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AEON CREDIT SERVICE (ASIA) COMPANY LIMITED
AEON 信貨財務(亞洲)有限公司

AEON

(Incorporated in Hong Kong with limited liability)
(Stock Code: 900)

CONNECTED TRANSACTION

AEON Taiwan, which is owned as to 87.8% by AEON Credit Japan and 12.2% by the Company, has offered 28,300,000 new shares at the nominal value of NTD10 each for subscription. On 13th February 2006, the Company subscribed for 3,450,000 new shares in AEON Taiwan, which is in proportion to its shareholding in AEON Taiwan, for a consideration of NTD34,500,000 (approximately HK\$8,400,000).

As AEON Taiwan is a subsidiary of AEON Credit Japan, which is a substantial shareholder of the Company, AEON Taiwan is a connected person of the Company for the purposes of the Listing Rules and the subscription constitutes a connected transaction for the Company under the Listing Rules.

Since the relevant percentage ratios calculated under the Listing Rules in respect of the subscription is less than 2.5%, the subscription is only subject to the reporting and announcement requirements and is exempt from independent shareholders' approval requirements under the Listing Rules.

SUBSCRIPTION OF SHARES

Date	13th February 2006
Parties	(1) AEON Credit Service (Asia) Company Limited (the "Company") (2) AEON Credit Card (Taiwan) Co., Ltd. ("AEON Taiwan")
Subscription	3,450,000 new shares at the nominal value of New Taiwan Dollars (NTD) 10 each in AEON Taiwan, representing 12.2% of the enlarged issued share capital of AEON Taiwan upon completion of subscription
Consideration	NTD34,500,000 (approximately HK\$8,400,000) payable in cash upon completion and funded by the internal resources of the Company
Completion	13th February 2006

The above consideration was determined by reference to the nominal value of the shares of AEON Taiwan.

INFORMATION ON AEON TAIWAN

AEON Taiwan is a company incorporated in Taiwan in August 2002 with limited liability. AEON Taiwan is owned as to 87.8% by AEON Credit Service Co., Ltd. ("AEON Credit Japan") and 12.2% by the Company. The principal activities of AEON Credit Japan are credit card and personal loan business. The principal activity of AEON Taiwan is credit card business.

As at 20th February 2005, the audited total asset value of AEON Taiwan was approximately NTD336,800,000 (approximately HK\$81,700,000). For the financial year ended 20th February 2004, the audited net losses before and after taxation of AEON Taiwan were approximately NTD95,300,000 (approximately HK\$23,100,000). For the financial year ended 20th February 2005, the audited net losses before and after taxation of AEON Taiwan were approximately NTD94,200,000 (approximately HK\$22,800,000).

REASONS FOR THE SUBSCRIPTION

AEON Taiwan has achieved a good growth in terms of business volume and receivables in the past years despite the net losses resulting from the high setup costs. AEON Taiwan is expected to grow faster in the coming years with its aggressive business expansion in issuing more affinity cards with leading retailers and chain stores in the consumer market in Taiwan. The Company knows AEON Taiwan's business well and is confident that the Company's investment in AEON Taiwan will bring good returns to the Company in the long run and thus enhancing the shareholders' value of the Company.

The directors of the Company, including the independent non-executive directors, are of the view that the terms of the subscription are fair and reasonable and in the interests of the Company and its shareholders as a whole.

CONNECTED TRANSACTION

As AEON Taiwan is a subsidiary of AEON Credit Japan, which is a substantial shareholder of the Company interested in approximately 51.9% of the issued share capital of the Company, AEON Taiwan is a connected person of the Company for the purposes of the Listing Rules and the subscription constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

Since the relevant percentage ratios calculated under the Listing Rules is less than 2.5%, the subscription is only subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules and is exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Details of the subscription will be included in the next published annual report and accounts of the Company.

GENERAL

The Company 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.

By order of the Board
Masanori Kosaka
Managing Director

Hong Kong, 13th February 2006

As at the date of this announcement, the executive directors of the Company are Mr. Masanori Kosaka (Managing Director), Mr. Lai Yuk Kwong and Ms. Koh Yik Kung; the non-executive directors are Mr. Yoshiki Mori (Chairman), Mr. Kazuhide Kamitani and Mr. Yoichi Kimura; and the independent non-executive directors are Dr. Shao You Bao, Mr. Tsang Wing Hong and Mr. Wong Hin Wing.

“Please also refer to the published version of this announcement in The Standard.”