



AEON Stores (Hong Kong) Co., Limited

永旺(香港)百貨有限公司

2014 Interim Report

Stock Code: 984



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

CHAN Pui Man Christine (*Managing Director*)
SUZUKI Junichi (*Deputy Managing Director*)
MIZUSHIMA Yoshiaki (*Deputy Managing Director*)
CHAK Kam Yuen

Non-executive Directors

OKUNO Yoshinori (*Chairman*)
AGAWA Yutaka
HABU Yuki
YASUKAWA Kazuhiko

Independent Non-executive Directors

SHAM Sui Leung Daniel
CHENG Yin Ching Anna
CHAN Yi Jen Candi Anna
LO Miu Sheung, Betty

NOMINATION COMMITTEE

OKUNO Yoshinori (*Chairman*)
SHAM Sui Leung Daniel
CHENG Yin Ching Anna
CHAN Yi Jen Candi Anna
LO Miu Sheung, Betty

REMUNERATION COMMITTEE

SHAM Sui Leung Daniel (*Chairman*)
OKUNO Yoshinori
CHENG Yin Ching Anna
CHAN Yi Jen Candi Anna
LO Miu Sheung, Betty

AUDIT COMMITTEE

SHAM Sui Leung Daniel (*Chairman*)
OKUNO Yoshinori
CHENG Yin Ching Anna
CHAN Yi Jen Candi Anna
LO Miu Sheung, Betty

COMPANY SECRETARY

CHAN Kwong Leung Eric

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants

PRINCIPAL BANKERS

Mizuho Bank, Ltd.
The Bank of Tokyo – Mitsubishi UFJ, Ltd.
Sumitomo Mitsui Banking Corporation
Standard Chartered Bank (Hong Kong) Limited
The Hong Kong and Shanghai Banking
Corporation Limited

SHARE REGISTRARS

Tricor Secretaries Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

REGISTERED OFFICE

G-4 Floor, Kornhill Plaza (South)
2 Kornhill Road, Hong Kong

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

7/F., D2 Place
9 Cheung Yee Street
Lai Chi Kok, Kowloon
Tel: (852) 2565 3600
Fax: (852) 2563 8654

STOCK CODE

984

WEBSITE

www.aeonstores.com.hk

The Board of Directors (the "Board") of AEON Stores (Hong Kong) Co., Limited (the "Company") is pleased to announce the unaudited results of the Company and its subsidiaries (the "Group" or "AEON") for the 6 months ended 30 June 2014 together with comparative figures for the previous period as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2014

	NOTES	Six months ended	
		30.6.2014 HK\$'000 (unaudited)	30.6.2013 HK\$'000 (unaudited)
Revenue	3	4,393,855	4,150,944
Other income		335,818	332,900
Investment income		12,703	11,452
Purchase of goods and changes in inventories		(3,047,514)	(2,850,690)
Staff costs		(513,144)	(514,990)
Depreciation		(97,213)	(98,701)
Impairment loss recognised in respect of property, plant and equipment	9	—	(93,275)
Gain on fair value change of an investment property		40,000	30,000
Loss on disposal of property, plant and equipment		(926)	(334)
Pre-operating expenses	4	—	(6,441)
Other expenses		(1,024,751)	(1,010,893)
Finance costs	5	(155)	(188)
Profit (loss) before tax		98,673	(50,216)
Income tax (expense) credit	6	(11,325)	9,992
Profit (loss) for the period		87,348	(40,224)
Profit (loss) for the period attributable to:			
Owners of the Company		81,937	(26,341)
Non-controlling interests		5,411	(13,883)
		87,348	(40,224)
Earning (loss) per share — Basic	8	31.51 HK cents	(10.13) HK cents

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2014

	Six months ended	
	30.6.2014 HK\$'000 (unaudited)	30.6.2013 HK\$'000 (unaudited)
Profit (loss) for the period	87,348	(40,224)
Other comprehensive income (expense)		
Items that may be subsequently reclassified to profit or loss		
Fair value loss on available-for-sale investments	(2,762)	(1,400)
Exchange differences arising on translation of foreign operations	(3,105)	7,290
Other comprehensive (expense) income for the period	(5,867)	5,890
Total comprehensive income (expense) for the period	81,481	(34,334)
Total comprehensive income (expense) attributable to:		
Owners of the Company	77,537	(23,406)
Non-controlling interests	3,944	(10,928)
	81,481	(34,334)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2014

	NOTES	30.6.2014 HK\$'000 (unaudited)	31.12.2013 HK\$'000 (audited)
Non-current Assets			
Goodwill		94,838	94,838
Property, plant and equipment	9	705,041	759,211
Investment property	9	590,000	550,000
Available-for-sale investments	10	24,218	26,980
Deferred tax assets		55,074	52,634
Rental deposits		152,450	147,316
Pledged bank deposits	12	22,083	25,642
		1,643,704	1,656,621
Current Assets			
Inventories		715,753	811,952
Trade receivables	13	23,117	35,251
Other receivables, prepayments and deposits		176,358	210,871
Amounts due from fellow subsidiaries		101,045	138,476
Time deposits	11	36,389	378,704
Pledged bank deposits	12	22,085	18,948
Bank balances and cash		2,248,659	1,966,217
		3,323,406	3,560,419
Current Liabilities			
Trade payables	14	1,313,806	1,469,222
Other payables and accrued charges		1,308,805	1,462,668
Amount due to ultimate holding company	15	75,540	49,622
Amounts due to fellow subsidiaries	15	56,940	86,910
Obligation under a finance lease		867	836
Income tax payable		39,995	26,245
Dividend payable		631	615
		2,796,584	3,096,118
Net Current Assets		526,822	464,301
Total Assets Less Current Liabilities		2,170,526	2,120,922
Capital and Reserves			
Share capital		115,158	52,000
Share premium and reserves		1,704,657	1,723,760
Equity attributable to owners of the Company		1,819,815	1,775,760
Non-controlling interests		157,270	153,326
Total Equity		1,977,085	1,929,086
Non-current Liabilities			
Rental deposits received and other liabilities		180,281	177,575
Obligation under a finance lease		2,266	2,735
Deferred tax liabilities		10,894	11,526
		193,441	191,836
		2,170,526	2,120,922

