



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)

APPOINTMENT AND RESIGNATION OF DIRECTORS

The Board announces the following appointment and resignation of Directors as from 2 June 2006:

1. Mr. Yutaka Fukumoto has been appointed as the Deputy Managing Director of the Company.
2. Mr. Akihito Tanaka has been appointed as a Non-executive Director, a member of the Audit Committee and the Chairman of the Remuneration Committee of the Company.
3. Ms. Cheng Yin Ching, Anna has been appointed as an Independent Non-executive Director and a member of the Audit Committee of the Company.
4. Mr. Motoya Okada and Mr. Kazumasa Ishii have resigned as Non-executive Directors.

The Board of Directors (the "Board") of AEON Stores (Hong Kong) Co., Limited (the "Company") announces as follows:

1. Mr. Yutaka Fukumoto has been appointed as the Deputy Managing Director of the Company;
2. Mr. Akihito Tanaka has been appointed as a Non-executive Director of the Company. He has also been appointed to replace Mr. Tatsuichi Yamaguchi as a member of the Audit Committee and the Chairman of the Remuneration Committee of the Company;
3. Ms. Cheng Yin Ching, Anna has been appointed as an Independent Non-executive Director and a member of the Audit Committee of the Company; and
4. Mr. Motoya Okada and Mr. Kazumasa Ishii have resigned as Non-executive Directors of the Company.

All the above changes shall take effect from 2 June 2006.

Mr. Yutaka Fukumoto

Mr. Fukumoto (aged 49) was the Managing Director of Guangdong JUSCO Teem Stores Co., Ltd. from 2002 to 2003. He has over 10 years of experience in the PRC retail industry. He was the Leader of the Asia Business Strategy team of AEON Co., Ltd., the holding company of the Company, from September 2003 to May 2006. He joined AEON Co., Ltd. in 1979.

Mr. Fukumoto graduated from the Osaka University in Japan with a bachelor degree in Engineering.

There will be a service contract entered into between the Company and Mr. Fukumoto. The service contract, when concluded, will be for a period of one year and renewable automatically for consecutive periods of one year subject to retirement and re-election at each annual general meeting of the Company in accordance with its articles of association. Subject to the service contract, Mr. Fukumoto's annual remuneration including fringe benefits and allowance will be HK\$1,257,396 (which will be pro-rata to the period of services in the year of his appointment) for the year ending 31 December 2006.

As at the date of this announcement, Mr. Fukumoto does not have any interest or short position in the share capital of the Company and its associated corporations within the meaning of Part XV of the Securities & Futures Ordinance ("SFO").

Mr. Akihito Tanaka

Mr. Tanaka (aged 58) is the Executive Vice President of AEON Co., Ltd., the holding company of the Company. He was a director of the Company from 1996 to 2003 and the Managing Director of the Company from 1997 to 1998. He joined AEON Co., Ltd. in 1970.

He graduated from the Kansai University in Japan with a bachelor degree in Journalism.

There is no service contract between the Company and Mr. Tanaka. He will be entitled to an annual director's fee of HK\$170,000 (which will be pro-rata to the period of services in the year of his appointment) for the year ending 31 December 2006.

As at the date of this announcement, Mr. Tanaka has personal interests in 50,000 shares in the Company. He also has personal interests in 13,900 shares in AEON Co., Ltd., 3,194 shares in AEON Fantasy Co., Ltd., 20,000 shares in AEON Thana Sinsap (Thailand) Plc., 300,000 shares in AEON Co. (M) Bhd., 100 shares in Ryukyu JUSCO Co., Ltd. and 2,000 shares in AEON Mall Co., Ltd., all of which are associated corporations of the Company within the meaning of the SFO.

Ms. Cheng Yin Ching, Anna

Ms. Cheng (aged 36) is a fellow of the Association of Chartered Certified Accountants and also a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants. From 1997 to 2004, she was the Finance Director of Rosedale Hotel Group Limited (now renamed as China Velocity Group Limited), a company listed on The Stock Exchange of Hong Kong Limited. She is currently the Chief Financial Officer of Peterson Holdings Company Limited.

There is no service contract between the Company and Ms. Cheng. She will be entitled to an annual director's fee of HK\$120,000 (which will be pro-rata to the period of services in the year of her appointment) for the year ending 31 December 2006.

As at the date of this announcement, Ms. Cheng does not have any interest or short position in the share capital of the Company and its associated corporations within the meaning of Part XV of the SFO.

Mr. Motoya Okada

Mr. Okada will focus on the strategic development of AEON Co., Ltd. following his resignation as a Non-executive Director of the Company on 2 June 2006. Mr. Okada has confirmed that there is no disagreement with the Board and there is no matter relating to his resignation that needs to be brought to the attention of the shareholders of the Company.

Mr. Kasumasa Ishii

Mr. Ishii will take up a new post in AEON Co., Ltd. following his resignation as a Non-executive Director of the Company on 2 June 2006. Mr. Ishii has confirmed that there is no disagreement with the Board and there is no matter relating to his resignation that needs to be brought to the attention of the shareholders of the Company.

General Information

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. All Directors of the Company (whether appointed for specific term or not) are subject to retirement and re-election at each annual general meeting of the Company in accordance with the articles of association of the Company.

Save as disclosed herein, (i) Mr. Fukumoto, Mr. Tanaka and Ms. Cheng do not hold any directorship in other listed public companies in Hong Kong in the last three years, nor they have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company, and (ii) there is no information to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules and there are no other matters that need to be brought to the attention of the shareholders of the Company in connection with their appointment.

The Board would like to welcome Mr. Yutaka Fukumoto, Mr. Akihito Tanaka and Ms. Cheng Yin Ching, Anna on their appointment. The Board also wishes to take this opportunity to express its sincere thankfulness to Mr. Motoya Okada and Mr. Kazumasa Ishii for their valuable contributions to the Company during their tenure of the office of Non-executive Directors.

By Order of the Board
Lam Man Tin
Managing Director

Hong Kong, 2 June 2006

As at the date of this announcement, the Board of the Company comprises Mr. Lam Man Tin, Mr. Yutaka Fukumoto and Mr. Wong Mun Yu as executive directors, Mr. Toshiji Tokiwa, Mr. Akihito Tanaka, Mr. Tatsuichi Yamaguchi and Mr. Naoyuki Miyashita as non-executive directors, and Mdm. Lam Pei Peggy, Mr. Sham Sui Leung, Daniel and Ms. Cheng Yin Ching, Anna as independent non-executive directors.