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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)

**ANNOUNCEMENT
PROFIT WARNING**

This announcement is made pursuant to the provisions of inside information under Part XIVA of the SFO and Rule 13.09(2) of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that, based on the preliminary assessment by the Group's management of the unaudited management accounts of the Group for the twelve months ended 31 December 2012, the Group is expected to record a significant decrease in its net profit for the twelve months ended 31 December 2012 as compared to the twelve months ended 31 December 2011.

Shareholders 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** and together with its subsidiaries, the **Group**) pursuant to the provisions of inside information under Part XIVA of the Securities and Future Ordinance (Cap.571, Laws of Hong Kong) (the **SFO**) and Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the **Listing Rules**).

The Board of Directors of the Company (the **Board**) wishes to inform the shareholders of the Company (the **Shareholders**) and potential investors that based on preliminary assessment by the Group's management of the unaudited management accounts of the Group for the twelve months ended 31 December 2012, the Group is expected to record a significant decrease in its net profit for the twelve months ended 31 December 2012 as compared to the twelve months ended 31 December 2011.

Based on the information currently available, the decrease in profit is expected to be mainly attributable to similar factors as discussed in the 2012 Interim Report, namely (i) an increase in pre-operating expenses incurred for new store openings; (ii) an increase in impairment loss recognized in respect of the Group's property plant and equipment and (iii) a decrease in the Group's operating results as the increase in operating revenue has been less than the increase in the operating expenses.

As the Company is still in the process of finalizing the results of the Group for the twelve months period ended 31 December 2012, the information contained in this announcement is only based on a preliminary assessment by the Group's management of the unaudited management accounts of the Group and the information available for the time being, but not on any data or information which has been audited or reviewed by the auditors of the Company. The audited results of the Group for the twelve months ended 31 December 2012 are expected to be announced by the Company in March 2013.

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
CHAN Pui Man, Christine
Managing Director

Hong Kong, 18 February 2013

As at the date of this announcement, the executive Directors of the Company are Ms. Chan Pui Man, Christine, Mr. Junichi Suzuki and Ms. Chan Suk Jing; the non-executive Directors are Mr. Yoshinori Okuno, Mr. Haruyoshi Tsuji, Mr. Yutaka Agawa and Mr. Takashi Komatsu; 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.