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## AEON CREDIT SERVICE (ASIA) COMPANY LIMITED



### AEON 信貸財務(亞洲)有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 900)

## CONNECTED TRANSACTION

On 6th March 2006, the Company entered into the Shareholders' Agreement with AEON Credit Japan for the establishment of a guarantee company in Beijing to mainly engage in the provision of credit guarantee services.

Pursuant to the Shareholders' Agreement, the guarantee company will be owned as to 50% by the Company and 50% by AEON Credit Japan. The proposed registered capital of the guarantee company is US\$10 million (approximately HK\$78 million), which will be contributed by the Company and AEON Credit Japan in cash in equal shares.

Since AEON Credit Japan is a substantial shareholder of the Company, AEON Credit Japan is a connected person of the Company for the purposes of the Listing Rules and the transaction contemplated under the Shareholders' Agreement constitutes a connected transaction for the Company under the Listing Rules.

As the applicable percentage ratios for the transaction is less than 2.5%, the transaction is only subject to the reporting and announcement requirements and is exempt from independent shareholders' approval requirements under the Listing Rules.

### INTRODUCTION

On 6th March 2006, the Company entered into the Shareholders' Agreement with AEON Credit Japan for the establishment of a guarantee company in Beijing to mainly engage in the provision of credit guarantee services.

### SHAREHOLDERS' AGREEMENT

#### Date

6th March 2006

#### Parties

- (a) The Company
- (b) AEON Credit Japan

### Registered Capital of Guarantee Company

Pursuant to the Shareholders' Agreement, the guarantee company will be owned as to 50% by the Company and 50% by AEON Credit Japan. The total capital commitment of the parties and the proposed registered capital of the guarantee company is US\$10 million (approximately HK\$78 million), which will be contributed by the Company and AEON Credit Japan in cash in equal shares. The guarantee company will be an associate of the Company and accounted for in the financial statements using the equity method.

The obligations of the parties as to the contribution to the registered capital of the guarantee company are conditional upon, amongst other things, obtaining all necessary approvals, consents, authorisations and licences from the relevant authorities in the PRC.

### Board Composition of Guarantee Company

The board of directors of the guarantee company shall initially consist of three directors, two nominated by the Company and one nominated by AEON Credit Japan. AEON Credit Japan shall have the right to nominate additional directors upon notification to the Company so that AEON Credit Japan shall control the composition of the board.

### REASONS FOR THE TRANSACTION

The Company has extensive experience in the consumer finance business and has been providing hire purchase financing in Hong Kong since its establishment. The Company has also started hire purchase consultation business in Shenzhen since 2002. The formation of the guarantee company will facilitate the Company's plan to launch hire purchase service in major cities in the PRC, which has been enjoying strong economic growth during the past decade. There is an emergence of the middle class in major cities in the PRC who endeavour to improve their living quality and with increasing consumption power. With our expertise in the consumer finance business, the Company is confident to succeed in tapping this huge market, which in return 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, consider that the terms of the Shareholders' Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

### LISTING RULES REQUIREMENTS

Since AEON Credit Japan is a substantial shareholder of the Company interested in approximately 51.9% of the issued share capital of the Company, AEON Credit Japan is a connected person of the Company for the purposes of the Listing Rules and the transaction contemplated under the Shareholders' Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios for the transaction is less than 2.5%, the transaction is only subject to the reporting and announcement requirements set out in 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 transaction will be included in the next published annual report and accounts of the Company.

### INFORMATION ABOUT THE COMPANY AND AEON CREDIT JAPAN

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.

AEON Credit Japan is principally engaged in credit card and personal loan business.

### DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the following meanings:

"AEON Credit Japan"	AEON Credit Service Co., Ltd., a company incorporated in Japan with limited liability, the shares of which are listed on the Tokyo Stock Exchange, Inc.
"Company"	AEON Credit Service (Asia) Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China
"Shareholders' Agreement"	a shareholders' agreement entered into between the Company and AEON Credit Japan on 6th March 2006 in relation to the establishment of a guarantee company in Beijing

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“US\$”

United States dollars, the lawful currency of the United States of America

By Order of the Board  
**Masanori Kosaka**  
*Managing Director*

Hong Kong, 6th March 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.”