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)

VERY SUBSTANTIAL ACQUISITION IN RELATION TO THE NEW LEASE

THE NEW LEASE

The Company is pleased to announce that on 7 September 2026, the Company as tenant signed the conditional New Lease in respect of the lease of the Premises for a term of 9 years from 1 May 2026 to 30 April 2035 (both days inclusive). The New Lease is subject to the execution by the Landlord as landlord. Subject to the fulfilment of the condition precedents of the New Lease, the New Lease shall supersede any and all previous representations, arrangements, understandings and agreements between the Company and the Landlord relating to the Premises and/or any tenancy of the Premises.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to HKFRS 16, the entering into of the New Lease by the Company constitute a lease modification. The Company 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, if becoming effective, will result in the recognition of the right-of-use asset of approximately HK$256 million (based on the minimum monthly rent for Year 4 to Year 9), and approximately HK$304 million (based on the maximum monthly rent for Year 4 to Year 9) respectively.

As the highest applicable percentage ratio under the Listing Rules in respect of the recognition of the right-of-use asset by the Group pursuant to HKFRS 16 under the New Lease is more than 100%, the entering into of the New Lease constitutes a very substantial acquisition for the Company and is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

EGM

The EGM will be convened and held by the Company to seek the Shareholders' approval of the New Lease and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, no Shareholder or any of their respective associates has any material interest in the New Lease and the transactions contemplated thereunder. Accordingly, none of the Shareholders is required to abstain from voting in favour of the resolution to approve the New Lease and the transactions contemplated thereunder.

A circular containing, among other things, (i) further information regarding the New Lease and the transactions contemplated thereunder; and (ii) the notice of the EGM will be dispatched to the Shareholders as soon as practicable but not later than 28 September 2026 in accordance with the Listing Rules.

BACKGROUND

On 18 October 2017, the Company as tenant, entered into the Original Lease with the Landlord as landlord, in respect of the lease of the Premises for a term of 160 months from 1 January 2016 to 30 April 2029 (both days inclusive). 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, the entering into of the Original Lease 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 7 September 2026, the Company as tenant signed the conditional New Lease in respect of the lease of the Premises for a term of 9 years from 1 May 2026 to 30 April 2035 (both days inclusive). The New Lease is subject to the execution by the Landlord as landlord. Subject to the fulfilment of the condition precedents of the New Lease, the New Lease shall supersede any and all previous representations, arrangements, understandings and agreements between the Company and the Landlord relating to the Premises and/or any tenancy of the Premises.

THE ORIGINAL LEASE

The principal terms of the Original Lease are as below:

Date	:	18 October 2017
Parties	:	The Company as tenant The Landlord as landlord
Premises	:	Portions on the Ground Floor and the First Basement of the Commercial Podium (the "**Podium**") of Sites 5 and 6 of Whampoa Garden (the "**Building**") with a lettable area of approximately 184,169 square feet
Term	:	160 months from 1 January 2016 to 30 April 2029 (both days inclusive)

Rent	:	The monthly basic rent (exclusive of rates, service charges, extra air-conditioning charges, utility and other outgoings) payable under the Original Lease shall be: (a) approximately HK$5 million from 1 January 2016 to 30 June 2016; (b) approximately HK$7 million from 1 July 2016 to 30 April 2017; (c) approximately HK$8 million from 1 May 2017 to 30 April 2020; (d) approximately HK$9 million from 1 May 2020 to 30 April 2023; (e) approximately HK$10 million from 1 May 2023 to 30 April 2026; and (f) approximately HK$11 million from 1 May 2026 to 30 April 2029.
Turnover rent	:	Additional turnover rent at progressive rates of 6.5% to 7.5% on such portion of the annual gross sales which exceeds HK$970 million are payable by the Company.
Management fee & air-conditioning charges	:	Services charges for the supply of air-conditioning and the provision of management services shall be approximately HK$1 million per calendar month.
Deposit	:	Approximately HK$76 million The Company shall also deliver to the Landlord a guarantee in favour of the Landlord issued by a bank in Hong Kong for an amount of approximately HK$76 million.
User	:	To use the Premises wholly and exclusively as a store for general merchandise sale and providing such ancillary services as are normally related to the operation of a department store including supermarkets, restaurants and food plazas and such other uses the Landlord may approve under the trade name of "AEON (永旺)" and not to use or permit or suffer the Premises or any part thereof to be used for any other purposes or without the consent in writing by the Landlord use any other trade name Provided that the total area for the provision of restaurant(s) and/or food plazas and/or food and beverage services ("**the F and B Operation**") shall not be more than 15% of the lettable floor area of the Premises and Provided further that the Company shall obtain the prior written approval of the Landlord for the F and B Operation (such approval shall not be unreasonably with held).

