

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND CONVERTIBLE BONDS

At 31 August 2003, the interests of the directors and their associates in the shares, underlying shares and convertible bonds 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 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	Percentage of the issued share capital of the Company %
Kazumasa ISHII	80,000	0.031
Kozo MURATA	8,000	0.003
WONG Mun Yu	18,000	0.007
LAM Man Tin	50,000	0.019
Motoya OKADA	100,000	0.038
Tatsuichi YAMAGUCHI	100,000	0.038
SHAO You Bao	200,000	0.077
LAM Pei Peggy	200,000	0.077
	756,000	0.290

(b) AEON Co., Ltd., the Company's ultimate holding company

Name of directors	Number of shares held			Percentage of interest %
	Personal interests	Family interests	Total	
Toshiji TOKIWA	2,000	–	2,000	0.0006%
Kazumasa ISHII	7,000	–	7,000	0.0021%
Kozo MURATA	3,000	–	3,000	0.0009%
Motoya OKADA (Note)	201,248	4,371	205,619	0.0617%
Tatsuichi YAMAGUCHI	11,000	–	11,000	0.0033%
	224,248	4,371	228,619	0.0686%

Note:

The family interest of Mr. Motoya OKADA is held by his spouse. In addition, Mr. Motoya OKADA also has a personal interest in the debentures of AEON Co., Ltd. with a total nominal value of ¥2,000,000.

(c) Other associated corporations

	Toshiji		Kozo		Motoya		SHAO	
	TOKIWA		MURATA		OKADA		You Bao	
	Number of shares	Percentage of interest	Number of shares	Percentage of interest	Number of shares	Percentage of interest	Number of shares	Percentage of interest
		%		%		%		%
AEON Credit Service (Asia) Company Limited	-	-	-	-	110,000	0.026	330,000	0.079
AEON Fantasy Co., Ltd.	-	-	-	-	22,000	0.211	-	-
AEON Forest Co., Ltd.	-	-	-	-	3,000	0.037	-	-
AEON Mall Co., Ltd.	-	-	-	-	1,200	0.004	-	-
AEON Techno Service Co., Ltd.	-	-	-	-	5	0.000	-	-
AEON Thana Sinsap (Thailand) Plc.	100,000	0.926	-	-	300,000	0.600	-	-
Certo Co., Ltd.	-	-	-	-	2	0.033	-	-
Jaya JUSCO Stores Bhd.	-	-	-	-	75,000	0.085	-	-
Kyushu JUSCO Co., Ltd.	-	-	-	-	2,400	0.002	-	-
Laura Ashley Japan Co., Ltd.	-	-	1	0.012	10	0.119	-	-
Maxvalu Tohoku Co., Ltd.	-	-	-	-	6,000	0.050	-	-
Reform Studio Co., Ltd.	-	-	-	-	5	0.208	-	-
Ryukyu JUSCO Co., Ltd.	-	-	-	-	500	0.089	-	-
Taiwan JUSCO Co., Ltd.	1	0.000	-	-	1	0.000	-	-
The Talbots, Inc.	-	-	-	-	44,000	0.076	-	-
Zwei Co., Ltd.	-	-	-	-	4	0.111	-	-

All the shares held are personal interests.

Other than as disclosed above, at 31 August 2003, none of the directors, chief executives nor their associates had any interests or short positions in any shares, underlying shares and convertible bonds of the Company or any of its associated corporations.

CORPORATE GOVERNANCE

None of the directors of the Company is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the six months ended 31 August 2003, in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules.

REVIEW OF INTERIM RESULTS

The unaudited results of the Group for the six months ended 31 August 2003 have been reviewed by the Audit Committee.

By order of the Board
Kazumasa ISHII
Managing Director

Hong Kong, 24 October 2003