shop A2001, 2nd Floor, Building 1, 8 Zhuhai Road, Xiangzhou District, Zhuhai City, Guangdong Province, China*(珠海市香洲區珠海大道 8 號 1 號樓二層 A2001 號店舖) |
| “RMB” | renminbi, the lawful currency of the PRC |
| “Shareholder(s)” | holders of the shares in the Company from time to time |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “%” | per cent. |

* *the English names of the entities incorporated in the PRC or addresses in the PRC are translation of their respective Chinese company names or addresses for the purpose of identification only*

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

Hong Kong, 15 December 2025

As at the date of this announcement, the Executive Directors are Mr. Takenori Nagashima and Mr. Shinya Hisanaga; the Non-executive Directors are Mr. Toshiya Goto, Mr. Hiroyuki Inohara and Mr. Yasutoshi Yokochi; and the Independent Non-executive Directors are Mr. Hideto Mizuno, Ms. Shum Wing Ting and Ms. Wong Mei Ling.