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INSIDE INFORMATION

This announcement is made by AEON Stores (Hong Kong) Co., Limited (the “**Company**”) pursuant to the provisions of inside information under Part XIVA of the Securities and Future Ordinance (Cap.571, Laws of Hong Kong) and Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

On 8 October 2018, the Company received a Notice of Stamp Duty Assessment & Demand for Payment (the “**Assessment**”) dated 5 October 2018 from the Inland Revenue Department of Hong Kong (the “**IRD**”). The Assessment relates to the Company’s former sale of the property located at Nos. 24-28 Kung Yip Street, Kwai Chung, New Territories, Hong Kong (the “**Property**”) at the consideration of HK\$633.8 million pursuant to its Agreement for Sale (“the **Agreement**”) dated 23 October 2014 entered into with the buyer. According to the Assessment, (1) the value of the Property as at 9 October 2014 as assessed by the Commissioner of Rating and Valuation of Hong Kong was higher than the consideration of the Property under in the Agreement and hence the Collector of Stamp Revenue demands a further stamp duty of HK\$21.522 million (the “**Further Stamp Duty**”); and (2) since the Company is one of the parties liable under the Stamp Duty Ordinance (Cap.117, Laws of Hong Kong) to pay stamp duty on the Agreement, the Company is required to pay the Further Stamp Duty within one month from the date of the Assessment.

The Company will take all necessary action relating to the Assessment including application for appealing the Assessment and for postponement of payment of the Further Stamp Duty.

According to the Agreement, the buyer of the Property is liable to pay the stamp duty and any further stamp duty chargeable on the Agreement. The Company notes that the buyer, which was previously a company registered in Hong Kong, was dissolved. In the event that the Company is required to pay any further stamp duty on the Agreement, the Company will take all appropriate actions to try to recover the relevant amount of further stamp duty from the buyer including making an application to restore the buyer to the Companies Registry of Hong Kong.

Based on the currently available information, the board of directors of the Company considers that the Assessment will not have any material adverse impact on the Company’s daily business operations.

The Company will make further announcement(s) in relation to the above as and when appropriate in accordance with the Listing Rules.

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

By Order of the Board
**AEON Stores (Hong Kong) Co.,
Limited**
Yuki HABU
Chairman and Managing Director

Hong Kong, 18 October 2018

As at the date of this announcement, the Executive Directors are Ms. Yuki Habu, Mr. Masamitsu Ikuta, Mr. Chak Kam Yuen, Mr. Lau Chi Sum Sam and Mr. Keiji Tsukahara; the Non-executive Director is Mr. Akinori Yamashita; and the Independent Non-executive Directors are Ms. Chan Yi Jen Candi Anna, Ms. Lo Miu Sheung, Betty, Mr. Chow Chi Tong and Mr. Hideto Mizuno.