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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 AGREEMENT**

The Board is pleased to announce that on 29 September 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 12 years 6 months commencing from the Commencement Date. The Premises will be leased by AEON GD for operating its retail businesses 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 RMB9.51 million.

As the highest applicable percentage ratio as defined under the Listing Rules in respect of the transaction 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 5% and below 25%, the entering into of the Lease Agreement 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 29 September 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 12 years 6 months commencing from the Commencement Date. The Premises will be leased by AEON GD for operating its retail businesses therein.

The Lease Agreement

The principal terms of the Lease Agreement are as follows:

Date:	29 September 2025
Parties:	(a) AEON GD, as lessee; and (b) the Lessor, as lessor
Premises:	Shop Units B117–B119, Basement Level 1, Commercial Building No. 2, Parkland Plaza, No. 1 Hongwei 6th Road, Nancheng Subdistrict, Dongguan, Guangdong Province, China* (中國廣東省東莞市南城街道宏偉六路 1 號鵬瑞天玥廣場 2 號商業樓 B117-B119 商鋪)
Term:	12 years 6 months from the Commencement Date
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 1 June 2026.
Handover condition:	The Lessors warrants that, by the handover date, the formal leases signing up rate of the shopping mall (after excluding AEON GD's lease scope) 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 short term lease of shorter than 12 months (inclusive of 12 months) or shops with temporary simple renovation or simple display or temporary tenants.
Rent and management fee:	<p>The total base rent (including tax) payable under the Lease Agreement during the term is approximately RMB14.37 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 RMB7.49 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.</p> <p>The consideration will be satisfied by internal resources of the Group.</p>
Payment term:	Base rent and management fees are payable monthly on or before the 10th day of every month. The Lessor shall provide AEON GD with tax invoice corresponding to the amounts of the monthly base rent and management fees paid within 5 working days of receipt of the monthly base rent and management fees. Should the Lessor delay in providing the tax invoice, AEON GD shall be entitled to suspend payment.

Rent Free Period: Rent is payable from the date immediately following the expiry of the renovation rent free period which is 180 days from the date immediately following the date of actual handover of the Premises, during which period no rent or management fee is payable. Should AEON GD commence business during the rent free period, AEON GD is not required to pay rent but shall pay management fee and utilities charges.

Usage: For the purpose of AEON GD's operation of a supermarket under the name of “永旺 /AEON”

Deposit: In the sum of RMB600,000 and by way of bank guarantee

Business opening rate: During the term, the Lessor shall ensure the business opening rate for Basement Level 1 to 4th Floor of the building shall not be less than 80% both in terms of the actual usable area of shops opened for business and in terms of the number of shops opened for business.

Both parties shall confirm in writing the business opening rate 30 days prior to AEON GD's commencement of business. Should business opening rate be less than 80%, AEON GD is entitled to postpone the commencement and the Lessor shall extend the rent free period until attaining the said business opening rate and rental payment shall commence on the date of attaining 80% business opening rate. Should AEON GD elect to cooperate with the Lessor to commence business, AEON GD is free from rental payment from the business commencement date until the date of attaining 80% business opening rate; at the same time, rental payment shall commence on the date of attaining 80% business opening rate and AEON GD shall enjoy a 50% discount in rental payment for the 7th to 12th months from the rental payment commencement date.

After AEON GD commences its business, should the business opening rate for any one month be less than 50% (exclusive of 50%), the Lessor shall waive AEON GD's payment of rent for that month. Should it happen during a rent free period, the Lessor shall grant the additional rent free period corresponding to the number of months not meeting the business opening rate.

Where the business opening rate is higher than 50% (inclusive of 50%) but less than 70% (exclusive of 70%) for a period of 6 months, the Lessor shall grant AEON GD a 50% discount in rental payment during that period.

Where the business opening rate is less than 50% (exclusive of 50%) for 6 months consecutively, AEON GD has the right to terminate the Lease Agreement.

Early termination: Within the first 60 months from the date of AEON GD's formal business commencement in the Premises, AEON GD may early terminate the lease by giving 6

months' advance notice to the Lessor and by paying to the Lessor a compensation equivalent to four times the monthly rental amount paid by AEON GD in respect of the month of yielding up the Premises. After the said first 60 months, AEON GD may terminate the tenancy at any time by giving 6 months' advance notice to the Lessor and no damages or compensation is payable. The Lessor shall refund to AEON GD all deposits paid without interest.

Facilities: During the term, the Lessor shall at its own costs provide for the use by AEON GD the exclusive commercial cargo loading bay, passage way for use as staff entrance, exclusive loading bay on basement level 1, 2 exclusive cargo parking, a signage on outdoor signage tower (with first five years free of charges), directional signage(s) and signage on the exterior wall.

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 property investment and development, property management and private equity investment.

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 expending 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 RMB9.51 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 Agreement is more than 5% and below 25%, the entering into of the Lease Agreement 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
“Commencement Date”	The end of renovation period after the actual handover date of the Premises which is tentatively 1 st June 2026 with the business opening rate attaining 80%.
“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

“Lessor”	Dongguan Ruiguan Real Estate Co., Ltd.* (東莞市瑞冠置業有限公司), a company incorporated in the PRC which is 100% owned by Shenzhen Shenhengda Investment Development Co., Ltd.* (深圳市深恒達投資發展有限公司), which is indirectly and beneficially owned by Mr. Xu Hang* (徐航). The Lessor and its ultimate beneficial owner are Independent Third Parties,.
“Lease Agreement”	The Lease Agreement dated 29 September 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 Units B117–B119, Basement Level 1, Commercial Building No. 2, Parkland Plaza, No.1 Hongwei 6th Road, Nancheng Subdistrict, Dongguan, Guangdong Province, China* (中國廣東省東莞市南城街道宏偉六路1號鵬瑞天玥廣場2號商業樓B117-B119商鋪)
“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, 29 September 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.