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2014

	Attributable to owners of the Company									
	Share capital	Share premium	Investment revaluation reserve	Translation reserve	The People's Republic of China ("PRC") statutory reserves	Non-distributable reserve	Retained profits	Total	Non-controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2013 (audited)	52,000	63,158	28,122	36,239	27,013	64,015	1,419,267	1,689,814	173,296	1,863,110
Loss for the period	–	–	–	–	–	–	(26,341)	(26,341)	(13,883)	(40,224)
Other comprehensive (expense) income for the period	–	–	(1,400)	4,335	–	–	–	2,935	2,955	5,890
Total comprehensive (expense) income for the period	–	–	(1,400)	4,335	–	–	(26,341)	(23,406)	(10,928)	(34,334)
Dividends recognised as distribution	–	–	–	–	–	–	(25,220)	(25,220)	–	(25,220)
Unclaimed dividends forfeited	–	–	–	–	–	–	184	184	–	184
At 30 June 2013 (unaudited)	52,000	63,158	26,722	40,574	27,013	64,015	1,367,890	1,641,372	162,368	1,803,740
Profit (loss) for the period	–	–	–	–	–	–	133,415	133,415	(6,001)	127,414
Other comprehensive (expense) income for the period	–	–	(1,938)	2,911	–	–	–	973	2,126	3,099
Total comprehensive (expense) income for the period	–	–	(1,938)	2,911	–	–	133,415	134,388	(3,875)	130,513
Transfer, net of non-controlling interests share	–	–	–	–	1,877	–	(1,877)	–	–	–
Dividend paid to non-controlling shareholders	–	–	–	–	–	–	–	–	(5,167)	(5,167)
At 31 December 2013 (audited)	52,000	63,158	24,784	43,485	28,890	64,015	1,499,428	1,775,760	153,326	1,929,086
Profit for the period	–	–	–	–	–	–	81,937	81,937	5,411	87,348
Other comprehensive expense for the period	–	–	(2,762)	(1,638)	–	–	–	(4,400)	(1,467)	(5,867)
Total comprehensive (expense) income for the period	–	–	(2,762)	(1,638)	–	–	81,937	77,537	3,944	81,481
Transfer upon abolition of par value under the new Hong Kong Companies Ordinance (Note)	63,158	(63,158)	–	–	–	–	–	–	–	–
Dividends recognised as distribution	–	–	–	–	–	–	(33,540)	(33,540)	–	(33,540)
Unclaimed dividends forfeited	–	–	–	–	–	–	58	58	–	58
At 30 June 2014 (unaudited)	115,158	–	22,022	41,847	28,890	64,015	1,547,883	1,819,815	157,270	1,977,085

Note: The Company has no authorised share capital and its shares have no par value since the commencement date of the new Hong Kong Companies Ordinance (i.e. 3 March 2014)

PRC statutory reserves are reserves required by the relevant PRC laws applicable to the subsidiaries of the Company in the PRC.

Non-distributable reserve is the reserve arising from the capitalisation of retained profits as registered capital of a subsidiary in the PRC.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2014

	Six months ended	
	30.6.2014 HK\$'000 (unaudited)	30.6.2013 HK\$'000 (unaudited)
Operating Cash Flows before Movements in Working Capital	145,417	102,355
Decrease in trade payables	(147,805)	(122,762)
(Decrease) increase in rental deposits received, other payables and accrued charges	(133,392)	1,255
Increase in amount due to ultimate holding company	25,918	26,139
Decrease in inventories	91,312	18,558
Decrease (increase) in trade receivables	12,001	(11,388)
Decrease (increase) in other receivables, prepayments and deposits	27,463	(33,549)
Decrease in amounts due from fellow subsidiaries	36,914	15,817
(Decrease) increase in amounts due to fellow subsidiaries	(29,585)	655
Cash from (Used in) Operations	28,243	(2,920)
People's Republic of China income taxes paid	(1,084)	(10,720)
Interest paid	(155)	(188)
Interest on bank deposits and time deposits received	12,703	11,452
Net Cash from (Used in) Operating Activities	39,707	(2,376)
Investing Activities		
Purchase of property, plant and equipment	(54,210)	(155,960)
Withdrawal of time deposits	352,054	155,984
Placement of time deposits	(11,293)	(77,660)
Placement of pledged bank deposits	—	(23,030)
Proceeds from disposal of property, plant and equipment	5	133
Net Cash from (Used in) Investing Activities	286,556	(100,533)
Financing Activities		
Dividend paid	(33,466)	(25,224)
Repayment of a finance lease	(587)	—
Others	182	(371)
Net Cash Used in Financing Activities	(33,871)	(25,595)
Net Increase (Decrease) in Cash and Cash Equivalents	292,392	(128,504)
Cash and Cash Equivalents at 1 January	1,966,217	2,060,309
Effect of Foreign Exchange Rate Changes	(9,950)	20,275
Cash and Cash Equivalents at 30 June represented by bank balances and cash	2,248,659	1,952,080

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2014

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (HKAS 34) *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and an investment property, which are measured at revalued amounts or fair values as appropriate.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2014 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2013.

