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AEON

JUSCO
吉之島

JUSCO STORES (HONG KONG) CO., LIMITED
吉之島 (香港) 百貨有限公司

(Incorporated in Hong Kong with limited liability)

CONNECTED TRANSACTION

The Company has entered into a licence agreement with Aeon Credit on 16th May, 2002 in respect of a shop space in the Company's Kornhill Store for a term of 2 years. This licence agreement takes effect from 13th May, 2002.

The licence agreement constitutes a connected transaction for the Company under Rule 14.25(1) of the Listing Rules.

PARTIES

1. Jusco Stores (Hong Kong) Co., Limited (the "Company") is a company listed on the Stock Exchange of Hong Kong Limited ("Stock Exchange") and is principally engaged in the operation of general merchandise stores; and
2. Aeon Credit Service (Asia) Company Limited ("Aeon Credit") is a company listed on the Stock Exchange and is principally engaged in the provision of consumer credit finance services which include the issuance of credit cards, the provision of vehicle financing, hire purchase financing and personal loan financing.

LICENCE AGREEMENT

Location	Licence period	Area	Monthly licence fee
Shop No. L302, 3/F	13th May, 2002 to	846 sq. ft.	HK\$125,810.00
The Company's Kornhill store	12th May, 2004		(exclusive of rates and management fees)

This licence agreement in effect renewed the existing license agreement between the Company and Aeon Credit in respect of the same shop space signed on 10th May, 2000. The licence agreement takes effect from 13th May, 2002.

The monthly licence fee was arrived at after arm's length negotiations taking into account the size and location of the shop area, the expected business volume and the prevailing rental market and are on normal commercial terms. The directors of the Company (including the independent non-executive director, Ms. Lam Pei, Peggy) consider that the terms of the licence agreement are fair and reasonable in so far as its shareholders are concerned.

CONNECTION BETWEEN THE PARTIES

As at the date of this announcement, AEON Co., Ltd. is a substantial shareholder of the Company, holding approximately 71.64% of the issued share capital of the Company. Since AEON Co., Ltd. also holds approximately 66.22% of the issued share capital of Aeon Credit as at the date of this announcement, Aeon Credit is an associate of AEON Co., Ltd. and the licence agreement constitutes connected transactions of the Company under the Listing Rules.

DISCLOSURE

As the annual licence fee payable by Aeon Credit to the Company in relation to the licence agreement is less than the higher of HK\$10,000,000 or 3% of the audited consolidated net tangible assets of the Company as disclosed in its latest published audited accounts for the year ended 28th February, 2002, Rule 14.25(1) of the Listing Rules requires the Company to make this announcement and disclose such details in its annual report.

By Order of the Board
Kazumasa Ishii
Managing Director

Hong Kong, 16th May, 2002