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

### **CONNECTED TRANSACTION**

On 28th April 2010, the Company and ACTS entered into the FEP System Agreement pursuant to which ACTS agreed to grant to the Company a non-exclusive, non-transferable licence to use the Licensed Software.

As ACTS is a fellow subsidiary of the Company, the FEP System Agreement constitutes a connected transaction for the Company under the Listing Rules and is subject to the reporting and announcement requirements and exempt from independent shareholders' approval requirements of Chapter 14A of the Listing Rules.

### **FEP SYSTEM AGREEMENT**

#### **Date**

28th April 2010

#### **Parties**

- (a) The Company
- (b) ACTS

#### **Subject matter**

Pursuant to the FEP System Agreement, ACTS agreed to grant to the Company a non-exclusive, non-transferable licence to use the Licensed Software and supply the Deliverables in accordance with the terms of the FEP System Agreement, that is (a) to provide Customization Services for customizing, developing and implementing the Licensed Software in accordance with the specifications agreed between the parties; and (b) to deliver and install the Licensed Software at the Company's designated site.

#### **Consideration**

US\$1,926,000 (approximately HK\$15,100,000)

The consideration was arrived at after arm's length negotiations between the parties and after taking into account (i) the fees quoted by other service providers; (ii) the implementation costs including training and travel expenses; and (iii) the ownership of the source code of the Licensed Software by ACTS, of which the Company is a shareholder, which would facilitate timely system modification and enhancement.

### **Payment terms**

The consideration shall be payable in the following manner after receipt of an invoice issued by ACTS:

<u>Date of payment</u>	<u>Amount</u>
On or before 30th April 2010	US\$385,200(approximately HK\$3,020,000)
On or before 31st October 2010	US\$385,200 (approximately HK\$3,020,000)
On or before 31st December 2010	US\$770,400 (approximately HK\$6,040,000)
On or before 31st October 2011	US\$385,200 (approximately HK\$3,020,000)

### **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.

ACTS is principally engaged in the provision of information and communication technology services primarily to **AEON** Credit Japan's overseas subsidiaries including the Company.

The Company has been relying on an overseas service provider for the development, modification, enhancement and maintenance of its existing FEP System, which has risk and limitation on its business expansion and business continuity. It is therefore desirable to acquire a new customized FEP System which not only can support the Company's business expansion but also can be modified and enhanced quickly and efficiently.

Due to the close relationship between the parties, ACTS 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. The Company believes that the Licensed Software would support its business expansion, improve its system performance and support a stable business operation which would further improve the Company's operation efficiency. In addition, the Company can rely on ACTS to provide timely system modification and enhancement given that ACTS has access to the source code.

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

### **LISTING RULES IMPLICATIONS**

ACTS 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. ACTS is therefore a connected person of the

Company under the Listing Rules and the FEP System Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios in respect of the FEP System 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. 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:

“ACTS”	AEON Credit Technology Systems (Philippines) Inc., a company incorporated in Philippines with limited liability
“ <b>AEON</b> Credit Japan”	<b>AEON</b> 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
“Customization Services”	the design, changes, modifications and alterations to the Licensed Software and the Company's equipment, including without limitation any alterations or modifications to the features or parameter settings of the Licensed Software and the Company's equipment which are specifically requested by the Company and not included in the Licensed Software
“Deliverables”	the supply of the Licensed Software and related documentation including user manuals and related materials by ACTS under the FEP System Agreement
“FEP System”	a card transaction processing system called front end processing system
“FEP System Agreement”	the new overseas FEP System agreement dated 28th April 2010 entered into between the Company and ACTS
“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
“Licensed Software”	new customized FEP System
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of United States of America

By order of the Board  
**Masanori Kosaka**  
*Managing Director*

Hong Kong, 28th April 2010

*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.*