In the current interim period, the Group has applied, for the first time, certain new interpretation and amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant for the preparation of the Group's condensed consolidated financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) – Int 21	Levies

The application of the other new interpretation and amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents the invoiced value of goods, net of discounts, sold to customers, and income from concessionaire sales during the period. An analysis of the Group's revenue for the respective period is as follows:

	Six months ended	
	30.6.2014	30.6.2013
	HK\$'000	HK\$'000
Direct sales	3,926,146	3,674,847
Income from concessionaire sales	467,709	476,097
Revenue	4,393,855	4,150,944

3. REVENUE AND SEGMENT INFORMATION (Continued)

For the six months ended 30 June 2014

	Hong Kong HK\$'000	PRC HK\$'000	Total HK\$'000
Segment revenue — external	1,935,290	2,458,565	4,393,855
Segment profit (loss)	44,659	(8,444)	36,215
Gain on fair value change of an investment property			40,000
Rental income on an investment property			9,910
Investment income			12,703
Finance costs			(155)
Profit before tax			98,673

For the six months ended 30 June 2013

	Hong Kong HK\$'000	PRC HK\$'000	Total HK\$'000
Segment revenue — external	1,942,844	2,208,100	4,150,944
Segment profit (loss)	23,834	(125,169)	(101,335)
Gain on fair value change of an investment property			30,000
Rental income on an investment property			9,855
Investment income			11,452
Finance costs			(188)
Loss before tax			(50,216)

Segment profit (loss) represents the profit earned (loss incurred) by each segment without allocation of gain on fair value change of an investment property, rental income on an investment property, investment income and finance costs. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

4. PRE-OPERATING EXPENSES

The amounts represent the set up costs for new stores. Included in pre-operating expenses are staff costs of HK\$nil (six months ended 30.6.2013: HK\$4,979,000).

5. FINANCE COSTS

	Six months ended 30.6.2014 HK\$'000	30.6.2013 HK\$'000
Interest on a finance lease	155	188

6. INCOME TAX EXPENSE (CREDIT)

	Six months ended	
	30.6.2014	30.6.2013
	HK\$'000	HK\$'000
The charge (credit) comprises:		
Current tax		
Hong Kong	10,800	11,500
Other regions in the PRC	4,104	6,346
	14,904	17,846
Overprovision in prior years		
Other regions in the PRC	—	(407)
Deferred tax		
Credited to profit or loss	(3,579)	(27,431)
Income tax expense (credit) for the period	11,325	(9,992)

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

The PRC income tax is calculated at 25% of the estimated assessable profits of the subsidiaries for both periods.

Deferred tax for both periods also attributable to the temporary differences arising from accelerated tax depreciation and impairment loss in respect of property, plant and equipment and an investment property, provision for staff costs and other expenses and the withholding tax at applicable tax rate of the undistributed earnings of subsidiaries.

7. DIVIDENDS

	Six months ended	
	30.6.2014	30.6.2013
	HK\$'000	HK\$'000
Dividend recognised as distribution during the period:		
Final dividend declared and paid for 2013 of 12.9 HK cents (six months ended 30.6.2013: 9.7 HK cents for 2012 final dividend) per ordinary share	33,540	25,220

Subsequent to the end of the current interim period, the directors of the Company have determined that an interim dividend of 8.1 HK cents per ordinary share (2013: Nil) amounting to HK\$21,060,000 (2013: Nil) and a special dividend of 20.0 HK cents per ordinary share (2013: Nil) amounting to HK\$52,000,000 (2013: Nil) will be paid to the owners of the Company whose name appear in the Register of Members on 30 September 2014. The interim dividend and the special dividend will be paid on or before 17 October 2014.

8. EARNING (LOSS) PER SHARE

The calculation of basic earning (loss) per share attributable to the owners of the Company is based on the Group's profit for the period attributable to the owners of the Company of HK\$81,937,000 (six months ended 30.6.2013: loss of HK\$26,341,000) and on 260,000,000 (six months ended 30.6.2013: 260,000,000) ordinary shares in issue during the period.

No diluted earning (loss) per share have been presented as there are no potential ordinary shares in issue for both periods.

9. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

During the current interim period, the Group acquired property, plant and equipment of approximately HK\$47,607,000 (six months ended 30.6.2013: HK\$116,417,000) to expand its operations.

Certain stores of the Group have been experiencing recurring losses or performing below budget. The management considered there were impairment indicators and hence conducted impairment assessment on the relevant stores, which constitutes individual cash-generating units ("CGU") for the purpose of impairment assessment. The recoverable amounts of the relevant assets have been determined on the basis of their value in use of the stores to which the relevant assets belong to. The value in use calculations use cash flow projections based on the latest financial budgets approved by the Company's management covering a period of 5 years, together with an extension period to the end of the relevant leases of the building fixtures with zero growth rate and at a discount rate of 7% and 10%. Cash flow projections during the budget period were based on the expected gross margins during the budget period and the budgeted margins have been determined based on past performance and management's expectations for the market development. Accordingly, an impairment loss of HK\$nil (six months ended 30.6.2013: HK\$93,275,000) has been recognised in respect of property, plant and equipment of the Group, which have been allocated to the building fixtures and furniture, fixtures and equipment of property, plant and equipment.

As at 30 June 2014, accumulated impairment loss on property, plant and equipment of the Group is HK\$185,447,000 (31.12.2013: HK\$185,447,000).

The fair value of the Group's investment property at 30 June 2014 has been arrived at on the basis of valuation carried out on that date by Savills Valuation and Professional Services Limited, an independent qualified professional valuers not connected with the Group. Savills Valuation and Professional Services Limited is a member of Institute of Valuers.

The fair value of the Group's investment property was determined based on the income capitalisation approach, where the market rental of the property are assessed and discounted at the market yield expected by investors for this type of property. The market rental are assessed by reference to the rentals achieved in the lettable units of the property as well as other lettings of similar properties in the neighborhood. The discount rate is determined by reference to the yields derived from analyzing the sales transactions of similar commercial properties in Hong Kong and adjusted to take into account the market expectation from property investors to reflect factors specific to the Groups' investment property.

