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AEON CREDIT SERVICE (ASIA) COMPANY LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock code: 900)

CONTINUING CONNECTED TRANSACTION

Reference is made to the announcement of the Company dated 4 September 2008 in relation to the continuing connected transaction under the Corporate Expenses Sharing Agreement entered into between the Company and **AEON** Credit Japan.

Due to the appreciation of Japanese Yen against Hong Kong dollar, the estimated annual cap for the year ending 20 February 2009 will be exceeded. The Company has therefore revised the annual caps.

The applicable percentage ratios under Rule 14A.34 of the Listing Rules with respect to the revised annual caps will not exceed 2.5%.

BACKGROUND

Reference is made to the announcement of the Company dated 4 September 2008 in relation to the continuing connected transaction under the Corporate Expenses Sharing Agreement entered into between the Company and **AEON** Credit Japan.

Under the Corporate Expenses Sharing Agreement, **AEON** Credit Japan would provide various advisory services to the Company including advice on overall business strategies, marketing strategies, funding arrangements, banking relationships, system development and investment opportunities for a term of three years from 21 February 2008 to 20 February 2011.

Pursuant to the terms of the Corporate Expenses Sharing Agreement, the Company would share the corporate expenses incurred by **AEON** Credit Japan in providing the advisory services. **AEON** Credit Japan would invoice the Company in Japanese Yen every six months following the end of each half-year accounting period and the Company would make payment in Japanese Yen by the 10th of the month following each period end. The corporate expenses are calculated based on the expenses incurred by the overseas business division of **AEON** Credit Japan for the previous six months and allocated to each of the overseas listed subsidiaries including the Company according to their previous year's audited operating profits.

ANNUAL CAP

The existing annual caps for each of the three years ending 20 February 2011 are HK\$5,500,000, HK\$6,200,000 and HK\$6,900,000 respectively.

For the period from 21 February 2008 to 20 August 2008, the amount paid by the Company was approximately HK\$2,840,000 (JPY37,750,000). For the period from 21 August 2008 to 20 February 2009, the amount to be invoiced to and payable by the Company would be JPY37,750,000 which is equivalent to approximately HK\$3,230,000 based on the current exchange rate of JPY11.71 for HK\$1.00. The total amount for the year would be approximately HK\$6,100,000 which would exceed the annual cap of HK\$5,500,000.

The Company has therefore revised the existing annual caps for each of the three years ending 20 February 2011 to HK\$6,100,000, HK\$6,800,000 and HK\$7,600,000. The revised caps are determined with reference to the estimated expenses to be incurred by the overseas business division of **AEON** Credit Japan and the allocation of the expenses amongst the overseas listed subsidiaries based on the audited operating profits of these listed overseas subsidiaries for the year ended 20 February 2008 and the prevailing exchange rate.

There is no change in the terms of the Corporate Expenses Sharing Agreement save for the annual caps.

REASONS FOR ENTERING INTO THE TRANSACTION

AEON Credit Japan is one of the leading consumer finance services companies in Japan and has extensive know-how and expertise in the consumer finance industry. **AEON** Credit Japan has brought in innovative ideas on marketing and card acquisition programs which are beneficial to the business of the Company.

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

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 constitutes a continuing connected transaction for the Company under the Listing Rules.

As the applicable percentage ratios with respect to the revised caps are below 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) 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 between the Group and **AEON**Credit Japan which requires to be aggregated with this transaction under Rule 14A.25 of the Listing Rules.

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.

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
“Corporate Expenses Sharing Agreement”	the agreement dated 4 September 2008 entered into between the Company and AEON Credit Japan
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the Peoples’ Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“JPY”	Japanese Yen, the lawful currency of Japan
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
Masanori Kosaka
Managing Director

Hong Kong, 16 February 2009

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.