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

CONNECTED TRANSACTIONS

Reference is made to the Company's announcement dated 20 February 2012 in relation to the February 2012 Agreements entered into between the Company and ACS Japan.

On 10 September 2012, the Company and ACH entered into the September 2012 Agreements.

ACH is a wholly owned subsidiary of ACS Japan, which is a controlling shareholder of the Company. Accordingly, the transactions contemplated under the September 2012 Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Given that the February 2012 Agreements and the September 2012 Agreements are related, the transactions contemplated under the February 2012 Agreements would have to be aggregated with the transactions contemplated under the September 2012 Agreements pursuant to Rule 14A.25 of the Listing Rules. As each of the applicable percentage ratios for the transactions contemplated under the September 2012 Agreements and the February 2012 Agreements on an aggregate basis is less than 5%, the transactions contemplated under the September 2012 Agreements are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

A. CONNECTED TRANSACTIONS

On 10 September 2012, the Company and ACH entered into (i) the ACCT Sale and Purchase Agreement; and (ii) the ACST Sale and Purchase Agreement. Pursuant to the ACCT Sale and Purchase Agreement, the Company agreed to sell and ACH agreed to purchase the ACCT Shares for a cash consideration of NT\$159,853,000 (equivalent to approximately HK\$41,726,000). Pursuant to the ACST Sale and Purchase Agreement, the Company agreed to sell and ACH agreed to purchase the ACST Shares for a cash consideration of NT\$5,517,000 (equivalent to approximately HK\$1,440,000).

Particulars of the ACCT Sale and Purchase Agreement and the ACST Sale and Purchase Agreement are set out below.

B. ACCT SALE AND PURCHASE AGREEMENT

Date

10 September 2012

Parties

Seller: The Company
Purchaser: ACH

Assets to be sold

The ACCT Shares comprising 11,649,999 shares in the capital of ACCT.

Consideration

The consideration of NT\$159,853,000 shall be payable by ACH in cash on completion.

The consideration payable by ACH was arrived at with reference to the appraised value of ACCT as at 20 June 2012 as appraised by an independent valuer adopting the discounted cash flow method based on the latest financial budgets prepared by ACCT management covering a period of 9 years. Budgeted net profit projections were based on the historical records and business prospects of ACCT.

Based on the cost of the ACCT Shares of HK\$28,078,000 as recorded in the consolidated statement of financial position of the Group as of 20 February 2012, the Company will make a gain of approximately HK\$13,648,000 from the sale. The gain will be recorded under other gains and losses in the consolidated income statement of the Group for the year ending 20 February 2013. The proceeds from the sale shall be used as general working capital of the Group.

Completion

Completion of the ACCT Sale and Purchase Agreement shall take place after relevant approval being granted by the relevant government authorities in Taiwan in respect of the transfer of the ACCT Shares.

C. ACST SALE AND PURCHASE AGREEMENT

Date

10 September 2012

Parties

Seller: The Company
Purchaser: ACH

Assets to be sold

The ACST Shares comprising 399,999 shares in the capital of ACST.

Consideration

The consideration of NT\$5,517,000 shall be payable by ACH in cash on completion.

The consideration payable by ACH was arrived at with reference to the appraised value of ACST as at 20 June 2012 as appraised by an independent valuer adopting the discounted cash flow method based on the latest financial budgets prepared by ACST management covering a period of 6 years. Budgeted net profit projections were based on the historical records and business prospects of ACST.

Based on the cost of the ACST Shares of HK\$988,000 as recorded in the consolidated statement of financial position of the Group as of 20 February 2012, the Company will make a gain of approximately HK\$452,000 from the sale. The gain will be recorded under other gains and losses in the consolidated income statement of the Group for the year ending 20 February 2013. The proceeds from the sale shall be used as general working capital of the Group.

Completion

Completion of the ACST Sale and Purchase Agreement shall take place after relevant approval being granted by the relevant government authorities in Taiwan in respect of the transfer of the ACST Shares.

D. REASONS FOR THE TRANSACTIONS

The ACCT Sale and Purchase Agreement and the ACST Sale and Purchase Agreement were entered into by the Company (a) in accordance with the Company's strategy to dispose of non-core assets of the Company; and (b) as part of an intra-group restructuring carried out for the purpose of reorganization and rationalization of the ACS Japan Group's corporate organization structure in order to maximize operational and structural efficiencies.