The resulting increase in fair value of the investment property of HK\$40,000,000 has been recognised directly in profit or loss for the six months ended 30 June 2014 (six months ended 30.6.2013: HK\$30,000,000).

10. AVAILABLE-FOR-SALE INVESTMENTS

	30.6.2014 HK\$'000	31.12.2013 HK\$'000
Equity securities:		
Listed shares in Hong Kong at fair value	24,218	26,980

The listed shares in Hong Kong as at 30 June 2014 represents an investment in a fellow subsidiary. The fair value of this investment is determined based on the quoted market bid prices available on the stock exchange. The fair value of this investment was classified as Level 1 of the fair value hierarchy. There were no transfers between Level 1 and 2.

11. TIME DEPOSITS

As at 31 December 2013, time deposits represent Renminbi-denominated time deposits amounting to HK\$223,410,000 and United States dollar-denominated time deposit amounting to HK\$155,294,000 with an original maturity of three months or more to five years. The average effective interest rate of Renminbi-denominated and United States dollar-denominated time deposits was 2.90% and 1.30% per annum, respectively.

As at 30 June 2014, time deposits represent Renminbi-denominated time deposits amounting to HK\$25,096,000 and United States dollar-denominated time deposit amounting to HK\$11,293,000 with an original maturity of three months or more to one year. The average effective interest rate of Renminbi-denominated and United States dollar-denominated time deposits is 3.08% and 1.01% per annum, respectively. The deposits will expire in December 2014. Accordingly, these amounts are classified as current.

12. PLEDGED BANK DEPOSITS

	30.6.2014		31.12.2013	
	Non-current HK\$'000	Current HK\$'000	Non-current HK\$'000	Current HK\$'000
Bank deposits were pledged for the following purposes:				
As guarantee to:				
— landlords for rental deposits	22,083	7,027	25,642	3,746
As requirement by relevant PRC regulatory body for cash received from prepaid value cards sold	—	15,058	—	15,202
	22,083	22,085	25,642	18,948

13. TRADE RECEIVABLES

The Group does not have a defined fixed credit policy as its major trade receivables arise from credit card sales.

The following is an aged analysis of trade receivables presented based on the invoice date, which approximated the revenue recognition date, at the end of reporting periods:

	30.6.2014 HK\$'000	31.12.2013 HK\$'000
Within 30 days	23,117	35,251

14. TRADE PAYABLES

The following is an aged analysis of trade payables presented based on the invoice date at the end of reporting periods:

	30.6.2014 HK\$'000	31.12.2013 HK\$'000
0-60 days	1,094,702	1,228,223
61-90 days	95,991	106,112
Over 90 days	123,113	134,887
	1,313,806	1,469,222

15. AMOUNTS DUE TO ULTIMATE HOLDING COMPANY/FELLOW SUBSIDIARIES

The amounts due to fellow subsidiaries and ultimate holding company are trade-related, unsecured and interest free. The amounts are aged within 60 days based on the invoice date at the end of reporting periods.

16. CAPITAL COMMITMENTS

	30.6.2014 HK\$'000	31.12.2013 HK\$'000
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements	20,691	25,278
Capital expenditure in respect of acquisition of property, plant and equipment authorised but not contracted for in the condensed consolidated financial statements	50,046	51,276

17. RELATED PARTY TRANSACTIONS

During the current interim period, the Group entered into the following material transactions with related parties:

Capacity	Nature of transaction	Six months ended	
		30.6.2014 HK\$'000	30.6.2013 HK\$'000
Fellow subsidiaries	Commission for credit facilities provided to customers	6,997	6,819
	Franchise fee, consumable expenses and purchase of machines	121	119
	Other income	309	457
	Outsourcing service expense	5,682	5,329
	Purchase of goods	123,641	136,785
	Rental income	8,195	7,831
	Sales of goods	—	428
	Service fee expense	48,051	32,037
	Recharge for administrative expenses	9	46
	Reimbursement income of administrative expenses	518	1,764
	Consultancy fee	888	—
Ultimate holding company	Royalty expenses	25,138	23,706
Non-controlling shareholders of the subsidiaries*	Advertising expenses	1,858	2,919
	Rental expenses, management fees and utilities expenses	28,979	27,306
Directors and key management	Remuneration	5,918	6,304

* Non-controlling shareholders have significant influence over the subsidiaries.

Outstanding balances as at the end of reporting periods arising from the above transactions with related parties were as set out in the condensed consolidated statement of financial position except for the following balance, which is included in other receivables, prepayments and deposits:

	30.6.2014 HK\$'000	31.12.2013 HK\$'000
Amounts due from non-controlling shareholders of the subsidiaries (included in other receivables, prepayments and deposits)	6,232	6,720

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 29 September 2014 to 30 September 2014 (both days inclusive), for the purpose of ascertaining Shareholders' entitlement to the proposed interim dividend and the special dividend, during which period no transfers of Shares will be registered. In order to qualify for the proposed interim dividend and the special dividend, all share transfers accompanied by the relevant share certificates, must be lodged for registration with the Company's share registrar, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 26 September 2014.

BUSINESS REVIEW

The year 2014 has been a year of adjustment and consolidation for the Group. With the focus of enhancing the performance of the existing stores as a first priority, the strategy has started to bear fruit in the first half of the year with a turnaround in the financial results. For the six months ended 30 June 2014, the revenue of the Group rose by 5.9% to HK\$4,393.9 million (2013: HK\$4,150.9 million), driven by the stable growth of the Group's existing stores, including the full period contribution of the newly-opened stores. Income from direct sales increased by 6.6% while income from concessionaire sales decreased by 0.8%. As a result of the improvement of the operating results for the China business, the decrease in impairment loss recognized in respect of property, plant and equipment, and an increase in the fair value gain of an investment property, the Group recorded a profit attributable to the owners of the Company of HK\$81.9 million (2013: loss of HK\$26.3 million).

