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

**CONTINUING CONNECTED TRANSACTION**

On 16 January 2012, the Company entered into the New Licence Agreement with AEON Stores for the lease of the New Premises.

AEON Stores is a fellow subsidiary of the Company. Accordingly, the New Licence 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 Licence Agreement is less than 5%, the transaction is subject to the reporting, announcement and annual review requirements and exempt from the independent shareholders' approval requirements under the Listing Rules.

**BACKGROUND**

The Company and AEON Stores entered into the Previous Licence Agreement for the lease of the Previous Premises for a term from 24 June 2010 to 29 February 2012 at a monthly licence fee of HK\$63,500 and management fee of HK\$2,794. As the aggregate annual consideration under the Previous Licence Agreement falls under the de minimis exemption, the Previous Licence Agreement was exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under the Listing Rules. The Company now requires a bigger premises to accommodate a card embossing room for the issue of instant credit cards. Hence, the Company entered into the New Licence Agreement with AEON Stores for the lease of the New Premises.

**NEW LICENCE AGREEMENT**

**Date**

16 January 2012

**Parties**

- (a) The Company as licensee
- (b) AEON Stores as licensor

**New Premises**

Shop No. G002, Ground Floor, Tuen Mun Town Plaza, Phase 1, 1 Tuen Shun Street, Tuen Mun, New Territories, Hong Kong, with an approximate area of 403 square feet.

**Term**

16 January 2012 to 15 January 2014

**Licence Fee**

HK\$100,750 per month (exclusive of rates and management fee) payable monthly in advance. The licence fee was determined on an arm's length basis with reference to the licence fee of the Previous Premises and prevailing market rates.

**Management Fee**

HK\$4,836 per month (subject to adjustment) payable monthly in advance

**Caps**

Based on the licence fee and management fee mentioned above, the maximum aggregate amount payable by the Company to AEON Stores under the New Licence Agreement would not exceed the caps set out below.

<u>Financial Year/Period</u>	<u>Caps</u>
16/1/2012 to 20/2/2012	HK\$400,000
21/2/2012 to 20/2/2013	HK\$1,500,000
21/2/2013 to 15/1/2014	HK\$1,400,000

**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.

AEON Stores is principally engaged in the operation of general merchandise stores.

The Company is using the New Premises as a branch office of the Company for the provision of consumer credit finance services to the customers of both the Company and AEON Stores. The Company considers it beneficial to enter into the New Licence Agreement to ensure the continued provision of the services to the customers as well as to maintain a close business relationship with AEON Stores.

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

**LISTING RULES IMPLICATIONS**

AEON Stores is a connected person of the Company within the meaning of the Listing Rules by virtue of its being 71.64% owned by **AEON** Co., Ltd., which in turn is a substantial shareholder of the Company interested in approximately 66.22% of the issued share capital of the Company. Accordingly, the New Licence 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 Licence Agreement is less than 5%, the transaction is subject to the reporting, announcement and annual review requirements and 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:

“AEON Stores”	AEON Stores (Hong Kong) Co., Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“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 Licence Agreement”	the licence agreement dated 16 January 2012 entered into between the Company and AEON Stores, particulars of which are set out in this announcement
“Previous Licence Agreement”	the licence agreement dated 29 October 2010 entered into between the Company and AEON Stores (as supplemented and amended by a supplementary letter dated 23 June 2011)
“Previous Premises”	Shop No. L219A, Upper Ground Floor, Tuen Mun Town Plaza, Phase 1, 1 Tuen Shun Street, Tuen Mun, New Territories, Hong Kong, with an approximate area of 254 square feet
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 17 January 2012

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