

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**MAJOR TRANSACTIONS IN RELATION TO
THE OP and HZ SUPPLEMENTAL AGREEMENTS**

The Board is pleased to announce that on 26 November 2024, AEON GD, as tenant, and the Landlord OP, as landlord, have entered into the OP Supplemental Agreement, being a renewal agreement in nature, to renew the lease of the Premises OP commencing from 1 January 2026 and ending on 31 March 2035. The Existing OP Premises have been leased by AEON GD from the Landlord OP since 30 September 2002 for operating its retail businesses therein. The Existing OP Lease Agreement expires on 31 December 2025.

The Board is pleased to announce also that, on 26 November 2024, AEON SC, the wholly-owned subsidiary of the Company, as tenant, and the Landlord HZ, as landlord, have conditionally entered into the First HZ Supplemental Agreement to confirm the leasing area which is reduced as compared to the leasing area under the Existing HZ Lease Agreement and have conditionally entered into the Second HZ Supplemental Agreement to lease the Premises HZ in addition to the Existing HZ Premises for a term from 27 November 2024 to 26 November 2034. The Premises HZ was newly converted into commercial use by the Landlord HZ and is adjacent to the Existing HZ Premises. The Existing HZ Premises have been leased by AEON SC from the Landlord HZ since 2007 for operating its retail businesses therein. Details of the Existing HZ Lease Agreement were disclosed in the company's announcement dated 8 July 2020 and the circular dated 18 September 2020.

In accordance with HKFRS 16 "Leases", the entering into of the OP Supplemental Agreement by AEON GD as tenant will require the Group to derecognise the right-of-use asset arising from the partial surrender and to recognise the additional right-of-use asset arising from the tenancy terms created thereunder. Therefore, the entering into of the OP Supplemental Agreement will be regarded as a disposal and an acquisition of assets by the Group under the Listing Rules. The values of the right-of-use assets derecognised and recognised by the Group under the OP Supplemental Agreement in respect of the disposal and the acquisition amounted to approximately RMB 3.9 million and approximately RMB 44.8 million respectively.

The entering into of the HZ Supplemental Agreements by AEON SC as tenant will require the Group to derecognise the right-of-use asset arising from the reduction in area and to recognise the additional right-of-use asset arising from the tenancy terms created thereunder. Therefore, the entering into of the HZ Supplemental Agreements will be regarded as a disposal and an acquisition of assets by the Group under

the Listing Rules. The values of the right-of-use assets derecognised and recognised by the Group under the HZ Supplemental Agreements in respect of the disposal and the acquisition amounted to approximately RMB13.9 million and approximately RMB53.4 million respectively.

Since the OP and the HZ Supplemental Agreements involve both a disposal and an acquisition, pursuant to Rule 14.24 of the Listing Rules, the transactions under the OP and HZ Supplemental Agreements are classified by reference to the larger of the disposal or the acquisition.

As the highest applicable percentage ratio under the Listing Rules in respect of the disposal of right-of-use asset recognised by the Group pursuant to HKFRS 16 based on the partial surrender and the reduction of areas is less than 5%, the disposal of right-of-use asset (as a result of the entering into of the OP Supplemental Agreement) does not constitute a notifiable transaction under chapter 14 of the Listing Rules. As the highest applicable percentage ratio under the Listing Rules in respect of the disposal of right-of-use asset recognised by the Group pursuant to HKFRS 16 based on the partial surrender and the reduction of areas is more than 5% but is less than 25%, the disposal of right-of-use asset (as a result of the entering into of the HZ Supplemental Agreements) constitutes a discloseable transaction for the Company. As the highest applicable percentage ratio under the Listing Rules in respect of the acquisitions of right-of-use asset to be recognised by the Group pursuant to HKFRS 16 based on the respective considerations under each of the OP and HZ Supplemental Agreements is 25% or more but is less than 100%, each of the OP and HZ Supplemental Agreements shall constitute a major transaction for the Company and is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge of the Directors, no Shareholder has a material interest in the OP and HZ Supplemental Agreements and the transactions contemplated thereunder. As such, no Shareholder would be required to abstain from voting at a general meeting of the Company for approving the same if the Company were to convene such a general meeting. Accordingly, pursuant to Rule 14.44 of the Listing Rules, written shareholders' approval may be accepted in lieu of holding a general meeting for approving the OP and HZ Supplemental Agreements. The Company has obtained written approval from AEON Co, which holds 155,760,000 issued ordinary shares of the Company (representing 59.91% of its entire issued share capital as at the Latest Practicable Date). As such, the Company is exempted from convening a general meeting to approve the OP and HZ Supplemental Agreements and the transaction contemplated thereunder.