During the first half of 2014, the Hong Kong retail market remained sluggish owing to slower economic growth and surging rental costs. Consumers continued to be cautious with their spending. During the period under review, the Group stepped up its promotional activities and further enhanced the performance of its existing stores, which successfully countered the effects of the stagnant economic environment. Therefore, despite the closure of one store in Tokwawan in July 2013 and the other in Kwun Tong in May 2014, revenue from the Group's Hong Kong operations was still maintained at HK\$1,935.3 million (2013: HK\$1,942.8 million), with segment profit surging 87.4% to HK\$44.6 million (2013: HK\$23.8 million).

In the first half of 2014, the Group opened a new store in Choi Wan and closed the stores in Yuen Long and Kwun Tong. As at 30 June 2014, the Group operated a total of 41 stores in the territory (31 December 2013: 42 stores).

The economy in the PRC has stabilised entering 2014, yet as in the previous years, customer's preferences continued to change rapidly which posed a challenge to the Group. Nonetheless, the Group quickly addressed these changes by restructuring the merchandise assortment, improving customer services and enhancing the backend service support. In addition, the Group's newly-opened stores in the previous year steadily ramped up their sales performances, which helped boost not only its revenue but also overall results. During the period under review, revenue from the PRC operations rose to HK\$2,458.6 million (2013: HK\$2,208.1 million), up by 11.3% compared to the corresponding period last year. The segment loss during the reporting period narrowed significantly to HK\$8.4 million (2013: loss of HK\$125.1 million). As at 30 June 2014, the Group operated a total of 29 stores in south China (31 December 2013: 29 stores).

During the review period, staff costs decreased by 0.4% and the ratio of staff cost to revenue dropped from 12.4% to 11.7%, as a result of the Group's effort in streamlining its operations and improving efficiency. Rental costs rose by 3.7% and the ratio of rental costs to revenue was marginally reduced from 11.8% to 11.5% due to the growth in revenue. Other operating expenses representing selling, distribution and administrative expenses after deducting rental costs, decreased by 0.8% due to the Group's successful efforts in cost control.

The Group maintained a strong net cash position with cash and bank balances and short term time deposits of HK\$2,285 million as at 30 June 2014 (31 December 2013: HK\$2,345 million). The Group had no bank borrowings as at the end of the review period.

As at 30 June 2014, deposits of HK\$29.1 million (31 December 2013: HK\$29.3 million) were pledged as guarantees to landlords for rental deposits. Deposits of HK\$15.1 million (31 December 2013: HK\$15.2 million) were pledged as guarantees to regulatory bodies for gift cards sold.

BUSINESS REVIEW (Continued)

Capital expenditure for the period amounting to HK\$47.6 million was used for small-scale store renovations. The Group continues to finance capital expenditure with internal resources and short-term borrowings.

Fluctuation of exchange rates had no material impact on the Group as less than 5% of its total purchases were settled in foreign currencies.

20TH ANNIVERSARY OF LISTING

The year 2014 marks the 20th anniversary of AEON Stores (Hong Kong) Co., Limited's listing on the Hong Kong Stock Exchange. To celebrate this special occasion, the Group is embarking on a series of activities to celebrate and reward stakeholders for their continuous support over the years. First, in addition to the scheme to enhance communications with shareholders, the Group proposes the distribution of a special dividend to thank shareholders. As the shareholders are also its partners thus the Group is undertaking initiatives to build stronger relationships with them going forward. And to mark the bi-decennial with our customers, the Group is launching promotional activities which include the introduction of 20th anniversary limited edition products and redemption schemes together with anniversary sales promotions. The Group is also planning other activities to celebrate this special occasion with our staff.

ADOPT INITIATIVES TO BUILD STRONG RELATIONSHIP WITH CUSTOMER SHAREHOLDERS

The Company has adopted initiatives to build strong relationship with its customer shareholders.

The Company believes that our shareholders are also our partners. We incorporate this concept in our daily operations and work towards achieving the objective that our shareholders are also our loyal customers. Customer shareholders' opinions are reflected in our management through these initiatives.

Shareholders are offered a Shareholder Booklet and are encouraged to enjoy shopping at our stores, as well as relaxing in our AEON Lounge. They are welcome to share their advise about our merchandise and sales related matters with our staff while experiencing our house brand products of "AEON TOPVALU". These initiatives adopted help us to build an even stronger relationship with our customer shareholders. More information about the arrangements is posted on the corporate website, www.aeonstores.com.hk/eng/investor_relation.htm.

The Company believes that through these kinds of on site two-way communications with our customer shareholders regularly could improve the quality of our business management and ultimately benefits our business as a whole.

PROSPECTS

Looking ahead, the Group expects that the operational environment in both Hong Kong and the PRC markets will remain challenging. The retail industry and consumer sentiment in Hong Kong and south China will be adversely affected by slower economic growth, and the Group's operations in both markets encounter rising costs across various fronts. The Group will continue executing its strategy of strengthening and optimizing sales performance of its existing stores in the second half of 2014, while eyeing potential opportunities for future store expansion, for example, opening stores with higher flexibility in site locations and lower investment costs. The Group remains cautiously optimistic about its prospects and will continue to expand its business in a prudent manner.

HUMAN RESOURCES

As at 30 June 2014, the Group had approximately 8,000 full-time and 2,300 part-time employees in Hong Kong and the PRC. The Group competitively remunerates employees based on their performance, experience and the prevailing practices of the industry. As part of its commitment to delivering the highest standards of service to all of its customers, the Group intends to continue to dedicate effort on quality of its service by enhancing the skills and professionalism of its staff. Concurrently, it strives to create an environment where employees can grow through a fulfilling career development path and enjoy a sense of camaraderie as well as loyalty to the Group.

