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

CONTINUING CONNECTED TRANSACTION

On 29 October 2009, the Company entered into the New Master Agreement with AEON Philippines to renew the Previous Master Agreement for the provision of the Services by AEON Philippines to the Company.

AEON Philippines is a fellow subsidiary of the Company. Accordingly, the New Master Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios in respect of the New Master Agreement is less than 2.5%, the transaction is only subject to the reporting and announcement requirements and exempt from independent shareholders' approval requirements of Chapter 14A of the Listing Rules.

BACKGROUND

Reference is made to the announcement of the Company dated 25 November 2008 in respect of the Previous Master Agreement with AEON Philippines for the provision of the Services. As the Previous Master Agreement expired on 31 October 2009, the Company entered into the New Master Agreement with AEON Philippines to renew the Previous Master Agreement for the provision of the Services by AEON Philippines to the Company.

NEW MASTER AGREEMENT

On 29 October 2009, the Company entered into the New Master Agreement with AEON Philippines for a term of 1 year commencing on 1 November 2009 and ending on 31 October 2010 for the provision of the Services by AEON Philippines to the Company. The New 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 New 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 as may be 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/quoted by other service providers. The service fees shall be payable on a monthly basis after receipt of an invoice issued by AEON Philippines.

ANNUAL CAPS

The annual caps for the transactions contemplated under the Previous Master Agreement for the year ended 20 February 2009 and for the period ended 31 October 2009 were HK\$4,600,000 and HK\$5,800,000 respectively. The total amount of service fees paid and payable by the Company to AEON Philippines under the Previous Master Agreement for the year ended 20 February 2009 and for the period ended 30 September 2009 amounted to HK\$1,938,000 and HK\$5,101,000 respectively. For the month of October 2009, the amount of service fees payable by the Company will amount to approximately HK\$490,000.

It is estimated that the maximum aggregate amount of service fees payable by the Company to AEON Philippines under the New Master Agreement will not exceed the Annual Caps set out below:

<u>Financial Year/Period</u>	<u>Annual Caps</u>
1/11/2009 to 20/2/2010	HK\$ 2,680,000
21/2/2010 to 31/10/2010	HK\$ 6,100,000

The Annual Caps are calculated based on the historical amounts and 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 New 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 last 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 the 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 New Master Agreement is entered into in the ordinary and usual course of business of the Company, the terms of New Master Agreement are on normal commercial terms, and both the terms of the New Master Agreement and the Annual Caps fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

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 New Master Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios in respect of the New Master Agreement 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 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 Philippines or **AEON** Credit Japan which requires aggregation 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:

“ 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
“Annual Caps”	the annual caps under the New Master Agreement

“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
“New Master Agreement”	the master service agreement dated 29 October 2009 entered into between the Company and AEON Philippines, the particulars of which are set out in this announcement
“Previous Master Agreement”	the master service agreement dated 24 November 2008 entered into between the Company and AEON Philippines, which expired on 31 October 2009
“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 as may be 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, 2 November 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 Dr. Hui Ching Shan, Mr. Wong Hin Wing and Professor Tong Jun as Independent Non-executive Directors.