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 SUPPLEMENTAL LEASE AGREEMENT

BACKGROUND

On 19 May 2017, AEON GD (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) (then a non-wholly owned subsidiary of the Company) as tenant, entered into the Original Lease Agreement with the Landlord, as landlord, in respect of the lease of the Premises for a term of 20 years. The Premises is used by the Group for operating its retail business. Given that HKFRS 16 was not yet effective as at the date of the Original Lease Agreement, the entering into of the Original Lease Agreement did not constitute a notifiable transaction on the part of the Company under Chapter 14 of the Listing Rules.

SUPPLEMENTAL LEASE AGREEMENT

The Company is pleased to announce that on 28 July 2026 (after trading hours of the Stock Exchange), AEON GD (a wholly-owned subsidiary of the Company) and the Landlord entered into the Supplemental Lease Agreement in relation to, among others, (i) the extension of the fixed term; and (ii) the reduction of the monthly rent and monthly management fee.

LISTING RULES IMPLICATION

Pursuant to HKFRS 16, the entering into of the Supplemental Lease Agreement constitutes a lease modification. The Group is required to remeasure the lease liability arising from the lease modification and make a corresponding adjustment to the right-of-use asset. The lease modification resulted in the derecognition of the right-of-use asset by approximately RMB11.39 million.

As certain applicable percentage ratios as defined under the Listing Rules in respect of the reduction of right-of-use asset to be derecognized by the Group pursuant to the Supplemental Lease Agreement exceed 5% but is less than 25%, the entering into of the Supplemental Lease Agreement constitutes a discloseable transaction of the Company and would be subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

BACKGROUND

On 19 May 2017, AEON GD (then a non-wholly owned subsidiary of the Company) as tenant, entered into the Original Lease Agreement with the Landlord, as landlord, in respect of the lease of the Premises for a term of 20 years. The Premises is used by the Group for operating its retail business. Given that HKFRS 16 was not yet effective as at the date of the Original Lease Agreement, the entering into of the Original Lease Agreement did not constitute a notifiable transaction on the part of the Company under Chapter 14 of the Listing Rules.

The Company is pleased to announce that on 28 July 2026 (after trading hours of the Stock Exchange), AEON GD (a wholly-owned subsidiary of the Company) and the Landlord entered into the Supplemental Lease Agreement in relation to, among others, (i) the extension of the fixed term; and (ii) the reduction of the monthly rent and monthly management fee.

THE ORIGINAL LEASE AGREEMENT

The principal terms of the Original Lease Agreement are as below:

Date	:	19 May 2017
Parties	:	The Landlord as the landlord; and AEON GD as the tenant
Premises	:	Basement 1, 1st Floor, 2nd Floor and 3rd Floor, No.13 Jiaokou Road, Lianjiao, Dali Zhen, Nanhai Qu, Foshan Shi, Guangdong Province, The PRC# (中華人民共和國廣東省佛山市南海區大瀝鎮聯滘滘口路13號地下一層至地上三層)
Term and early termination	:	A term of 20 years On or before 19 October 2026, neither AEON GD nor the Landlord may terminate the Original Lease Agreement unless specifically provided under the laws and the Original Lease Agreement. After 19 October 2026, AEON GD may terminate the Original Lease Agreement by giving 6 months' prior notice to the Landlord.

Rent-free period	:	15 months from the date of delivery of the premises (i.e. 20 July 2017)
Rent and management fee	:	The total rent (excluding tax) payable under the Original Lease Agreement for the period ending 19 October 2026 is approximately RMB47.6 million (exclusive of management fee, other charges, and outgoings). The total management fee (excluding tax) payable under the Original Lease Agreement for the period ending 19 October 2026 is approximately RMB25.6 million. The total rent (excluding tax) payable under the Original Lease Agreement for the period commencing from 20 October 2026 and ending 19 July 2037 is approximately RMB95.2 million (exclusive of management fee, other charges, and outgoings). The total management fee (excluding tax) payable under the Original Lease Agreement for the period commencing from 20 October 2026 and ending 19 July 2037 is approximately RMB51.3 million.
Deposit	:	RMB 2.23 million
Sub-let:	:	AEON GD is entitled to sub-let not more than 15% of the leased area.
Right of first refusal	:	AEON GD shall have the right of first refusal to renew the term for 2 times, each with a new term of 5 years.

