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AEON CREDIT SERVICE (ASIA) COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 900)



CONNECTED TRANSACTION

On 20th September 2007, the Company subscribed for 173 new shares in AEON Indonesia for a consideration of IDR5,190,000,000 (approximately HK\$4,414,000).

The Share Subscription constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to the reporting and announcement requirements of Chapter 14A of the Listing Rules.

PARTICULARS OF THE SHARE SUBSCRIPTION

Date	20th September 2007
Parties	(1) The Company (2) AEON Indonesia
Number of shares	173 new shares at the nominal value of IDR30 million each in AEON Indonesia, representing 5.18% of the enlarged issued share capital of AEON Indonesia upon completion of the Share Subscription
Consideration	IDR5,190,000,000 (approximately HK\$4,414,000) payable in cash on the date of completion and funded by the internal resources of the Company
Completion	25th September 2007

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

INFORMATION ON AEON INDONESIA

AEON Indonesia is a company incorporated in Indonesia with limited liability. Prior to the completion of the Share Subscription, AEON Indonesia is an 85% non-wholly owned subsidiary of AEON Credit Japan. AEON Indonesia is principally engaged in the consumer finance business.

The audited net asset value of AEON Indonesia as at 31st December 2006 was IDR12,853,163,000 (approximately HK\$10,931,000). The audited profit before and after taxation of AEON Indonesia for the financial year ended 31st December 2005 was IDR208,383,000 (approximately HK\$177,000). The audited net loss before and after taxation of AEON Indonesia for the financial year ended 31st December 2006 was IDR4,914,116,000 (approximately HK\$4,179,000) and IDR3,147,627,000 (approximately HK\$2,677,000) respectively.

Upon completion of the Share Subscription, AEON Indonesia will be owned as to 74.64% by AEON Credit Japan and 5.18% by the Company. The Share Subscription will be accounted for as available-for-sale investment in the financial statements of the Group and measured at fair value at each balance sheet date subsequent to initial recognition.

REASONS FOR THE SHARE SUBSCRIPTION

AEON Indonesia is currently providing hire purchase financing for electrical appliances, furniture and motorcycles in Indonesia. With the anticipated increase in the demand for consumer finance in Indonesia, AEON Indonesia is expected to grow in the coming years with its aggressive business expansion in expanding its branch and merchant networks. The Company knows AEON Indonesia's business well and is confident that the Company's investment in AEON Indonesia 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 Share Subscription are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES REQUIREMENTS

AEON Indonesia 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 Indonesia is therefore a connected person of the Company under the Listing Rules and the Share Subscription constitutes a connected transaction for the Company under the Listing Rules.

As each of the applicable percentage ratios in respect of the Share Subscription is less than 2.5%, the Share Subscription 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 the Listing Rules. Details of the Share 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 and the provision of personal loan financing and hire purchase financing for vehicles and household and other consumer products.

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.
“AEON Indonesia”	PT. AEON Credit Service Indonesia, a company incorporated in Indonesia with limited liability
“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
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“IDR”	Indonesia rupiah, the lawful currency of Indonesia
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Share Subscription”	the subscription of 173 new shares of IDR30 million each by the Company in AEON Indonesia
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
Masanori Kosaka
Managing Director

Hong Kong, 20th September 2007

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Masanori Kosaka (Managing Director), Mr. Lai Yuk Kwong (Deputy Managing Director), Mr. Tomoyuki Kawahara (Senior Executive Director), Ms. Koh Yik Kung, Mr. Pan Shu Pin, Ban and Mr. Fung Kam Shing, Barry as Executive Directors; Mr. Yoshiki Mori (Chairman) and Mr. Kazuhide Kamitani as Non-executive Directors; and Mr. Tsang Wing Hong, Mr. Wong Hin Wing and Dr. Hui Ching Shan as Independent Non-executive Directors.