A circular containing, among other things, further information regarding the OP and HZ Supplemental Agreements and the transactions contemplated thereunder will be dispatched to the Shareholders for information purposes in accordance with the Listing Rules on or before 6 December 2024.

INTRODUCTION

The Board is pleased to announce that on 26 November 2024, AEON GD, as tenant, and the Landlord OP, as landlord, have entered into the OP Supplemental Agreement, being a renewal agreement in nature, to renew the lease of the Premises OP commencing from 1 January 2026 and ending on 31 March 2035. The Existing OP Premises have been leased by AEON GD from the Landlord OP since 30 September 2002 for operating its retail businesses therein. The Existing OP Lease Agreement expires on 31 December 2025.

The Board is pleased to announce also that, on 26 November 2024, AEON SC, the wholly-owned subsidiary of the Company, as tenant, and the Landlord HZ, as landlord, have conditionally entered into the First HZ Supplemental Agreement to confirm the leasing area which is reduced as compared to the leasing area

under the Existing HZ Lease Agreement and have conditionally entered into the Second HZ Supplemental Agreement to lease the Premises HZ in addition to the Existing HZ Premises for a term from 27 November 2024 to 26 November 2034. The Premises HZ was newly converted into commercial use by the Landlord HZ and is adjacent to the Existing HZ Premises. The Existing HZ Premises have been leased by AEON SC from the Landlord HZ since 2007 for operating its retail businesses therein. Details of the Existing HZ Lease Agreement were disclosed in the company's announcement dated 8 July 2020 and the circular dated 18 September 2020.

THE OP SUPPLEMENTAL AGREEMENT

The principal terms of the OP Supplemental Agreement are as follow:

Date:	26 November 2024
Parties:	AEON GD (as tenant); and the Landlord OP (as landlord)
Existing OP Premises:	Portions of the commercial property on the First, Second and Third Floors of the podium building of Yinzhoucheng, Foshan Oriental Plaza, No.81 Jinhua Road, Chancheng District, Foshan City, Guangdong Province, China* (中國廣東省佛山市禪城區錦華路 81 號 “佛山市東方廣場” 銀州城裙樓一至三層部分商場) with a total lease area of approximately 23,130 square metres
Partial surrender:	AEON GD shall vacate from and handover the Surrendered OP Portion to the Landlord OP on 1 April 2025 in the “as-is” condition. As the Company will derecognize the right-of-use asset arising from the partial surrender of the Surrendered OP Portion, the partial surrender will be regarded as a disposal of the right-of-use assets by the Group.
Premises OP:	Portions of the commercial property on the First and Second Floors of the podium building of Yinzhoucheng, Foshan Oriental Plaza, No.81 Jinhua Road, Chancheng District, Foshan City, Guangdong Province, China* (中國廣東省佛山市禪城區錦華路 81 號 “佛山市東方廣場” 銀州城裙樓一至二層部分商場)
Total lease area	The total lease area for Premises OP is approximately 11,942.71 square metres
Renewal lease term	A total of 111 months commencing from 1 January 2026 and ending on 31 March 2035 (both dates inclusive) in respect of the Premises OP
Rent and management fees for the lease term:	The total rent (including tax) payable for the extended lease term under the OP Supplemental Agreement is approximately RMB56.10 million (exclusive of management fees, other charges, and outgoings). The monthly rent payable for the first 51 months is approximately RMB0.48 million, which represents a decrease of 12.4% from the monthly rent payable in the last year of the lease term under the Existing OP Lease Agreement, and that for the subsequent 60 months is approximately RMB0.53 million. The average monthly rent for the 111 months in this renewal lease term is approximately RMB0.51 million.

