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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that the interim results of the Group for the six months ended 30 June 2009 is expected to decline significantly, which would result in a lower net profit as compared to the net profit of the Group for the same period in 2008.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by AEON Stores (Hong Kong) Co., Limited (the "Company", together with its subsidiaries, the "Group") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The Board of Directors (the "Board") of the Company wishes to inform the shareholders of the Company and potential investors that the interim results of the Group for the six months ended 30 June 2009 is expected to decline significantly, which would result in a lower net profit as compared to the net profit of the Group for the same period in 2008. Such decline was primarily attributable to 1) the negative impact of the financial crisis on our business operation; 2) below expectation performance of our South China business due to the economic downturn and the effect of newly opened stores; and 3) impairment loss arising from certain refundable prepaid rental not being accepted in arbitration (see "Critical accounting judgment" in Note 4 - Notes to the Financial Statements in the Group's Annual report 2008).

The information contained in this announcement is only based on the Company's preliminary assessment of the consolidated management accounts of the Group for the six months ended 30 June 2009, which have not been audited or reviewed by the Company's auditor. The interim results of the Group for the six months ended 30 June 2009 will be announced as soon as practicable.

Shareholders of the Company and potential investors are advised to exercise caution when

dealing in the shares of the Company.

By order of the Board
Lam Man Tin
Managing Director

Hong Kong, 3 August 2009

As at the date of this announcement, the executive Directors of the Company are Mr. Lam Man Tin, Mr. Yutaka Fukumoto and Mr. Wong Mun Yu; the non-executive Directors are Mr. Akihito Tanaka, Mr. Masaaki Toyoshima, Mr. Kazumasa Ishii and Mr. Susumu Inoue; and the independent non-executive Directors are Prof. Lam Pei Peggy, Mr. Sham Sui Leung, Daniel, Ms. Cheng Yin Ching, Anna and Dr. Shao Kung Chuen.