The Directors of the Company, including the Independent Non-executive Directors, consider that the terms of the ACCT Sale and Purchase Agreement and the ACST Sale and Purchase Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

E. INFORMATION ON THE COMPANY, ACH, ACCT AND ACST

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.

ACH is an investment holding company which was incorporated in June 2012.

ACCT is principally engaged in credit card business in Taiwan.

ACST is principally engaged in the provision of financing for instalment sales of consumer goods in Taiwan.

The audited financial information of ACCT is as follows:

	For the year ended 31 December	
	2011	2010
	<i>(NT\$ million)</i>	<i>(NT\$ million)</i>
Net profit before taxation and extraordinary items	23.8	21.9
Net profit after taxation and extraordinary items	28.2	27.4
Net asset value	750.6	722.4

The audited financial information of ACST is as follows:

	For the year ended 31 December	
	2011	2010
	<i>(NT\$ million)</i>	<i>(NT\$ million)</i>
Net profit before taxation and extraordinary items	9.0	2.8
Net profit after taxation and extraordinary items	7.1	1.9
Net asset value	56.7	49.6

F. LISTING RULES IMPLICATIONS

ACH is a wholly owned subsidiary of ACS Japan, which is a controlling shareholder of the Company interested in approximately 51.94% of the issued share capital of the Company. Accordingly, the transactions contemplated under the September 2012 Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Reference is made to the Company's announcement dated 20 February 2012 in relation to the February 2012 Agreements entered into between the Company and ACS Japan.

Given that the February 2012 Agreements and the September 2012 Agreements are related, the transactions contemplated under the February 2012 Agreements would have to be aggregated with the transactions contemplated under the September 2012 Agreements pursuant to Rule 14A.25 of the Listing Rules. As each of the applicable percentage ratios for the transactions contemplated under the September 2012 Agreements and the February 2012 Agreements on an aggregate basis is less than 5%, the transactions contemplated under the September 2012 Agreements are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Details of the transactions will be included in the next published annual report and accounts of the Company.

Mr. Masao Mizuno, Mr. Lai Yuk Kwong and Ms. Koh Yik Kung, who are directors of ACH, may be regarded as having a material interest in the transactions contemplated under the September 2012 Agreements. Accordingly, Mr. Masao Mizuno, Mr. Lai Yuk Kwong and Ms. Koh Yik Kung had abstained from voting on the board resolutions approving the transactions.

DEFINITIONS

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

“ACCT”	AEON Credit Card (Taiwan) Co., Ltd., a company incorporated in Taiwan with limited liability
“ACCT Sale and Purchase Agreement”	the agreement dated 10 September 2012 entered into between the Company and ACH relating to the sale and purchase of the ACCT Shares by the Company to ACH
“ACCT Shares”	the Company's entire shareholding in ACCT, comprising 11,649,999 shares of NT\$10 each, representing approximately 12.2% of the issued share capital of ACCT

“ACH”	AEON Credit Holdings (Hong Kong) Co., Limited, a company incorporated in Hong Kong with limited liability
“ACS 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.
“ACS Japan Group”	ACS Japan and its subsidiaries
“ACST”	AEON Credit Service (Taiwan) Co., Ltd., a company incorporated in Taiwan with limited liability
“ACST Sale and Purchase Agreement”	the agreement dated 10 September 2012 entered into between the Company and ACH relating to the sale and purchase of the ACST Shares by the Company to ACH
“ACST Shares”	the Company’s entire shareholding in ACST, comprising 399,999 shares of NT\$10 each, representing approximately 8% of the issued share capital of ACST
“February 2012 Agreements”	the ACSM Sale and Purchase Agreement and the APMC Sale and Purchase Agreement entered into between the Company and ACS Japan, details of which were set out in the announcement of the Company dated 20 February 2012
“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
“NT\$”	New Taiwan dollars, the lawful currency of Taiwan
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“September 2012 Agreements”	the ACCT Sale and Purchase Agreement and the ACST Sale and Purchase Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
Fung Kam Shing, Barry
Managing Director

Hong Kong, 11 September 2012

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Fung Kam Shing, Barry (Managing Director), Mr. Tomoyuki Kawahara, Ms. Koh Yik Kung and Ms. Chan Fung Kuen, Dorothy as Executive Directors; Mr. Masao Mizuno (Chairman) and Mr. Lai Yuk Kwong as Non-executive Directors; and Dr. Hui Ching Shan, Mr. Wong Hin Wing and Professor Tong Jun as Independent Non-executive Directors.