The total management fees (including tax) payable for the lease term under the OP Supplemental Agreement is approximately RMB38.4 million which is inclusive of air-conditioning charges. The monthly management fees is approximately RMB0.35 million throughout the extended lease term and remains at the same rate as that under the Existing OP Lease Agreement.

The rent being payable by AEON GD to the Landlord OP on a monthly basis within the first 10 days.

The rent and management fees have both been determined after arm's length negotiations between AEON GD and the Landlord OP, after taking into consideration (i) the prevailing market rent and management fees for comparable premises (i.e. similar size, facilities/amenities and quality) in the vicinity of the Premises OP, (ii) the existing rental (including the rate of annual rental increment) under the Existing OP Lease Agreement and (iii) the long tenure under the OP Supplemental Agreement.

In determining the prevailing market rent and management fees for comparison, the Group had conducted market research, such as obtaining lease transactions/quotations from open source of properties of similar usage (i.e. retail stores) within the Foshan City. As the unit rates for rent and management fees payable by AEON GD throughout the long lease term of the OP Supplemental Agreement are within the range of market rent and management fees levels in the referenced lease transactions considered by the Company, in particular taking into consideration (i) the unit rate for rent under the OP Supplemental Agreement represents a fair downward adjustment from the existing rental under the Existing OP Lease Agreement, and the prime location of the Premises OP, the Company is of the view that the rent and management fees payable under the OP Supplemental Agreement are no less favourable to the Group compared to prevailing market rent and management fees.

The rent and management fees payments will be satisfied by internal resources of the Group.

Usage	For AEON GD's operation of a large shopping mall, including AEON GD's scope of businesses set out in its business licence and as approved by the relevant government departments
Rent free period	AEON GD is entitled to a 3-month rent-free period and no rent is payable in the months of April 2025, April 2026 and April 2027. The rent-free period is granted in support of AEON GD's renovation works to take place within two years from signing of the OP Supplemental Agreement so should AEON GD fail to carry out the renovation, AEON GD should pay the monthly rent in respect of the rent-free period
Deposit	In the sum of RMB1 million and as AEON GD paid a deposit of RMB2.08 million, the Landlord OP shall refund a balance of RMB1.08 million to AEON GD on or before 1 April 2025

THE HZ SUPPLEMENTAL AGREEMENTS

The principal terms of the First HZ Supplemental Agreement are as follow:

Date:	26 November 2024
Parties:	AEON SC, as tenant; and the Landlord HZ, as landlord
Lease term:	From 27 November 2023 and ending on 26 November 2034 (both days inclusive), i.e. same lease term as that of the Existing HZ Lease Agreement
Reduction in area:	The tentative Leasing Area of 70,886m ² and tentative Rental Area of 68845m ² for the Existing HZ Premises were stated to be subject to final measurements in the Existing HZ Lease Agreement. Both parties have finally confirmed the Leasing Area for the Premises to be 67,449.45m ² and the Rental Area for the Premises to be 65,251.23m ² in the First HZ Supplemental Agreement which areas shall apply throughout the term of the tenancy created under the Existing HZ Lease Agreement, i.e. from 27 November 2023 and ending on 26 November 2034. The areas for the loading area and the commercial elevators/escalators lobby on 1st floor of the basement and the storage on 4th floor of the commercial building are confirmed to be 2,311.62 m ² and 371.61 m ² respectively. The 5th floor of the commercial building, the area of which was not taken into account in the Leasing Area nor the Rental Area stated in the Existing HZ Lease Agreement (i.e. 0.00 m ² for both Leasing Area and Rental Area), is returned to the Landlord HZ for its own business operation effective from 27 November 2023, in the Existing HZ Lease Agreement.
Premises after the reduction:	The Existing HZ Premises is redefined as commercial parts on the 1st to 3rd Floor, portions of commercial part on the 4th floor, loading area on the 1st floor of the basement, commercial elevators/escalators hall, the equipment rooms on the 1st and 2nd floor of the basement and on the 6th floor of the commercial building in the 8th district of Donghu Garden in Huicheng District Huizhou City, Guangdong Province, China* (中國廣東省惠州市惠城區東湖花園八號小區商業裙樓地面一層至三層商業部分、地面四層部分商業部分、地下一層卸貨區及商業電／扶梯廳以及地下一層、地下二層、地面六層的設備用房) The Leasing Areas of each part of the premises are as follows:

<u>Premises</u>	<u>Leasing Area</u> <u>(approx. '000 m2)</u>
commercial parts on the 1st Floor	19.5
commercial parts on the 2nd Floor	20.0
commercial parts on the 3rd Floor	19.5
commercial parts on the 4th floor	3.9
loading area 1st floor of basement	0.7
commercial elevators/escalators hall	0.1
equipment rooms, 1st floor of basement	2.1
equipment rooms, 2nd floor of basement	1.2
equipment rooms, 6th floor of basement	0.3
(allotted sharing of commercial area)	0.2
<u>Total=</u>	<u>67.5</u>

Rent and
management fee:

AEON SC shall pay the rent and management fees in accordance with the same unit rates as agreed to in the Existing HZ Lease Agreement and the Rental Area agreed to in the First HZ Supplemental Agreement. In view of the reduction in areas, subject to the condition precedent, the monthly rent and monthly management fees payable for the first year of the lease term will be reduced to approximately RMB3.62 million and RMB0.37 million respectively, both of which are subject to the annual increment rate of approximately 3%.

Subject to the condition precedent, with retrospective effect from 27 November 2023, (i) in respect of the loading area and the commercial elevators/escalators lobby on the 1st floor of basement, the unit rent payable shall be reduced to RMB5.00 per square meter per month (representing approximately an 83% reduction in its unit rent in the first year of the lease term) and no management fees is payable; (ii) in respect of the storage on the 4th Floor of the commercial building, the unit rent payable shall be reduced to RMB15.00 per square meter per month (representing approximately an 48% reduction in its unit rent in the first year of the lease term) and no management fees is payable. Where the said storage on the 4th floor of the commercial building is converted into commercial use, the unit rates for rent and management fees as agreed to in the Existing HZ Lease Agreement for the corresponding period shall apply.

Prior to the above reductions being effective, AEON SC has, since 27 November 2023, been paying rent at the agreed unit rent and full management fees in respect of these areas in accordance with the Existing HZ Lease Agreement. On fulfillment of the condition precedent, the Landlord HZ shall refund the excess payments of rents and management fees to AEON SC.

The rent and management fees payable under the First HZ Supplemental Agreement are based on (i) the Rental Area confirmed by AEON SC and Landlord HZ under the First HZ Supplemental Agreement with reference to measurement and usage of the actual areas comprising the Existing HZ Premises and (ii) the unit rates for rent and management fees under the Existing HZ Lease Agreement which was negotiated by AEON SC and Landlord HZ on arms length basis and disclosed by the Company in its circular dated 18 September 2020. For reference purposes, the Company note that the monthly rent (being on the same exclusive of tax basis and being reduced from that payable under the Existing HZ Lease Agreement) payable for the first year of the lease term was also lower than the monthly rent of RMB4,300,000 as at 8 July 2020 as set out in the valuation report in Appendix II to the Company's circular dated 18 September 2020. The Company is of the view that the rent and management fees payable under the First HZ Supplemental Agreement are fair and reasonable and on normal commercial terms.

