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

**CONTINUING CONNECTED TRANSACTION
RENEWAL OF LICENCE AGREEMENT**

On 14 January 2014, the Company and AEON Stores entered into the New Licence Agreement to renew the Previous Licence Agreement for the lease of the Premises for a term of two years.

As AEON Stores is a subsidiary of AEON Japan, which is a controlling shareholder of the Company, AEON Stores is a connected person of the Company. Accordingly, the entering into the New Licence 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 Annual Caps under the New Licence Agreement is less than 5%, the New Licence 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 17 January 2012 in respect of the Previous Licence Agreement entered into between the Company and AEON Stores. As the Previous Licence Agreement expires on 15 January 2014, the Company and AEON Stores entered into the New Licence Agreement to renew the Previous Licence Agreement for the lease of the Premises for a term of two years.

NEW LICENCE AGREEMENT

Date

14 January 2014

Parties

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

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 2014 to 15 January 2016.

Licence Fee

- (a) HK\$103,773 per month for the period from 16 January 2014 to 15 January 2015.
- (b) HK\$106,886 per month for the period from 16 January 2015 to 15 January 2016.

The licence fee (exclusive of rates and management fee) was arrived at after arm's length negotiations between the parties with reference to prevailing market rent of property in the same location.

Management Fee

HK\$4,836 per month (subject to adjustment by AEON Stores).

Payment Term

The licence fee and management fee are to be paid in advance on a monthly basis.

ANNUAL CAPS

Based on the licence fee and management fee mentioned above, it is expected that the maximum aggregate amount payable by the Company to AEON Stores under the New Licence Agreement would not exceed the Annual Caps set out below:

<u>Financial Year/Period</u>	<u>Annual Caps</u>
16/1/2014 to 20/2/2014	HK\$400,000
21/2/2014 to 20/2/2015	HK\$1,500,000
21/2/2015 to 15/1/2016	HK\$1,400,000

The aggregate amount of the licence fee and management fee paid by the Company to AEON Stores under the Previous Licence Agreement was approximately HK\$127,000 for the period from 16 January 2012 to 20 February 2012, HK\$1,270,000 for the year ended 20 February 2013, and HK\$1,137,000 for the period from 21 February 2013 to 15 January 2014.

REASONS FOR THE TRANSACTION

The Company is using the 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, including the independent non-executive Directors, consider that the New Licence Agreement was 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 Annual 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 Japan, which in turn is a controlling shareholder of the Company interested in approximately 67.0% of the issued share capital of the Company. Accordingly, the entering into the New Licence 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 Annual Caps is less than 5%, the New Licence 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.

As none of the Directors has a material interest in the transactions contemplated under the New Licence Agreement, no Director has abstained from voting on the Board resolutions approving the New Licence Agreement.

GENERAL INFORMATION

The Group 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, insurance agency and broking business, and microfinance business.

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

DEFINITIONS

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

“AEON Japan”	AEON Co., Ltd., a company incorporated in Japan with limited liability, the shares of which are listed on the Tokyo Stock Exchange, Inc.
“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
“Annual Caps”	the maximum aggregate annual value under the New Licence 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
“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
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“New Licence Agreement”	the licence agreement dated 14 January 2014 entered into between the Company and AEON Stores, particulars of which are set out in this announcement
“Previous Licence Agreement”	the licence agreement dated 16 January 2012 entered into between the Company and AEON Stores
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 14 January 2014

As at the date of this announcement, the Board comprises Mr. Fung Kam Shing, Barry (Managing Director), Ms. Koh Yik Kung and Ms. Chan Fung Kuen, Dorothy as executive Directors; Mr. Masanori Kosaka (Chairman), Mr. Lai Yuk Kwong and Ms. Tomoko Misaki as non-executive Directors; and Mr. Ip Yuk Keung, Mr. Wong Hin Wing and Prof. Tong Jun as independent non-executive Directors.