Concessionary arrangements and/or licensing arrangements	: The Company is allowed to enter into concessionary arrangements and/or licensing arrangements with third parties provided that the total floor area designated for licensing arrangement shall not exceed 30% of the lettable area of the Premises.
Sale and redevelopment	: If the Landlord shall resolve to sell the Premises or re-develop the Premises or the Podium or the Building or any part thereof, the Landlord shall have the right upon giving six months' previous notice in writing to the Company to terminate the Original Lease Provided that the termination notice shall not be served on or before the last day of 96th month of the term and the effective termination date shall not be earlier than the last day of 102nd month of the term.

The New Lease

The principal terms of the New Lease are as below:

Date	: signed by the Company on 7 September 2026
Parties	: The Company as tenant The Landlord as landlord
Premises	: Portions on the Ground Floor and the First Basement of the Commercial Podium of Sites 5 and 6 of Whampoa Garden with a lettable area of approximately 184,169 square feet
Term	: 9 years from 1 May 2026 to 30 April 2035 (both days inclusive)
Rent	: The monthly basic rent (exclusive of rates, service charges, extra air-conditioning charges, utility and other outgoings) payable under the New Lease shall be:

(a) HK$7.5 million from 1 May 2026 to 30 April 2029 (Year 1 to Year 3);

(b) at the open market rent as assessed and determined in accordance with sub-paragraph below from 1 May 2029 to 30 April 2032 (Year 4 to Year 6) Provided that it (i) shall not be lower than HK$8.3 million per calendar month and (ii) shall not be higher than HK$9.2 million per calendar month:

(i) The Landlord shall no later than four months before the commencement of the Year 4 serve on the Company a notice in writing stating the sum which in the Landlord's assessment is the monthly rent for Year 4 to Year 6.

(ii) The Company shall within fourteen days of the service of the notice of assessment by the Landlord lodge with the Landlord a written notice accepting or rejecting the Landlord's assessment. If the Company shall fail to lodge such notice as aforesaid then the Landlord's assessment shall be and be deemed the monthly rent for Year 4 to Year 6.

(iii) If the Company and the Landlord shall fail or otherwise be unable to agree on the monthly rent for Year 4 to Year 6, either party may by notice in writing require the same to be determined by an independent valuer who shall be a suitably qualified surveyor whose decision shall be final and binding on the Company and the Landlord;

(c) at the open market rent as assessed and determined in accordance with sub-paragraph below from 1 May 2032 to 30 April 2035 (Year 7 to Year 9) Provided that it (i) shall not be lower than HK$8.8 million per calendar month or the monthly rent as at Year 6, whichever is the higher, and (ii) shall not be more than 110% of the higher of either HK$8.8 million or the monthly rent as at Year 6:

(i) The Landlord shall no later than four months before the commencement of the Year 7 serve on the Company a notice in writing stating the sum which in the Landlord's assessment is the monthly rent for Year 7 to Year 9.

(ii) The Company shall within fourteen days of the service of the notice of assessment by the Landlord lodge with the Landlord a written notice accepting or rejecting the Landlord's assessment. If the Company shall fail to lodge such notice as aforesaid then the Landlord's assessment shall be and be deemed the monthly rent for Year 7 to Year 9.

(iii) If the Company and the Landlord shall fail or otherwise be unable to agree on the monthly rent for Year 7 to Year 9, either party may by notice in writing require the same to be determined by an independent valuer who shall be a suitably qualified surveyor whose decision shall be final and binding on the Company and the Landlord.

The Company shall pay to the Landlord the monthly basic rent in advance on the first day of each calendar month.

Turnover rent	:	Additional turnover rent at progressive rates of 6.5% to 7.5% on such portion of the annual gross sales which exceeds HK$730 million are payable by the Company. The Company shall pay to the Landlord the turnover rent (if any) within one calendar month after the expiry of each financial year of the Company.
Management fee & air-conditioning charges	:	The service charges for the supply of air-conditioning to the Premises and the provision of management services shall be approximately HK$1.6 million per calendar month subject to adjustments. All service charges and/or the extra air-conditioning charges shall be payable monthly in advance.
Deposit	:	Approximately HK$61 million The Company shall also deliver to the Landlord a guarantee in favour of the Landlord issued by a bank in Hong Kong for an amount of approximately HK$61 million.
User	:	To use the Premises wholly and exclusively as a store for general merchandise sale and providing such ancillary services as are normally related to the operation of a department store including supermarkets, restaurants and food plazas and such other uses the Landlord may approve under the trade name of "AEON (永旺)" only and not to use or permit or suffer the Premises or any part thereof to be used for any other purposes or without the consent in writing by the Landlord use any other trade name Provided that the total area for the F and B Operation shall not be more than 15% of the lettable floor area of the Premises (i.e. approximately 27,625 square feet) and Provided further that the Company shall obtain the prior written approval of the Landlord for the F and B Operation.
Concessionary arrangements and/or licensing arrangements	:	The Company is allowed to enter into concessionary arrangements and/or licensing arrangements with third parties provided that the total floor area designated for licensing arrangement shall not exceed 30% of the lettable area of the Premises.
Sale and redevelopment	:	If the Landlord shall resolve to sell the Premises or re-develop the Premises or the Podium or the Building or any part thereof, the Landlord shall have the right upon giving six months' previous notice in writing to the Tenant to terminate the New Lease and the New Lease shall determine upon the expiration of the termination notice but without prejudice to the rights and remedies of either party against the other in respect of any antecedent claim or breach of any of the agreements or stipulations therein set out. The Company shall deliver vacant possession of the Premises to the Landlord upon the expiration of the termination notice and shall not be entitled to claim any damages or compensation in respect of such early determination. The Company does not have any corresponding early termination rights.

