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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

BACKGROUND

As disclosed in the announcement of the Company dated 18 February 2025, AEON GD (then a non-wholly owned subsidiary of the Company) as lessee, entered into the Original Lease Agreement with the Lessor, as lessor, in respect of the lease of the Premises for a term commenced on 9 April 2025 and ending on 2 September 2029 (both dates inclusive).

THE LEASE AGREEMENT

The Board is pleased to announce that on 27 October 2026 (after trading hours of the Stock Exchange), AEON GD, a 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 an additional term commencing on 3 September 2029 and ending on 8 April 2033 (both days inclusive). The Premises has been leased by AEON GD for operating its retail businesses since 9 April 2025.

THE RIGHT-OF-USE ASSETS

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 the right-of-use asset recognised by the Group under the Lease Agreement amounted to approximately RMB12.3 million.

IMPLICATIONS UNDER THE LISTING RULES

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.

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The principal terms of the Lease Agreement are as follows:

Date:	27 October 2026
Parties:	(a) AEON GD, as lessee; and (b) the Lessor, as lessor
Premises:	Shop B124A, Basement 1, Tianhe Link Plaza, B102, No. 36 Machang Road, Tianhe District, Guangzhou City, Guangdong Province, the PRC
Term:	Commencing on 3 September 2029 and ending on 8 April 2033 (both dates inclusive).
Rent and management fee:	The total base rent (excluding tax) payable under the Lease Agreement during the term is approximately RMB15.5 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 RMB2.04 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 consideration will be satisfied by internal resources of the Group.

Payment term: Base rent and management fees are payable monthly on or before the 5th 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 30 working days of receipt of payment from AEON GD.

Usage: For the purpose of AEON GD's operation of a general merchandise store.

Deposit: Rental deposit in the sum of RMB1 million, among which RMB0.5 million shall be paid in cash and the remaining RMB0.5 million shall be paid by way of bank guarantee. Management fee deposit in the sum of RMB0.09 million.

The rental deposit and management fee deposit paid by AEON GD under Original Lease Agreement shall deem to be transferred as the rental deposit and management fee deposit under the Lease Agreement on the commencement date of the term, and AEON GD shall not be obliged to pay any additional rental deposit and management fee deposit.

INFORMATION OF THE PARTIES

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

AEON GD is principally engaged in retail business in Guangdong Province, the PRC.

The Lessor is principally engaged in property holding and 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 AEON GD and the Lessor 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 Premises has been leased by AEON GD for operating its retail businesses since 9 April 2025. 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.

THE RIGHT-OF-USE ASSETS

Pursuant to HKFRS 16, the entering into of the Lease Agreement as lessee 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 RMB12.3 million.

IMPLICATIONS UNDER THE LISTING RULES

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.

DEFINITIONS

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

"AEON GD"	AEON (Guangdong) Co., Ltd.# (永旺(廣東)商業有限公司) (formerly known as 廣東永旺天河城商業有限公司), a company incorporated in the PRC and wholly-owned by the Company
"Board"	the 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
"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(s) who/which, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, is/are not connected persons of the Company and is/are third party(ies) independent of the Company and its connected persons in accordance with the Listing Rules
"Lessor"	Guangzhou Bilu Property Management Co., Ltd.# (廣州陛鹿物業管理有限公司), a company incorporated in the PRC which is an indirect wholly owned subsidiary of Link Real Estate Investment Trust, which is a collective investment scheme authorized under section 104 of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), whose units are listed on the Stock Exchange (stock code: 823) and the Lessor and its ultimate beneficial owner(s) are Independent Third Parties
"Lease Agreement"	the Lease Agreement dated 27 October 2026 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
"Original Lease Agreement"	the lease agreement dated 18 February 2025 between the Lessor and AEON GD in respect of the Premises for a term commenced on 9 April 2025 and ending on 2 September 2029
"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 B124A, Basement 1, Tianhe Link Plaza, B102, No. 36 Machang Road, Tianhe District, Guangzhou City, Guangdong Province, the PRC
"RMB"	renminbi, the lawful currency of the PRC
"Shareholder(s)"	the 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
Tsukasa KONNO
Chairman

Hong Kong, 27 October 2026

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