THE SUPPLEMENTAL LEASE AGREEMENT

The principal terms of the Supplemental Lease Agreement are as below:

Date	:	28 July 2026
Parties	:	The Landlord as the landlord; and AEON GD as the tenant
Term and early termination	:	On or before 19 October 2029 (instead of 19 October 2026), neither AEON GD nor the Landlord may terminate the Original Lease Agreement unless specifically provided under the laws and the Original Lease Agreement. After 19 October 2029 (instead of 19 October 2026), AEON GD may terminate the Original Lease Agreement by giving 6 months' prior notice to the Landlord.
Rent and management fee	:	The total rent (excluding tax) payable under the Original Lease Agreement for the period commencing from 20 October 2026 and ending 19 July 2037 is approximately RMB77.9 million (instead of RMB95.2 million) (exclusive of management fee, other charges, and outgoings). The total management fee (excluding tax) payable under the Original Lease Agreement for the period commencing from 20 October 2026 and ending 19 July 2037 is approximately RMB42.0 million (instead of RMB 51.3 million). No amendments are made on the rent and management fee payable for the period ending 19 October 2026. The rent and management fee under the Original Lease Agreement (as amended by the Supplemental Lease Agreement) have been determined after arm's length negotiations between AEON GD and the Landlord, after taking into consideration the prevailing market price for comparable premises in the vicinity of the Premises and the existing rental under the Original Lease Agreement. The rent and management fee payable will be satisfied by internal resources of the Group.

Save for the variations as set out above, the other terms of the Original Lease Agreement remain unchanged.

INFORMATION ON THE PARTIES

The landlord

The Landlord is a company established in the PRC with limited liability and is fully owned by Guangdong Guangfo Zhicheng Group Co., Ltd[#] (廣東廣佛智城集團有限公司), which, in turn, is owned as to 39.9% by Guangzhou Xihui Investment Co., Ltd.[#] (廣州喜會投資有限公司), as to 26.9% by Guangdong Juchao Real Estate Consulting Services Partnership (Limited Partnership)[#] (廣東聚潮房地產諮詢服務合夥企業（有限合夥）), as to 18.8% by Wu Xiangyang[#] (吳向陽) and as to 14.4% by Yao Zhongping[#] (姚忠平). The Landlord is principally engaged in property investment of Guangfo Zhicheng project in Dali town, Nanhai, Foshan City, Guangdong Province, The PRC. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Landlord and its ultimate beneficial owner(s) are Independent Third Parties.

AEON GD

AEON GD is a company established in the PRC with limited liability and is a wholly-owned subsidiary of the Company. AEON GD is principally engaged in retail business in Guangdong Province, the PRC.

REASONS AND BENEFITS FOR THE ENTERING INTO OF THE SUPPLEMENTAL 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.

AEON GD has been operating its retail businesses in the Premises since 1995 under the Original Lease Agreement. The terms of the Supplemental Lease Agreement, including the reduction in monthly rent and management fee and the extension of the fixed term, were determined after arm's length negotiations between AEON GD and the Landlord and with reference to the open market rent of comparable properties and the rental payment made by the Group under the Original Lease Agreement. The entering into of the Supplemental Lease Agreement will reduce the rental expense of the Group and is in the ordinary and usual course of business of the Group. Therefore, the Board considers that the terms of the Supplemental Lease Agreement are on normal commercial terms and are fair and reasonable and the entering into of the Supplemental Lease Agreement is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

Pursuant to HKFRS 16, the entering into of the Supplemental Lease Agreement constitutes a lease modification. The Group is required to remeasure the lease liability arising from the lease modification and make a corresponding adjustment to the right-of-use asset. The lease modification resulted in the derecognition of the right-of-use asset by approximately RMB11.39 million.

As certain applicable percentage ratios as defined under the Listing Rules in respect of the reduction of right-of-use asset to be derecognized by the Group pursuant to the Supplemental Lease Agreement exceed 5% but is less than 25%, the entering into of the Supplemental Lease Agreement constitutes a discloseable transaction of the Company and would be subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

"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 (stock code: 984)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) 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

"Landlord"	Foshan Shi Corporate Management Service Co., Ltd.# (佛山市助力企業管理服務有限公司), a company established in the PRC with limited liability
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Original Lease Agreement"	the lease agreement dated 19 May 2017 and entered into between AEON GD as tenant and the Landlord as landlord in relation to the leasing of the Premises
"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"	Basement 1, 1st Floor, 2nd Floor and 3rd Floor, No.13 Jiaokou Road, Lianjiao, Dali Zhen, Nanhai Qu, Foshan Shi, Guangdong Province, The PRC# (中華人民共和國廣東省佛山市南海區大瀝鎮聯滘滘口路13號地下一層至地上三層)
"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
"Supplemental Lease Agreement"	the supplemental lease agreement dated 28 July 2026 and entered into between AEON GD as tenant and the Landlord as landlord to amend certain terms of the Original Lease Agreement
"%"	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, 28 July 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.