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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 TENANCY OF THE PREMISES FOR A NEW STORE**

The Board is pleased to announce that on 2 June 2025, the Company, as tenant, signed the Tenancy Agreement in respect of the tenancy of the Premises for a fixed term of six years commencing from 2 June 2025 for operating its new retail businesses therein.

The Tenancy Agreement is subject to the execution by the Landlord. Upon execution by the Landlord, the Tenancy Agreement 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 Tenancy Agreement 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 Tenancy 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 Tenancy Agreement amounted to approximately HK\$8.3 million.

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

INTRODUCTION

The Board is pleased to announce that on 2 June 2025, the Company, as tenant, signed the Tenancy Agreement in respect of the tenancy of the Premises for a term of six years commencing from 2 June 2025 for operating its new retail businesses therein.

The Tenancy Agreement is subject to the execution by the Landlord. Upon execution by the Landlord, the Tenancy Agreement shall become legally binding on the Landlord and the Company subject to the terms and conditions thereto.

The Tenancy Agreement

The principal terms of the Tenancy Agreement are as follow:

Date:	Signed by the Company on 2 June 2025
Parties:	(a) the Company, as tenant; and (b) the Landlord, as landlord
Premises:	Shop No. 5, Upper Ngau Tau Kok Shopping Centre, Upper Ngau Tau Kok Estate, Kwun Tong, Kowloon, Hong Kong
Term:	Fixed term of six years commencing from 2 June 2025 provided that the tenancy cannot be terminated by the tenant before the expiry of the term.
Usage:	Restricted for the purpose of the Company's operation of a department store under the trade name of “ <i>も の も の</i> Mono Mono” only.
Total consideration payable:	The total rent payable under the Tenancy Agreement during the term is approximately HK\$10.4 million and is exclusive of government rates, other charges and outgoings. The rent has been offered by the Company after taking into consideration the prevailing market rent for comparable premises in the vicinity of the Premises. The consideration will be satisfied by internal resources of the Group.
Payment term:	The monthly rent and government rates shall be payable monthly in advance on the first day of each and every calendar month.
Rent Free Period:	Three (3) months from the commencement of the Term
Deposit:	A deposit of HK\$0.3 million and an advance payment of HK\$0.3 million have been paid by the Company upon signing of the Tenancy Agreement.

INFORMATION OF THE PARTIES

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

The Landlord is a statutory body established under the Housing Ordinance. It develops and implements a public housing programme which seeks to achieve the Hong Kong Government's policy objective of meeting the housing needs of low-income families that cannot afford private accommodation.

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 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 terms of the Tenancy Agreement, including the rental charge, were determined by reference to the open market rent of comparable properties and the rental payment made for other retail stores operated by the Group. The entering into of the Tenancy Agreement is for the purpose of 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 Tenancy Agreement are on normal commercial terms and are fair and reasonable and the entering into of the Tenancy Agreement is 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 Tenancy Agreement 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 Tenancy 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 Tenancy Agreement amounted to approximately HK\$8.3 million.

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

“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
“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”	The Hong Kong Housing Authority, a statutory body established under the Housing Ordinance (Cap. 283 of the laws of Hong Kong)
“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 No. 5, Upper Ngau Tau Kok Shopping Centre, Upper Ngau Tau Kok Estate, Kwun Tong, Kowloon, Hong Kong
“Shareholder(s)”	holders of the shares in the Company from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the Tenancy Agreement signed by the Company on 2 June 2025 in relation to the tenancy of the Premises, subject to execution by the Landlord
“%”	per cent.

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

Hong Kong, 2 June 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.