The consideration will be satisfied by internal resources of the Group.

Payment terms: AEON SC shall pay the monthly rent and management fees to the Landlord HZ in advance before the 10th day of each month while the Landlord HZ shall provide the VAT invoice before the 5th day of each month.

Deposit: In respect of the Existing HZ Premises, the amount of deposit is confirmed to be in the sum of approximately RMB12.5 million, of which a sum of approximately RMB6.7 million paid by AEON SC pursuant to the lease agreement preceding the Existing HZ Lease Agreement will be transferred to be part of the deposit payable under the Existing HZ Lease Agreement and the balance in the sum of approximately RMB5.8 million shall be payable by AEON SC within 5 working days from the effective date of the First HZ Supplemental Agreement.

Usage: For AEON SC's commercial use, including its own operation (or the operation by its licensees or assigns) of general merchandise store, shopping mall, supermarket, food centre and others.

Condition precedent: The First HZ Supplemental Agreement shall become effective upon the Company's (i) obtainment of Shareholders' approval for the First HZ Supplemental Agreement and (ii) compliance with all applicable requirements under the Listing Rules. Within 5 days of fulfillment of this condition precedent, AEON SC shall notify the Landlord HZ of the same in writing.

The principal terms of the Second HZ Supplemental Agreement are as follow:

Date: 26 November 2024

Parties: AEON SC, as tenant; and
the Landlord HZ, as landlord

Premises HZ: Portion of the 4th floor of the commercial building in the 8th district of Donghu Garden in Huicheng District Huizhou City, Guangdong Province, China* (中國廣東省惠州市惠城區東湖花園八號小區商業裙樓地面四層部分) with a Leasing Area of 10,557.58m² and a Rental Area of 9,429.65m² which shall form part of the leased premises commencing from the handover date of the Premises HZ by the Landlord HZ, to AEON SC.

Handover condition: The Premises HZ shall be handed over to AEON SC completed with the items of works which the Landlord HZ is responsible for in accordance with the installation works allocation table agreed to by the parties. Since the Landlord HZ has completed all the items of works, the Premises HZ is ready for handover upon the Second HZ Supplemental Agreement comes into effect.

Lease term: From the earlier of the handover date or tentatively 27 November 2024 and ending on 26 November 2034 (both days inclusive).

Rent and Management fees: AEON SC shall pay the rent and management fees in accordance with the respective unit rates as agreed to in the Existing HZ Lease Agreement and the Rental Area agreed to in the Second HZ Supplemental Agreement. The rent and management fees are payable from the earlier of 27 November 2024 or AEON SC's business commencement. The monthly

rent and monthly management fees payable for the first year of the lease term under the Second HZ Supplemental Agreement are approximately RMB0.52 million and RMB 0.05 million respectively, both of which are subject to the annual increment rate of approximately 3%.

The rent and management fees have both been determined after arm's length negotiations between AEON SC and the Landlord HZ, after taking into consideration (i) the prevailing market rent and management fees for comparable premises (i.e. similar size, facilities/amenities and quality) in the vicinity of the Premises HZ and (ii) the long tenure under the Second HZ Supplemental Agreement running concurrently with the Existing HZ Lease Agreement. The Company is of the view that the rent and management fees payable under the Second HZ Supplemental Agreement are fair and reasonable and on normal commercial terms.

The consideration will be satisfied by internal resources of the Group.

Payment terms	AEON SC shall pay the monthly rent and management fees to the Landlord HZ in advance before the 10th day of each month while the Landlord HZ shall provide the VAT invoice before the 5th day of each month.
Deposit	In respect of the Premises HZ, the deposit is in the sum of approximately RMB1.8 million payable within 5 days from the effective date of the Second HZ Supplemental Agreement.
Condition Precedent:	The Second HZ Supplemental Agreement shall become effective upon the Company's (i) obtainment of Shareholders' approval for the Second HZ Supplemental Agreement and (ii) compliance with all applicable requirements under the Listing Rules. Within 5 days of fulfillment of this condition precedent, AEON SC shall notify the Landlord HZ of the same in writing.

