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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
POSITIVE PROFIT ALERT**

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

The Board wishes to inform the Shareholders and potential investors that, based on preliminary review by the Group's management of the unaudited management accounts of the Group for the six months ended 30 June 2011, the Group is expected to record a significant increase in its net profit for the six-months ended 30 June 2011 as compared to the six months ended 30 June 2010.

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 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 of the Company (the **Board**) wishes to inform the shareholders of the Company (the **Shareholders**) and potential investors that based on preliminary review by the Group's management of the unaudited management accounts of the Group for the six months ended 30 June 2011, the Group is expected to record a significant increase in its net profit for the six months ended 30 June 2011 as compared to the six months ended 30 June 2010.

Based on the information currently available, the profit increase is expected to be mainly attributable to a revaluation gain arising from Wilson Logistics Centre, an investment property purchased by the Company during the six months ended 30 June 2011 and the continuing improvement of operating results of the Group resulting from the improving consumer sentiment in China. Further details of the acquisition of Wilson Logistics Centre can be found in the announcement dated 7 December 2010.

As the Company is still in the process of finalizing the results of the Group for the six month period ended 30 June 2011, 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 unaudited interim results of the Group for the six months ended 30 June 2011 are expected to be announced by the Company in August 2011.

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
LAM Man Tin
Managing Director

Hong Kong, 22 July 2011

As at the date of this announcement, the executive Directors of the Company are Mr. Lam Man Tin, Ms. Chan Pui Man, Christine and Mr. Yuji Yoneta; the non-executive Directors are Mr. Yoshinori Okuno, Mr. Haruyoshi Tsuji, Mr. Akio Yoshida 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.