Condition precedent	:	Notwithstanding that the terms and conditions of the New Lease including the revised rent, term and other charges contemplated thereunder shall take effect from 1 May 2026, the New Lease shall be conditional upon the Company having made all necessary announcements and obtained all necessary approvals required under the Listing Rules (including where applicable, approval of the Shareholders at the EGM) for the New Lease and the transaction contemplated thereunder. If the above condition precedent is not fulfilled on or before 30 October 2026 (or such later date as the Landlord and the Company may agree in writing), the New Lease shall automatically lapse and be of no further effect. The Original Lease shall continue in full force and effect on its original terms and conditions as if the New Lease had never been entered into. Neither party shall have any claim against the other in respect of the New Lease in such circumstances.

INFORMATION OF THE PARTIES

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

The Landlord is principally engaged in property leasing activity.

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

REASONS FOR AND BENEFITS OF THE NEW LEASE

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 lease retail stores for operating its retail businesses 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 Company has been operating its retail businesses in the Premises since 1998. The rent (including the basic rent and turnover rent) under the New Lease has been determined after arm's length negotiations between the Company and the Landlord, after taking into consideration the prevailing market price for comparable premises (i.e. similar size, facilities/amenities and quality) in the vicinity of the Premises and the existing rental under the Original Lease. In determining the prevailing market rent for comparison, the Company had conducted market research, such as obtaining publicly available lease transactions information of properties of similar usage within the Whampoa district. As the rental unit rates payable by the Company throughout the term of the tenancy under the New Lease are within the range of market rent levels in the referenced lease transactions considered by the

Company, in particular taking into account the prime location of the Premises (being situated right above the Whampoa station and surrounded by a dense residential area), the Company is of the view that the rent payable under the New Lease is no less favourable to the Company compared to prevailing market rent. Taking into account all the above factors and in particular that the rent payable by the Company throughout the term of tenancy under the New Lease are within the range of market rent in the referenced lease transactions considered by the Company, the Company is of the view that the rent is fair and reasonable and on normal commercial terms.

The rent payable under the New Lease will be satisfied by internal resources of the Group.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to HKFRS 16, the entering into of the New Lease by the Company constitute a lease modification. The Company 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, if becoming effective, will result in the recognition of the right-of-use asset of approximately HK$256 million (based on the minimum monthly rent for Year 4 to Year 9), and approximately HK$304 million (based on the maximum monthly rent for Year 4 to Year 9) respectively.

As the highest applicable percentage ratio under the Listing Rules in respect of the recognition of the maximum amount of the right-of-use asset of approximately HK$304 million by the Group pursuant to HKFRS 16 under the New Lease is more than 100%, the entering into of the New Lease constitutes a very substantial acquisition for the Company and is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

EGM

The EGM will be convened and held by the Company to seek the Shareholders' approval of the New Lease and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, no Shareholder or any of their respective associates has any material interest in the New Lease and the transactions contemplated thereunder. Accordingly, none of the Shareholders is required to abstain from voting in favour of the resolution to approve the New Lease and the transactions contemplated thereunder.

A circular containing, among other things, (i) further information regarding the New Lease and the transactions contemplated thereunder; and (ii) the notice of the EGM will be dispatched to the Shareholders as soon as practicable but not later than 28 September 2026 in accordance with the Listing Rules.

DEFINITIONS

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

"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 directors of the Company
"EGM"	the extraordinary general meeting of Shareholders to be convened and held to consider, and if thought fit, to approve the New Lease and the transactions contemplated thereunder
"Group"	the Company and its subsidiaries
"HKFRS"	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"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
"Landlord"	Glenfuir Investments Limited, a company incorporated in Hong Kong with limited liability, which is an indirect wholly-owned subsidiary of CK Asset Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Stock Exchange (stock code: 1113)
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"New Lease"	the conditional lease agreement dated 7 September 2026 signed by the Company as tenant subject to the execution by the Landlord as landlord in respect of the lease of the Premises for a term of 9 years from 1 May 2026 to 30 April 2035 (both days inclusive)

"Original Lease"	the lease agreement dated 18 October 2017 and entered into between the Company as tenant and the Landlord as landlord in respect of the lease of the Premises for a term of 160 months from 1 January 2016 to 30 April 2029 (both days inclusive)
"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"	Portions on the Ground Floor and the First Basement of the Commercial Podium of Sites 5 and 6 of Whampoa Garden with a lettable area of approximately 184,169 square feet
"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
Tsukasa KONNO
Chairman

Hong Kong, 7 September 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.