INFORMATION OF THE PARTIES

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

The Landlord OP is principally engaged in property development, investment and management.

The Landlord HZ is principally engaged in the development, lease and sale of residential buildings, commercial buildings, business apartments and supporting facilities.

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

REASONS FOR AND BENEFITS OF ENTERING INTO EACH OF THE OP AND THE HZ SUPPLEMENTAL AGREEMENTS

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 OP and Premises HZ, 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 Existing OP Premises have been leased by AEON GD from the Landlord OP since September 2002 for operating its retail businesses therein. The Existing OP Lease Agreement was due to expire on 31 December 2025. AEON GD and the Landlord OP have entered in the OP Supplemental Agreement to extend and modify the terms of the Existing OP Lease Agreement. The partial surrender of the Surrendered OP Portion for the last nine months of the Existing OP Lease Agreement would lead to a decrease in the total lease area and in turn a decrease in the scale of business operation in the Existing OP Premises. However, AEON GD is able to take the opportunity to enhance its operational efficiency by streamlining and consolidating its efforts on the parts of the retail businesses with better historical performance. The partial surrender is not expected to have any material effect on the overall operation of the Group's retail business.

The Existing HZ Premises have been leased by AEON SC from the Landlord HZ since 2007 for operating its retail business therein. AEON SC and the Landlord HZ entered into the Existing HZ Lease Agreement to extend the lease term to 26 November 2034. By the First Supplemental Agreement, the Landlord HZ confirmed the reduced Lease Area and Rental Area which are beneficial to AEON SC. Since the Landlord HZ has converted the Premises HZ into commercial use which is adjacent to the Existing HZ Premises on the same floor, the Premises HZ may extend AEON SC's retailing area on that floor and allow AEON SC to enrich its retail activities with the newly leased area.

The terms of the OP and HZ Supplemental Agreements, including the rental charge, were determined after arm's length negotiations between the relevant parties and with reference to the respective prevailing market price for comparable properties and the respective existing rental under the Existing HZ Lease Agreement. The entering into of the OP and HZ Supplemental Agreements is (i) necessary for the operation of the retail businesses of the Group and (ii) in the ordinary and usual course of business of the Group. Therefore, the Board considers that the terms of the OP and HZ Supplemental Agreements (and the transactions contemplated thereunder) are on normal commercial terms and are fair and reasonable and the entering into of the OP and HZ Supplemental Agreements (and the transactions contemplated thereunder) 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

In accordance with HKFRS 16 “Leases”, the entering into of the OP Supplemental Agreement by AEON GD as tenant will require the Group to derecognise the right-of-use asset arising from the partial surrender and to recognise the additional right-of-use asset arising from the tenancy terms created thereunder. Therefore, the entering into of the OP Supplemental Agreement will be regarded as a disposal and an acquisition of assets by the Group under the Listing Rules. The values of the right-of-use assets derecognised and recognised by the Group under the OP Supplemental Agreement in respect of the disposal and the acquisition amounted to approximately RMB 3.9 million and approximately RMB 44.78 million respectively.

The entering into of the HZ Supplemental Agreements by AEON SC as tenant will require the Group to derecognise the right-of-use asset arising from the reduction in area and to recognise the additional right-of-use asset arising from the tenancy terms created thereunder. Therefore, the entering into of the HZ Supplemental Agreements will be regarded as a disposal and an acquisition of assets by the Group under the Listing Rules. The values of the right-of-use assets derecognised and recognised by the Group under the HZ Supplemental Agreements in respect of the disposal and the acquisition amounted to approximately RMB13.9 million and approximately RMB53.4 million respectively.

Since the OP and the HZ Supplemental Agreements involve both a disposal and an acquisition, pursuant to Rule 14.24 of the Listing Rules, the transactions under the OP and HZ Supplemental Agreements are classified by reference to the larger of the disposal or the acquisition.

