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

CONTINUING CONNECTED TRANSACTION

The Board announces that on 20 February 2013, the Company and AIS entered into the New Master Service Agreement to renew the Previous Master Service Agreement on substantially the same terms for the provision of the Services by AIS to the Company.

AIS is a fellow subsidiary of the Company. Accordingly, the transaction contemplated under the New Master Service Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios in respect of the New Master Service Agreement is less than 5%, the transaction contemplated under the New Master Service Agreement is subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

BACKGROUND

Reference is made to the announcement of the Company dated 21 October 2010 in relation to the Previous Master Service Agreement.

The Board announces that on 20 February 2013, the Company and AIS entered into the New Master Service Agreement to renew the Previous Master Service Agreement on substantially the same terms for the provision of the Services by AIS to the Company.

NEW MASTER SERVICE AGREEMENT

Date

20 February 2013

Parties

- (a) The Company
- (b) AIS

Nature of transaction

Pursuant to the New Master Service Agreement, AIS was engaged by the Company to provide call centre services, including but not limited to customer services, telemarketing, credit assessment and accounts management. The Company may request and AIS may provide such other services such as accounting and administration at such fees and on such terms as may be agreed by the parties from time to time. The Company and AIS may from

time to time agree to such other fees and/or such other terms for the Services and/or other services.

Term

The New Master Service Agreement is for a fixed term of three years commencing on 21 February 2013 and ending on 20 February 2016. The New Master Service Agreement may be terminated by either party prior to its expiry by giving not less than 90 days' prior written notice and may be renewed on such terms and conditions as the parties may mutually agree.

Consideration

Pursuant to the terms of the New Master Service Agreement, the Company shall pay service fees in RMB to AIS on a monthly basis after receipt of an invoice issued by AIS. The service fees were determined between the parties after arm's length negotiations with reference to the time spent and expenses incurred by AIS in the performance of the Services plus a performance incentive.

ANNUAL CAPS

The historical transaction amounts paid by the Company to AIS under the Previous Master Service Agreement for the period from 21 October 2010 to 20 February 2011, for the year ended 20 February 2012 and for the period from 21 February 2012 to 20 January 2013 were HK\$8,823,000, HK\$35,356,000 and HK\$33,215,000 respectively. The estimated aggregate amount of service fees payable by the Company to AIS for the period from 21 January 2013 to 20 February 2013 would not exceed HK\$3,500,000.

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

<u>Financial Year</u>	<u>Annual Caps</u>
21/2/2013 to 20/2/2014	HK\$41,000,000 (approximately RMB 33,000,000)
21/2/2014 to 20/2/2015	HK\$43,000,000 (approximately RMB 34,500,000)
21/2/2015 to 20/2/2016	HK\$45,000,000 (approximately RMB 36,100,000)

The Annual Caps have been determined with reference to the historical transaction amounts, the business plan of the Company and the estimated volume of business to be assigned to AIS in the coming three years plus a buffer to provide flexibility for possible appreciation of the value of RMB.

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.

AIS is principally engaged in the operation of call centre services.

AIS has been providing call centre services to the Company since its establishment in 2000. Due to the close relationship between the parties and the continuous upgrading of AIS infrastructure according to the requirements of the Company, AIS is familiar with the Company's culture and operations and is able to provide the Services in a timely and reliable manner, thereby minimizing the management and operational costs of the Company. In outsourcing the jobs to AIS, of which the Company is a shareholder, the Company can have better control on service quality. The Company considers it beneficial to enter into the New Master Service Agreement to facilitate the continuation of the Services.

The Directors, including the independent non-executive Directors, consider that the New Master Service Agreement is entered into in the ordinary and usual course of business of the Company, the terms of New Master Service Agreement are on normal commercial terms, and both the terms of the New Master Service 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

AIS is owned as to 50% by each of the Company and ACS Japan, which is a controlling shareholder of the Company interested in approximately 52.73% of the issued share capital of the Company. AIS is therefore a connected person of the Company under Chapter 14A of the Listing Rules and the New Master Service Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios in respect of the New Master Service Agreement is less than 5%, the transaction contemplated under the New Master Service Agreement is subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of 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 has a material interest in the transaction contemplated under the New Master Service Agreement, no Director has abstained from voting on the Board resolutions approving the New Master Service Agreement.

DEFINITIONS

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

“AIS”	AEON Information Service (Shenzhen) Co., Ltd., a company established in the People's Republic of China
“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.
“Annual Caps”	the annual caps under the New Master Service Agreement

“Board”	the board of Directors of the Company
“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
“Directors”	the directors of the Company
“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 Service Agreement”	the master service agreement dated 20 February 2013 entered into between the Company and AIS, details of which are set out in this announcement
“Previous Master Service Agreement”	the master service agreement dated 20 October 2010 entered into between the Company and AIS, details of which are set out in the announcement of the Company dated 21 October 2010
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Services”	call centre services including but not limited to customer services, telemarketing, credit assessment and accounts management and other services as may be agreed by the Company and AIS 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, 20 February 2013

As at the date of this announcement, the Board 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.