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

CONTINUING CONNECTED TRANSACTION

On 31 October 2012, the Company and ACS Systems entered into the New Master Agreement to renew the Previous Master Agreement for the provision of the Services by ACS Systems to the Company.

ACS Systems is a fellow subsidiary of the Company. Accordingly, the New Master Agreement constitutes a continuing connected transaction for the Company under the Listing Rules.

As each of the applicable percentage ratios in respect of the New Master Agreement is less than 5%, the transaction is subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirements under the Listing Rules.

BACKGROUND

Reference is made to the announcement of the Company dated 31 October 2011 in respect of the Previous Master Agreement with ACS Systems for the provision of the Services. As the Previous Master Agreement will expire on 31 October 2012, the Company and ACS Systems entered into the New Master Agreement to renew the Previous Master Agreement for the provision of the Services by ACS Systems to the Company.

NEW MASTER AGREEMENT

On 31 October 2012, the Company and ACS Systems entered into the New Master Agreement for the period commencing on 1 November 2012 and ending on 31 October 2013 for the provision of the Services by ACS Systems 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, ACS Systems shall provide the Services to the Company 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 New Master Agreement, the Company shall pay service fees to ACS Systems on a monthly basis after receipt of an invoice issued by ACS

Systems. The service fees 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 ACS Systems are competitive when compared with the fee rates charged/quoted by other service providers.

ANNUAL CAPS

The annual caps for the transactions contemplated under the Previous Master Agreement for the year ended 20 February 2012 and for the period from 21 February 2012 to 31 October 2012 were HK\$2,700,000 and HK\$6,100,000 respectively as disclosed in the Company's announcement dated 31 October 2011. The total amount of service fees paid and payable by the Company to ACS Systems under the Previous Master Agreement for the year ended 20 February 2012 amounted to HK\$1,944,000 and for the period from 21 February 2012 to 30 September 2012 amounted to HK\$3,733,000. For the month of October 2012, the amount of service fees payable by the Company would amount to approximately HK\$589,000. The total amount of service fees paid and payable by the Company to ACS Systems under the Previous Master Agreement for the period ending 31 October 2012 would not exceed the annual cap of HK\$6,100,000.

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

<u>Financial Period</u>	<u>Annual Caps</u>
1/11/2012 to 20/2/2013	HK\$3,300,000
21/2/2013 to 31/10/2013	HK\$7,500,000

The Annual Caps are calculated based on the historical amounts and the agreed scope of Services to be provided by ACS Systems 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.

ACS Systems is principally engaged in the provision of information and communication technology services to ACS Japan Group.

Due to the close relationship between the parties, ACS Systems 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 ACS Systems, of which the Company is a shareholder, the

Company can have better control on the completion time. Furthermore, ACS Systems will create a common platform for system development and maintenance for ACS Japan 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 are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

ACS Systems is owned as to 10% by the Company and 70% by ACS Japan, which is a substantial shareholder of the Company interested in approximately 51.94% of the issued share capital of the Company. ACS Systems 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 the Listing Rules.

As each of the applicable percentage ratios in respect of the New Master Agreement is less than 5%, the transaction is subject to the reporting, announcement and annual review requirements but exempt from the 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.

As none of the Directors of the Company has a material interest in the transaction, no Director has abstained from voting on the board resolutions approving the transaction.

DEFINITIONS

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

“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 overseas subsidiaries including the Company
“ACS Systems”	AEON Credit Service Systems (Philippines) Inc. (formerly known as AEON Credit Technology Systems (Philippines) Inc.), a company incorporated in the 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
“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 31 October 2012 entered into between the Company and ACS Systems, the particulars of which are set out in this announcement
“Previous Master Agreement”	the master service agreement dated 31 October 2011 entered into between the Company and ACS Systems
“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
Fung Kam Shing, Barry
Managing Director

Hong Kong, 31 October 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 Prof. Tong Jun as Independent Non-executive Directors.