CASH-SETTLED SHARE-BASED PAYMENT TRANSACTIONS

The Company's cash-settled share-based payment scheme was adopted for the primary purpose of providing incentives to Directors and eligible employees. The Company issued to eligible persons under the scheme stock appreciation rights (the "SARs") that require the Company to pay the intrinsic value of the SARs to the employee at the date of exercise.

In March 2014, the Company has cancelled the scheme and the details of the SARs during the reporting period were as follows:

Date of grant	Exercise price HK\$	Vesting period	Exercisable period	Number of underlying SARs					Outstanding at 30.6.2014	
				Outstanding at 1.1.2014	Granted during the period	Exercised during the period	Cancelled during the period	Forfeited during the period		Reclassified during the period
Directors										
25.9.2009	15.236	1.6.2008 to 31.5.2009	1.6.2009 to 31.5.2015	4,800	—	—	(4,800)	—	—	—
	15.236	1.6.2008 to 31.5.2010	1.6.2010 to 31.5.2015	4,800	—	—	(4,800)	—	—	—
	15.236	1.6.2008 to 31.5.2011	1.6.2011 to 31.5.2015	6,400	—	—	(6,400)	—	—	—
	13.500	25.9.2009 to 24.9.2010	25.9.2010 to 24.9.2016	13,200	—	—	(13,200)	—	—	—
	13.500	25.9.2009 to 24.9.2011	25.9.2011 to 24.9.2016	13,200	—	—	(13,200)	—	—	—
	13.500	25.9.2009 to 24.9.2012	25.9.2012 to 24.9.2016	17,600	—	—	(17,600)	—	—	—
1.9.2010	14.260	1.9.2010 to 31.8.2011	1.9.2011 to 31.8.2017	17,400	—	—	(17,400)	—	—	—
	14.260	1.9.2010 to 31.8.2012	1.9.2012 to 31.8.2017	17,400	—	—	(17,400)	—	—	—
	14.260	1.9.2010 to 31.8.2013	1.9.2013 to 31.8.2017	24,800	—	—	(24,800)	—	—	—
1.9.2011	17.900	1.9.2011 to 31.8.2012	1.9.2012 to 31.8.2018	34,800	—	—	(34,800)	—	—	—
	17.900	1.9.2011 to 31.8.2013	1.9.2013 to 31.8.2018	34,800	—	—	(34,800)	—	—	—
	17.900	1.9.2011 to 31.8.2014	1.9.2014 to 31.8.2018	46,400	—	—	(46,400)	—	—	—
31.8.2012	22.290	31.8.2012 to 30.8.2013	31.8.2013 to 30.8.2019	53,700	—	—	(53,700)	—	—	—
	22.290	31.8.2012 to 30.8.2014	31.8.2014 to 30.8.2019	53,700	—	—	(53,700)	—	—	—
	22.290	31.8.2012 to 30.8.2015	31.8.2015 to 30.8.2019	71,600	—	—	(71,600)	—	—	—
30.8.2013	13.636	30.8.2013 to 29.8.2014	30.8.2014 to 29.8.2020	78,450	—	—	(78,450)	—	—	—
	13.636	30.8.2013 to 29.8.2015	30.8.2015 to 29.8.2020	78,450	—	—	(78,450)	—	—	—
	13.636	30.8.2013 to 29.8.2016	30.8.2016 to 29.8.2020	104,600	—	—	(104,600)	—	—	—
Employees										
1.9.2010	14.260	1.9.2010 to 31.8.2011	1.9.2011 to 31.8.2017	1,200	—	—	(1,200)	—	—	—
	14.260	1.9.2010 to 31.8.2012	1.9.2012 to 31.8.2017	1,200	—	—	(1,200)	—	—	—
	14.260	1.9.2010 to 31.8.2013	1.9.2013 to 31.8.2017	3,200	—	—	(3,200)	—	—	—
1.9.2011	17.900	1.9.2011 to 31.8.2012	1.9.2012 to 31.8.2018	3,600	—	—	(3,600)	—	—	—
	17.900	1.9.2011 to 31.8.2013	1.9.2013 to 31.8.2018	7,200	—	—	(7,200)	—	—	—
	17.900	1.9.2011 to 31.8.2014	1.9.2014 to 31.8.2018	9,600	—	—	(9,600)	—	—	—
31.8.2012	22.290	31.8.2012 to 30.8.2013	31.8.2013 to 30.8.2019	5,100	—	—	(5,100)	—	—	—
	22.290	31.8.2012 to 30.8.2014	31.8.2014 to 30.8.2019	5,100	—	—	(5,100)	—	—	—
	22.290	31.8.2012 to 30.8.2015	31.8.2015 to 30.8.2019	6,800	—	—	(6,800)	—	—	—
30.8.2013	13.636	30.8.2013 to 29.8.2014	30.8.2014 to 29.8.2020	7,800	—	—	(7,800)	—	—	—
	13.636	30.8.2013 to 29.8.2015	30.8.2015 to 29.8.2020	7,800	—	—	(7,800)	—	—	—
	13.636	30.8.2013 to 29.8.2016	30.8.2016 to 29.8.2020	10,400	—	—	(10,400)	—	—	—
				745,100	—	—	(745,100)	—	—	—

DIRECTORS' INTERESTS IN SHARES AND CASH-SETTLED SHARE-BASED PAYMENTS SCHEME

As at 30 June 2014, the interests of the Directors in the shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance ("SFO"), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

(A) THE COMPANY

Name of Directors	Number of ordinary shares held as personal interests	Approximate aggregate percentage of interests in the issued share capital of the Company %
CHAN Pui Man Christine	6,000	0.002
Yutaka AGAWA	12,000	0.005

(B) AEON CO., LTD., THE COMPANY'S ULTIMATE HOLDING COMPANY

Name of Directors	Number of shares held as personal interests	Approximate percentage of interests %
Yoshinori OKUNO	2,000	0.00024
Junichi SUZUKI	4,000	0.00047
Yoshiaki MIZUSHIMA	3,788	0.00045
Yutaka AGAWA	19,017	0.00225
Yuki HABU	7,708	0.00091
Kazuhiko YASUKAWA	4,000	0.00047

