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AEON STORES (HONG KONG) CO., LIMITED

永旺(香港)百货有限公司

*(Incorporated in Hong Kong with limited liability)
(Stock Code: 984)*

**DISCLOSEABLE TRANSACTION IN RELATION TO
THE LETTER OF OFFER**

The Board is pleased to announce that on 29 December 2025, the Company, as tenant, signed the Letter of Offer for renewal of the tenancy of the Premises for a term of one year and eleven months from 1 January 2026 to 30 November 2027 (both days inclusive). The Premises have been leased by the Company since December 2009 for operating its retail businesses therein.

The Letter of Offer is subject to the execution by the Agent, as agent of the Landlord. Upon execution by the Agent, the Letter of Offer shall become legally binding on the Landlord and the Company subject to the terms and conditions thereto.

Pursuant to HKFRS 16, the entering into of the Letter of Offer by the Company as tenant will require the Group to recognise the Premises as a right-of-use asset. Therefore, the entering into of the Letter of Offer 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 Letter of Offer amounted to approximately HK\$20.4 million.

As the highest applicable percentage ratio as defined under the Listing Rules in respect of the transaction contemplated under the Letter of Offer 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 Letter of Offer 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 December 2025, the Company, as tenant, signed the Letter of Offer for renewal of the tenancy of the Premises for a term of one year and eleven months from 1 January 2026 to 30 November 2027 (both days inclusive). The Premises have been leased by the Company since December 2009 for operating its retail businesses therein.

The Letter of Offer is subject to the execution by the Agent as agent of the Landlord. Upon execution by the Agent, the Letter of Offer shall become legally binding on the Landlord and the Company subject to the terms and conditions thereto.

The Letter of Offer

The principal terms of the Letter of Offer are as follow:

Date:	Signed by the Company on 29 December 2025
Parties:	(a) the Company, as tenant; and (b) the Agent, as agent of the Landlord
Premises:	Shop Nos. 2-021-2-066 and portion of Common Corridor on Level 2 of the Commercial Portion of Tseung Kwan O Plaza, No. 1 Tong Tak Street, Tseung Kwan O, New Territories, Hong Kong
Term:	A term of one year eleven months from 1 January 2026 to 30 November 2027 (both days inclusive)
Usage:	As a shop for the business operations of the Tenant including its general merchandise services, entertainment services, food and beverage services with emphasis in its supermarket service and the business operations of the Tenant's licensees
Total consideration payable:	The total base rent payable under the Tenancy Agreement during the term is approximately HK\$21.6 million, which is subject to the turnover rent to be imposed pursuant to the terms and conditions of the Letter of Offer and is exclusive of management fee, air-conditioning charges, rates and other outgoings. The rent under the Letter of Offer have been determined after arm's length negotiations between the Company and the Landlord The consideration will be satisfied by internal resources of the Group.
Payment term:	The monthly rent and management fee shall be payable monthly in advance on the first day of each and every calendar month.
Deposit:	Approximately HK\$6.4 million, partly in cash and partly by way of a bank guarantee.

INFORMATION OF THE PARTIES

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

The Agent is principally engaged in the provision of real estate agency service and the Landlord is principally engaged in the operation of shopping mall.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Agent, the Landlord, their respective ultimate beneficial owners and associates are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE TENANCY 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 Premises have been leased by the Company since December 2009 for operating its retail businesses therein. As the Existing Tenancy Agreement will expire on 31 December 2025, the Company and the Landlord have agreed to enter into the Letter of Offer to extend the lease of the Premises to 30 November 2027.

The terms of the Letter of Offer, including the rental charge, were determined after arm’s length negotiations between the Parties and with reference to the prevailing market price of comparable properties (i.e. similar size, facilities/ amenities and quality) in the vicinity of the Premises and the existing rental under the Existing Tenancy Agreement. The entering into of the Letter of Offer 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 Letter of Offer are on normal commercial terms and are fair and reasonable and the entering into of the Letter of Offer 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 Letter of Offer by the Company as tenant will require the Group to recognise the Premises as a right-of-use asset. Therefore, the entering into of the Letter of Offer 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 Letter of Offer amounted to approximately HK\$20.4 million.

As the highest applicable percentage ratio as defined under the Listing Rules in respect of the transaction contemplated under the Letter of Offer 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 Letter of Offer 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.

“Agent”	Nan Fung Real Estate Agency Limited (南豐地產代理有限公司), a company incorporated in Hong Kong with limited liability, and is wholly owned by Nan Fung Development Limited (南豐發展有限公司), a
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company incorporated in Hong Kong with limited liability, (i) whose ordinary shares are wholly owned by Nan Fung Group Holdings Limited (“NFGHL”), a company incorporated in the British Virgin Islands, and (ii) whose non-voting deferred shares are owned (a) as to 99,999,920 shares by Chen, Wai Wai Vivien (陳慧慧), Lee, Pui Ling Angelina (李王佩玲) and Chow, Suk Han Anna (周淑嫻), the executors of the estate of the late Chen Din Hwa, (b) as to 1 share by Nan Fung Property Holdings Limited (南豐房地產控股有限公司), a company incorporated in Hong Kong and wholly owned by NF (China) Holdings Limited (a company incorporated in the British Virgin Islands) and (c) as to 1 share by Nan Fung Woollen Mills Limited (南豐毛紡有限公司), a company incorporated in Hong Kong and wholly owned by True Excellent Holdings Limited (a company incorporated in the British Virgin Islands).

According to publicly available information, NFGHL is 100% owned by Nan Fung International Holdings Limited (“NFIHL”), a company incorporated in the British Virgin Islands. The ultimate holding company of NFIHL is Chen’s Group International Limited (“CGIL”), a company incorporated in the British Virgin Islands, which is wholly owned by the late Chen Din Hwa.

“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 Tenancy Agreement”	The existing tenancy agreement dated 28 February 2025 entered into by the Company and the Landlord in respect of the Premises for a term from 1 December 2024 to 30 November 2025 (both dates inclusive), for the Company’s operation of a retail store which was extended by a letter of extension dated 5 December 2025 to expire on 31 December 2025.
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“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

“Landlord”	Pacific Vision Enterprises Limited (立信企業有限公司), a company incorporated in Hong Kong with limited liability, is wholly owned by Rostar International Limited, a company incorporated in the British Virgin Islands. According to publicly available information, the Landlord is related to Nan Fung Development Limited and CGIL.
“Letter of Offer”	the Letter of Offer issued by the Company as tenant on 29 December 2025 to the Agent as agent of the Landlord in respect of the tenancy of the Premises
“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 Nos. 2-021-2-066 and portion of Common Corridor on Level 2 of the Commercial Portion of Tseung Kwan O Plaza, No. 1 Tong Tak Street, Tseung Kwan O, New Territories, Hong Kong
“Shareholder(s)”	holders of the shares in the Company from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 29 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.