As the highest applicable percentage ratio under the Listing Rules in respect of the disposal of right-of-use asset recognised by the Group pursuant to HKFRS 16 based on the partial surrender and the reduction of areas is less than 5%, the disposal of right-of-use asset (as a result of the entering into of the OP Supplemental Agreement) does not constitute a notifiable transaction under chapter 14 of the Listing Rules. As the highest applicable percentage ratio under the Listing Rules in respect of the disposal of right-of-use asset recognised by the Group pursuant to HKFRS 16 based on the partial surrender and the reduction of areas is more than 5% but is less than 25%, the disposal of right-of-use asset (as a result of the entering into of the HZ Supplemental Agreements) constitutes a discloseable transaction for the Company. As the highest applicable percentage ratio under the Listing Rules in respect of the acquisitions of right-of-use asset to be recognised by the Group pursuant to HKFRS 16 based on the respective considerations under each of the OP and HZ Supplemental Agreements is 25% or more but is less than 100%, each of the OP and HZ Supplemental Agreements shall constitute a major transaction for the Company and is subject to the reporting, announcement, circular and shareholders’ approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge of the Directors, no Shareholder has a material interest in the OP and HZ Supplemental Agreements and the transactions contemplated thereunder. As such, no Shareholder would be required to abstain from voting at a general meeting of the Company for approving the same if the Company were to convene such a general meeting. Accordingly, pursuant to Rule 14.44 of the Listing Rules, written shareholders’ approval may be accepted in lieu of holding a general meeting for approving the OP and HZ Supplemental Agreements. The Company has obtained written approval from AEON Co, which holds 155,760,000 issued ordinary shares of the Company (representing 59.91% of its entire issued share capital as at the Latest Practicable Date). As such, the Company is exempted from convening a general meeting to approve the OP and HZ Supplemental Agreements and the transaction contemplated thereunder.

A circular containing, among other things, further information regarding the OP and HZ Supplemental Agreements and the transactions contemplated thereunder will be dispatched to the Shareholders for information purposes in accordance with the Listing Rules on or before 6 December 2024.

DEFINITIONS

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

“AEON Co”	AEON Co., Ltd., a company incorporated in Japan with limited liability and the issued shares of which are listed on the Tokyo Stock Exchange
“AEON GD”	Guangdong AEON Teem Co., Ltd.* (廣東永旺天河城商業有限公司), a company incorporated in the PRC and owned as to 65% by the Company
“AEON SC”	永旺華南商業有限公司(AEON South China Co., Ltd.), a company incorporated in the PRC and a wholly-owned subsidiary of the Company
“AEON Group”	AEON Co and its subsidiaries and, unless the context require otherwise, excluding members of the Group
“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
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the directors of the Company
“Existing HZ Lease Agreement”	The lease renewal agreement dated 8 July 2020 entered into by AEON SC and the Landlord HZ in respect of the Existing HZ Premises for a term from 27 November 2023 to 26 November 2034 (both dates inclusive) for a total rent of approximately RMB585 million and total management fees of approximately RMB59.95 million for AEON SC’s operation of a retail store in the name of “AEON” and “永旺”
“Existing HZ Premises”	Commercial parts on the 1 st to 5 th Floors, loading area on the 1 st floor of the basement and the equipment rooms on the 1 st and 2 nd floor of the basement and on the 6 th floor of the commercial building in the 8 th district of Donghu Garden in Huicheng District Huizhou City, Guangdong Province, China* (中國廣東省惠州市惠城區東湖花園八號小區商業裙樓地面一層至五層部分、地下一層卸貨區及地下一層、地下二層、地面六層的設備用房)
“Existing OP Lease Agreement”	the lease agreement dated 30 September 2002 signed by AEON GD and the Landlord OP as supplemented by two supplemental agreements dated 28 August 2004 and 28 June 2015 and one undated supplemental agreement with contract number “GDA-開發-2021026” in respect of the