(C) OTHER ASSOCIATED CORPORATIONS

Name of Director	Associated corporation	Number of shares held as personal interests	Approximate percentage of interests %
Junichi SUZUKI	AEON Thana Sinsap (Thailand) Public Co., Ltd.	15,000	0.006
Yutaka AGAWA	AEON Co. (M) Bhd.	40,000	0.011

DIRECTORS' INTERESTS IN SHARES AND CASH-SETTLED SHARE-BASED PAYMENTS SCHEME (Continued)

(D) SHARE APPRECIATION RIGHTS

The Share Appreciation Rights of the Company are a form of cash-settled equity derivative. In March 2014, the Company has cancelled the Share Appreciation Rights Scheme and the particulars of the movements during the reporting period were as follows:

Date of grant	Exercise price HK\$	Vesting period	Exercisable period	Number of underlying SARs						
				Outstanding at 1.1.2014	Granted during the period	Exercised during the period	Cancelled during the period	Forfeited during the period	Reclassified during the period	Outstanding at 30.6.2014
CHAN Pui Man Christine										
25.9.2009	13.500	25.9.2009 to 24.9.2010	25.9.2010 to 24.9.2016	6,000	—	—	(6,000)	—	—	—
	13.500	25.9.2009 to 24.9.2011	25.9.2011 to 24.9.2016	6,000	—	—	(6,000)	—	—	—
	13.500	25.9.2009 to 24.9.2012	25.9.2012 to 24.9.2016	8,000	—	—	(8,000)	—	—	—
1.9.2010	14.260	1.9.2010 to 31.8.2011	1.9.2011 to 31.8.2017	9,600	—	—	(9,600)	—	—	—
	14.260	1.9.2010 to 31.8.2012	1.9.2012 to 31.8.2017	9,600	—	—	(9,600)	—	—	—
	14.260	1.9.2010 to 31.8.2013	1.9.2013 to 31.8.2017	12,800	—	—	(12,800)	—	—	—
1.9.2011	17.900	1.9.2011 to 31.8.2012	1.9.2012 to 31.8.2018	21,000	—	—	(21,000)	—	—	—
	17.900	1.9.2011 to 31.8.2013	1.9.2013 to 31.8.2018	21,000	—	—	(21,000)	—	—	—
	17.900	1.9.2011 to 31.8.2014	1.9.2014 to 31.8.2018	28,000	—	—	(28,000)	—	—	—
31.8.2012	22.290	31.8.2012 to 30.8.2013	31.8.2013 to 30.8.2019	42,000	—	—	(42,000)	—	—	—
	22.290	31.8.2012 to 30.8.2014	31.8.2014 to 30.8.2019	42,000	—	—	(42,000)	—	—	—
	22.290	31.8.2012 to 30.8.2015	31.8.2015 to 30.8.2019	56,000	—	—	(56,000)	—	—	—
30.8.2013	13.636	30.8.2013 to 29.8.2014	30.8.2014 to 29.8.2020	56,100	—	—	(56,100)	—	—	—
	13.636	30.8.2013 to 29.8.2015	30.8.2015 to 29.8.2020	56,100	—	—	(56,100)	—	—	—
	13.636	30.8.2013 to 29.8.2016	30.8.2016 to 29.8.2020	74,800	—	—	(74,800)	—	—	—
CHAN Suk Jing										
1.9.2010	14.260	1.9.2010 to 31.8.2013	1.9.2013 to 31.8.2017	1,600	—	—	(1,600)	—	—	—
1.9.2011	17.900	1.9.2011 to 31.8.2012	1.9.2012 to 31.8.2018	6,000	—	—	(6,000)	—	—	—
	17.900	1.9.2011 to 31.8.2013	1.9.2013 to 31.8.2018	6,000	—	—	(6,000)	—	—	—
	17.900	1.9.2011 to 31.8.2014	1.9.2014 to 31.8.2018	8,000	—	—	(8,000)	—	—	—
31.8.2012	22.290	31.8.2012 to 30.8.2013	31.8.2013 to 30.8.2019	8,400	—	—	(8,400)	—	—	—
	22.290	31.8.2012 to 30.8.2014	31.8.2014 to 30.8.2019	8,400	—	—	(8,400)	—	—	—
	22.290	31.8.2012 to 30.8.2015	31.8.2015 to 30.8.2019	11,200	—	—	(11,200)	—	—	—
30.8.2013	13.636	30.8.2013 to 29.8.2014	30.8.2014 to 29.8.2020	13,950	—	—	(13,950)	—	—	—
	13.636	30.8.2013 to 29.8.2015	30.8.2015 to 29.8.2020	13,950	—	—	(13,950)	—	—	—
	13.636	30.8.2013 to 29.8.2016	30.8.2016 to 29.8.2020	18,600	—	—	(18,600)	—	—	—
CHAK Kam Yuen										
25.9.2009	15.236	1.6.2008 to 31.5.2009	1.6.2009 to 31.5.2015	4,800	—	—	(4,800)	—	—	—
	15.236	1.6.2008 to 31.5.2010	1.6.2010 to 31.5.2015	4,800	—	—	(4,800)	—	—	—
	15.236	1.6.2008 to 31.5.2011	1.6.2011 to 31.5.2015	6,400	—	—	(6,400)	—	—	—
	13.500	25.9.2009 to 24.9.2010	25.9.2010 to 24.9.2016	7,200	—	—	(7,200)	—	—	—
	13.500	25.9.2009 to 24.9.2011	25.9.2011 to 24.9.2016	7,200	—	—	(7,200)	—	—	—
1.9.2010	13.500	25.9.2009 to 24.9.2012	25.9.2012 to 24.9.2016	9,600	—	—	(9,600)	—	—	—
	14.260	1.9.2010 to 31.8.2011	1.9.2011 to 31.8.2017	7,800	—	—	(7,800)	—	—	—
	14.260	1.9.2010 to 31.8.2012	1.9.2012 to 31.8.2017	7,800	—	—	(7,800)	—	—	—
1.9.2011	14.260	1.9.2010 to 31.8.2013	1.9.2013 to 31.8.2017	10,400	—	—	(10,400)	—	—	—
	17.900	1.9.2011 to 31.8.2012	1.9.2012 to 31.8.2018	7,800	—	—	(7,800)	—	—	—
	17.900	1.9.2011 to 31.8.2013	1.9.2013 to 31.8.2018	7,800	—	—	(7,800)	—	—	—
31.8.2012	17.900	1.9.2011 to 31.8.2014	1.9.2014 to 31.8.2018	10,400	—	—	(10,400)	—	—	—
	22.290	31.8.2012 to 30.8.2013	31.8.2013 to 30.8.2019	3,300	—	—	(3,300)	—	—	—
	22.290	31.8.2012 to 30.8.2014	31.8.2014 to 30.8.2019	3,300	—	—	(3,300)	—	—	—
30.8.2013	22.290	31.8.2012 to 30.8.2015	31.8.2015 to 30.8.2019	4,400	—	—	(4,400)	—	—	—
	13.636	30.8.2013 to 29.8.2014	30.8.2014 to 29.8.2020	8,400	—	—	(8,400)	—	—	—
	13.636	30.8.2013 to 29.8.2015	30.8.2015 to 29.8.2020	8,400	—	—	(8,400)	—	—	—
	13.636	30.8.2013 to 29.8.2016	30.8.2016 to 29.8.2020	11,200	—	—	(11,200)	—	—	—

