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AEON CREDIT SERVICE (ASIA) COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock code: 900)



CONTINUING CONNECTED TRANSACTION

On 14th May 2008, the Company entered into the Licence Agreement with AEON Stores for the leasing of a shop space from AEON Stores for the operation of a branch office for a term of two years from 27th April 2008 to 26th April 2010.

As AEON Stores is a fellow subsidiary of the Company, the Licence 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.

LICENCE AGREEMENT

Date

14th May 2008

Parties

- (a) The Company as licensee
- (b) AEON Stores as licensor

Premises

Shop No. L302, 3/F, Kornhill Plaza (South), 2 Kornhill Road, Quarry Bay, Hong Kong, with an approximate area of 846 square feet

Term

Two years from 27th April 2008 to 26th April 2010

Licence Fee

HK\$152,280 per month exclusive of rates and management fee

Management Fee

HK\$8,460 per month

Based on the licence fee and management fee mentioned above, the maximum aggregate amount payable by the Company to AEON Stores in respect of the Licence Agreement will not exceed the annual caps set out below:

Financial Year/Period	Annual Cap
27/4/2008 to 20/2/2009	HK\$1,582,906
21/2/2009 to 20/2/2010	HK\$1,928,880
21/2/2010 to 26/4/2010	HK\$ 345,974

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 Stores is principally engaged in the operation of general merchandise stores.

The Company has been providing credit facilities to customers of AEON Stores and considers it beneficial to enter into the Licence Agreement to facilitate the continuation of such services as well as to maintain a close business relationship with AEON Stores.

The Directors of the Company, including the Independent Non-executive Directors, consider that the Licence Agreement is entered into in the ordinary and usual course of business of the Company and the terms of the Licence Agreement are on normal commercial terms, which are arrived at after arm's length negotiations between the parties and by reference to open market rent of properties of comparable size and location, and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES REQUIREMENTS

AEON Stores is a connected person of the Company within the meaning of the Listing Rules by virtue of its being 71.64% owned by **AEON** Co., Ltd., which in turn is a substantial shareholder of the Company interested in approximately 66.22% of the issued share capital of the Company. Accordingly, the Licence 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 of the Listing Rules and exempt from independent shareholders' approval requirements under the Listing Rules. Details of the transaction will be included in the next published annual report and accounts of the Company.

DEFINITIONS

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

“AEON Stores”	AEON Stores (Hong Kong) Co., Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“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 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
“Licence Agreement”	the licence agreement dated 14th May 2008 entered into between the Company and AEON Stores
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
Masanori Kosaka
Managing Director

Hong Kong, 14th May 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) 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.