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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)**

**DISCLOSEABLE TRANSACTION IN RELATION TO  
THE LEASE AGREEMENTS**

The Board is pleased to announce that on 27 January 2025, AEON GD, a non-wholly-owned subsidiary of the Company, as lessee and the Lessor as lessor entered into the Lease Agreements in respect of the lease of the Premises for a term of five years commencing from 1 August 2025 to 31 July 2030 (both dates inclusive). The Premises I has been leased by AEON GD for office use.

Pursuant to HKFRS 16, the entering into of the Lease Agreements by AEON GD will require the Group to recognise the Premises as a right-of-use asset. Therefore, the entering into of the Lease Agreements 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 Agreements amounted to approximately RMB13.06 million.

As the highest applicable percentage ratio as defined under the Listing Rules in respect of the transaction contemplated under the Lease Agreements based on the value of the right-of-use asset to be recognised by the Group pursuant to HKFRS 16 is more than 5% and below 25%, the entering into of the Lease Agreements constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements but exempt from shareholders' approval requirement under Chapter 14 of the Listing Rules.

**INTRODUCTION**

The Board is pleased to announce that on 27 January 2025, AEON GD, a non-wholly-owned subsidiary of the Company, as lessee and the Lessor as lessor entered into the Lease Agreements in respect of the lease of the Premises for a term of five years commencing from 1 August 2025 to 31 July 2030 (both dates inclusive). The Premises I has been leased by AEON GD for office use which lease is due to expire on 31 July 2025.

**The Lease Agreements**

The principal terms of the Lease Agreement I are as follow:

Date: 27 January 2025

Parties: (a) AEON GD, as lessee; and  
(b) the Lessor, as lessor

Premises I: Unit 01, 5<sup>th</sup> Floor, Fortune Plaza, No.118 Tiyu East Road, Tianhe District, Guangzhou City, Guangdong Province, China\*(中國廣東省廣州市天河區體育東路 118 號財富廣場 5 層自編號 01 單元)

Term: Five years from 1 August 2025 to 31 July 2030

Rent and management fee: The total base rent (including tax) payable under the Lease Agreement I during the term is approximately RMB13.45 million, which is subject to the turnover rent which may be imposed pursuant to the terms and conditions of the Lease Agreement I and is exclusive of management fee, other charges and outgoings. The total management fee (including tax) payable under the Lease Agreement I during the term is approximately RMB3.36 million (inclusive of air-conditioning charges).  
The consideration will be satisfied by internal resources of the Group.

Payment term: Base rent and management fees are payable monthly on 5th of each month where the Lessor shall issue the tax invoice within the month once received the payment from AEON GD.

Usage For office use

Deposit: In the sum of approximately RMB1.00 million

The principal terms of the Lease Agreement II are as follow:

Date: 27 January 2025

Parties: (c) AEON GD, as lessee; and  
(d) the Lessor, as lessor

Premises II: Unit 07, 5<sup>th</sup> Floor, Fortune Plaza, No.118 Tiyu East Road, Tianhe District, Guangzhou City, Guangdong Province, China\*(中國廣東省廣州市天河區體育東路 118 號財富廣場 5 層自編號 07 單元)

Term: Five years from 1 August 2025 to 31 July 2030

Rent and management fee: The total base rent (including tax) payable under the Lease Agreement II during the term is approximately RMB1.48 million, which is subject to the turnover rent which may be imposed pursuant to the terms and conditions of the Lease Agreement II and is exclusive of management fee, other charges and outgoings. The total management fee (including tax) payable under the Lease Agreement II during the term is approximately RMB1.14 million (inclusive of air-conditioning charges).  
The consideration will be satisfied by internal resources of the Group.

Payment term: Base rent and management fees are payable monthly on 5th of each month where the Lessor shall issue the tax invoice within the month once received the payment from AEON GD.

Usage For office use

Deposit: In the sum of approximately RMB0.12 million

## **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 leasing of commercial property.

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 AGREEMENTS**

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. The Premises I has been leased by AEON GD for use as it supporting office under the Existing Lease Agreement which is due to expire on 31 July 2025. The Lease Agreement I, renewing the Existing Lease Agreement, allows AEON GD to continue to use the Premises I and saves the costs and resources for relocating and refurbishment. There will not be any interruption to the supporting office. Premises II which is approximately 10% of the Premises in size, would allow AEON GD to expand its current office space to accommodate its operation needs.

The terms of the Lease Agreements, including the rental charges and management fees, were determined after arm's length negotiations between the Parties and with reference to the prevailing market rent of comparable properties in the vicinity of the Premises for office use, the location of the Premises and the current rent under the Existing Lease Agreement. The entering into of the Lease Agreements 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 Agreements are on normal commercial terms and are fair and reasonable and the entering into of the Lease Agreements 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 Agreements 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 Agreements 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 Agreements amounted to approximately RMB13.06 million.

As the highest applicable percentage ratio as defined under the Listing Rules in respect of the acquisition of right-of-use asset recognised by the Group pursuant to HKFRS 16 based on the consideration under the Lease Agreements is more than 5% and below 25%, the entering into of the Lease Agreements constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements but exempt from shareholders' approval requirement under Chapter 14 of the Listing Rules.

## DEFINITIONS

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

“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
“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
“Existing Lease Agreement”	The lease agreement dated 6 April 2022 and entered into between AEON GD and the Lessor in respect of Premises I for a term from 1 August 2022 to 31 July 2025
“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
“Lessor”	Moon King Limited (金峰有限公司), a company incorporated in the British Virgin Islands with limited liability and is a wholly owned by Yuexiu Real Estate Investment Trust which is listed on the Stock Exchange, Stock Code:00405.
“Lease Agreement I”	The lease agreement dated 27 January 2025 in respect of the Premises I entered into by AEON GD and the Lessor
“Lease Agreement II”	The lease agreement dated 27 January 2025 in respect of the Premises II entered into by AEON GD and the Lessor
“Lease Agreements”	The Lease Agreement I and Lease Agreement II
“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”	Premises I and Premises II

“Premises I”	Units 01, 5 <sup>th</sup> Floor, Fortune Plaza, No.118 Tiyu East Road, Tianhe District, Guangzhou City, Guangdong Province, China*(中國廣東省廣州市天河區體育東路 118 號財富廣場 5 層自編號 01 單元)
“Premises II”	Units 07, 5 <sup>th</sup> Floor, Fortune Plaza, No.118 Tiyu East Road, Tianhe District, Guangzhou City, Guangdong Province, China*(中國廣東省廣州市天河區體育東路 118 號財富廣場 5 層自編號 07 單元)
“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, 27 January 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, Mr. Kenji Fujita and Mr. Yasutoshi Yokochi; and the Independent Non-executive Directors are Mr. Chow Chi Tong, Mr. Hideto Mizuno and Ms. Shum Wing Ting.*