Other than as disclosed above, at 30 June 2014, neither the Directors nor the chief executives of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of PART XV of the SFO).

SUBSTANTIAL SHAREHOLDERS

At 30 June 2014, shareholders (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, or had otherwise notified the Company were as follows:

Name of substantial shareholders	Long Positions Number of ordinary shares held	Approximate percentage of the issued share capital %
AEON Co., Ltd.	186,276,000 (Note 1)	71.64
Aberdeen Asset Management Plc and its Associates (together "the Aberdeen Group") on behalf of accounts managed by the Aberdeen Group	32,804,500 (Note 2)	12.62

Note 1: These shares are held as to 177,500,000 shares by AEON Co., Ltd., 7,000,000 shares by AEON (U.S.A.), Inc., and 1,776,000 shares by AEON Credit Service (Asia) Company Limited ("ACS").

AEON (U.S.A.), Inc. is a wholly-owned subsidiary of AEON Co., Ltd. and AEON Co., Ltd. is deemed to be interested in the 7,000,000 shares owned by AEON (U.S.A.), Inc.

ACS is effectively owned by AEON Co., Ltd. as to 280,588,000 shares representing 67.00% of the issued share capital of ACS. AEON Co., Ltd. is deemed to be interested in the 1,776,000 shares owned by ACS.

Note 2: These shares are held by Aberdeen Asset Management Plc and its Associates (together "the Aberdeen Group") on behalf of accounts managed by the Aberdeen Group in the capacity of an investment manager. Aberdeen Group has the power to vote as to 25,011,500 shares representing 9.62% of the issued share capital of the Company.

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the shares or underlying shares of the Company as at 30 June 2014.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2014, neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

The Board of the Company has complied throughout the six months ended 30 June 2014 with the code provisions set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") contained in Appendix 14 to the Listing Rules.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by Directors. Having made specific enquiry of all Directors, all Directors have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2014.

The Audit Committee of the Company has reviewed the unaudited interim results for the six months ended 30 June 2014 with management.

UPDATED INFORMATION OF DIRECTORS

The changes in the information of Directors are set out below pursuant to Rule 13.51B of the Listing Rules:

CHANGES IN DIRECTORS

Name of Directors	Details of change
OKUNO Yoshinori	Appointed as director of AEON TOPVALU (Hong Kong) Co., Limited on 19 June 2014
MIZUSHIMA Yoshiaki	Appointed as Deputy Managing Director and Executive Director on 21 March 2014
	Appointed as director of AEON TOPVALU (Hong Kong) Co., Limited on 19 June 2014
CHAN Suk Jing	Resigned as Executive Director on 21 March 2014
HABU Yuki	Appointed as Non-executive Director on 21 March 2014
YASUKAWA Kazuhiko	Appointed as Non-executive Director on 21 March 2014
TSUJI Haruyoshi	Resigned as Non-executive Director on 21 March 2014
KOMATSU Takashi	Resigned as Non-executive Director on 21 March 2014
CHAN Yi Jen Candi Anna	Appointed as member of Nomination Committee and Remuneration Committee, both on 22 May 2014
LO Miu Sheung, Betty	Appointed as member of Nomination Committee and Remuneration Committee, both on 22 May 2014

CHANGES IN DIRECTORS' EMOLUMENTS

The emoluments of the Directors are determined by the Board with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

With effect from 1 January 2014, the Directors entitlement to director fee and emoluments (which will be pro-rata to the period of services in the year of their appointments) for the year ending 31 December 2014 are as follows:

Name of Directors	Emoluments HK\$
CHAN Pui Man Christine	1,845,000
SUZUKI Junichi	1,828,000
MIZUSHIMA Yoshiaki	1,599,000
CHAK Kam Yuen	1,225,000
OKUNO Yoshinori	3,247,000
CHAN Yi Jen Candi Anna	170,000
LO Miu Sheung, Betty	170,000

By order of the Board of
AEON Stores (Hong Kong) Co., Limited
CHAN Pui Man, Christine
Managing Director

Hong Kong, 21 August 2014