	Existing OP Premises for a term expiring on 31 December 2025 for AEON GD’s operation of a retail store and at a total rent of approximately RMB49.3 million and a total management fee of approximately RMB32.2 million for the last four years expiring on 31 December 2025
“Existing OP Premises”	Portions of the commercial property on the First, Second and Third Floors of the podium building of Yinzhoucheng, Foshan Oriental Plaza, No.81 Jinhua Road, Chancheng District, Foshan City, Guangdong Province, China* (中國廣東省佛山市禪城區錦華路 81 號 “佛山市東方廣場” 銀州城裙樓一至三層部分商場) with a total lease area of approximately 23,130 square metres
“First HZ Supplemental Agreement”	the first supplemental lease agreement dated 26 November 2024 signed by AEON SC and the Landlord HZ
“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 dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HZ Supplemental Agreements”	The First HZ Supplemental Agreement and the Second HZ Supplemental Agreement
“Independent Third Parties”	any person or company and their respective ultimate beneficial owner, who 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/are third party(ies) independent of the Group and its connected persons in accordance with the Listing Rules
“Landlord HZ”	Huizhou Donghu Asset Operation Co., Ltd.* (惠州市东湖资产运营有限公司) (formerly known as Donghu Estate (Huizhou) Development Co.,Ltd.* (东湖房产(惠州)开发有限公司) a company incorporated in the PRC, whose ultimate beneficial owners are Mr. Liu Xiaobo and Mr. Liu Fang who indirectly hold 60% and 40% of the shares in the Landlord HZ respectively
“Landlord OP”	Foshan Dongjian Group Co., Ltd. Limited* (佛山市東建集團有限公司), a company incorporated in the PRC, which is owned as to 12% by Tang Zhi* (唐志), 2% by Zhang Huifang* (張惠芳), 76% by Chung Liuhan* (鐘流漢) and 10% by Feng Jintang* (馮錦棠)
“Landlords”	Landlord OP and Landlord HZ
“Leasing Area”	being the area of the premises leased by the Landlord HZ to AEON SC which area is measured and calculated by reference to the actual construction area of the commercial building occupied by AEON SC

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“OP and HZ Supplemental Agreements”	The OP Supplemental Agreement and the HZ Supplemental Agreements
“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 HZ”	The newly converted commercial parts on the 4th floor of the commercial building to be handed over by the Landlord HZ to AEON SC pursuant to the Second HZ Supplemental Agreement.
“Premises OP”	Portions of the commercial property on the First and Second Floors of the podium building of Yinzhoucheng, Foshan Oriental Plaza, No.81 Jinhua Road, Chancheng District, Foshan City, Guangdong Province, China* (中國廣東省佛山市禪城區錦華路 81 號 “佛山市東方廣場” 銀州城裙樓一至二層部分商場) with a total lease area of approximately 11,942.71 square metres
“Rental Area”	being the area of the premises which will be adopted in calculating the rent and management fees payable by AEON SC to the Landlord HZ after taking into account actual usage of the area and the mutually agreed percentage for purposes of calculating rent and management fees
“RMB”	renminbi, the lawful currency of the PRC
“Second HZ Supplemental Agreement”	the second supplemental lease agreement dated 26 November 2024 signed by AEON SC and the Landlord HZ
“Shareholder(s)”	holders of the shares in the Company from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Surrendered OP Portion”	portion of the commercial property on the Third Floor of the podium building of Yinzhoucheng, Foshan Oriental Plaza* (“佛山市東方廣場” 銀州城裙樓三層部分商場) with an aggregated floor area of approximately 11,187.29 square metres
“%”	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, 26 November 2024

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, Mr. Kenji Fujita and Mr. Yasutoshi Yokochi; and the Independent Non-executive Directors are Mr. Chow Chi Tong, Mr. Hideto Mizuno and Ms. Shum Wing Ting.