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AEON CREDIT SERVICE (ASIA) COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock code: 900)

CONTINUING CONNECTED TRANSACTION

On 24th November 2008, the Company entered into the Master Agreement with AEON Philippines for the provision of Services by AEON Philippines to the Company.

As AEON Philippines is a fellow subsidiary of the Company, the Master Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to the reporting and announcement requirements.

MASTER AGREEMENT

On 24th November 2008, the Company entered into the Master Agreement with AEON Philippines for a term of 1 year commencing on 1st November 2008 and ending on 31st October 2009 for the provision of the Services by AEON Philippines to the Company. The Master Agreement may be terminated by either party prior to its expiry by giving not less than 30 days' prior written notice and may be renewed on such terms and conditions as the parties may mutually agree.

In accordance with the terms of the Master Agreement, the Company has engaged AEON Philippines to provide the Services including but not limited to computer software development services, technical consultation services, system implementation services, system integration services, maintenance and support services and other computer related services requested by the Company from time to time.

Pursuant to the terms of the Master Agreement, the Company shall pay service fees to AEON Philippines which are determined between the parties after arm's length negotiations with reference to the actual time spent and number of individuals assigned to provide the Services with individual fee rates vary according to their position, degree of responsibility involved and experience and skills required in performing the Services. The individual fee rates charged by AEON Philippines are competitive when compared with the fee rates charged by the other existing service providers. The service fees shall be payable on a monthly basis after receipt of an invoice issued by AEON Philippines.

ANNUAL CAP

It is estimated that the maximum aggregate amount payable by the Company to AEON Philippines under the Master Agreement will not exceed the caps set out below:

Financial Year/Period

1/11/2008 to 20/2/2009

21/2/2009 to 31/10/2009

Cap

HK\$ 4,600,000

HK\$ 5,800,000

The above proposed caps are calculated based on the agreed scope of Services to be provided by AEON Philippines and the estimated number of individuals assigned and time spent by such individuals to provide the Services with reference to the individual fee rates specified in the Master Agreement.

REASONS FOR THE TRANSACTION

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.

AEON Philippines was set up by **AEON** Credit Japan early this year with the objective to provide information and communication technology services to **AEON** Credit Japan's overseas subsidiaries including the Company ("AEON Credit Group"). AEON Philippines may extend the services to third party clients in the future.

Due to the close relationship between the parties, AEON Philippines has in-depth knowledge and understanding of the business and systems of the Company which would facilitate faster response to meet the Company's information and communication system development, enhancement and maintenance needs. In outsourcing jobs to AEON Philippines of which the Company is a shareholder, the Company can have better control on completion time. Furthermore, AEON Philippines will create a common platform for system development and maintenance for AEON Credit Group and the Company will have the priority to use this common platform which would be expected to improve the Company's operation efficiency further.

The Directors of the Company, including the Independent Non-executive Directors, consider that the Master Agreement is entered into in the ordinary and usual course of business of the Company and the terms of Master Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole and that the proposed caps are fair and reasonable.

LISTING RULES REQUIREMENTS

AEON Philippines is owned as to 10% by the Company and 70% by **AEON** Credit Japan, which is a substantial shareholder of the Company interested in approximately 51.94% of the issued share capital of the Company. AEON Philippines is therefore a connected person of the Company under the Listing Rules and the Master Agreement constitutes a continuing connected transaction for the Company under the Listing Rules.

As each of the applicable percentage ratios in respect of the annual cap 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 and the requirements set out in Rules 14A.35(1) and 14A.35(2) of the Listing Rules and is exempt from independent shareholders' approval requirements of Chapter 14A of the Listing Rules. Details of the transaction will be included in the next published annual report and accounts of the Company.

There is no prior transaction among the Group and AEON Philippines and AEON Credit Japan and their associates which requires to be aggregated with this transaction under Rule 14A.25 of the Listing Rules.

DEFINITIONS

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

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| “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 Philippines” | AEON Credit Technology Systems (Philippines) Inc., a company incorporated in Philippines 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 |
| “Listing Rules” | The Rules Governing the Listing of Securities on the Stock Exchange |
| “Master Agreement” | the master service agreement dated 24th November 2008 entered into between the Company and AEON Philippines |
| “Services” | including but not limited to computer software development services, technical consultation services, system implementation services, system integration services, maintenance and support services and other computer related services requested by the Company from time to time |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |

By order of the Board
Masanori Kosaka
Managing Director

Hong Kong, 25th November 2008

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, Dr. Pan Shu Pin, Ban and Mr. Fung Kam Shing, Barry as Executive Directors; Mr. Yoshiki Mori (Chairman), Mr. Kazuhide Kamitani and Mr. Takatoshi Ikenishi as Non-executive Directors; and Mr. Wong Hin Wing and Dr. Hui Ching Shan as Independent Non-executive Directors.