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**AEON CREDIT SERVICE (ASIA) COMPANY LIMITED**  
**AEON信貸財務（亞洲）有限公司**  
*(Incorporated in Hong Kong with limited liability)*  
**(Stock Code: 900)**

**CONTINUING CONNECTED TRANSACTION  
BUSINESS ADVISORY SERVICE AGREEMENT**

On 27 April 2015, the Company and AFS HK entered into the Agreement pursuant to which AFS HK, with the support from AFS Japan, shall provide the Services to the Group.

As AFS HK is a controlling shareholder of the Company, AFS HK is a connected person of the Company. Accordingly, the Agreement constitutes a continuing connected transaction of the Company under the Listing Rules.

As each of the applicable percentage ratios for the Annual Cap exceeds 0.1% but is less than 5%, the 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.

**THE AGREEMENT**

**Date**

27 April 2015

**Parties**

- (a) The Company; and
- (b) AFS HK.

**Services**

AFS HK, with the support from AFS Japan, shall provide consultation and advisory services to the Group, including but not limited to general as well as case-specific advice and guidance on business strategies, marketing strategies, Group structure strategy, funding arrangements, risk management, operational audit and investment opportunities.

**Term**

The Agreement is for a term of one year from 1 March 2015 to 29 February 2016. Upon written notice by either of the Company or AFS HK to the other party one month before the expiry of the Agreement, the Agreement may be renewed on such terms and conditions as the Company and AFS HK may mutually agree.

## **Consideration and payment terms**

Pursuant to the Agreement, the Company shall pay an advisory fee to AFS HK which was determined between the parties after arm's length negotiations with reference to the estimated operating expenses to be incurred by the relevant departments, including the control department, the corporate management department, the corporate planning department, the risk management office and the audit department, of AFS HK and/or AFS Japan in providing the Services to the Group.

The advisory fee shall be payable on a monthly basis after receipt of an invoice issued by AFS HK.

## **ANNUAL CAP**

The annual aggregate transaction amount payable under the Agreement is estimated to be HK\$7,000,000 (the "**Annual Cap**") for the year ending 29 February 2016.

The Annual Cap has been determined with reference to the estimated operating expenses to be incurred by the relevant departments of AFS HK and/or AFS Japan in providing the Services for the period from 1 March 2015 to 29 February 2016. There are no historical figures in respect of the corresponding transactions contemplated under the Agreement.

## **REASONS FOR THE TRANSACTION**

The Board believes that the Services, which are tailored to the unique requirements and circumstances of the Group, would enable the Group to benefit from the expertise and experience of AFS HK and AFS Japan in the consumer finance industry, which would facilitate its business growth in both Hong Kong and China.

The Directors, including the independent non-executive Directors, consider that the Agreement was entered into in the ordinary and usual course of business of the Company, the terms of the Agreement are on normal commercial terms, and both the terms of the Agreement and the Annual Cap are fair and reasonable and in the interests of the Group and the shareholders of the Company as a whole.

## **LISTING RULES IMPLICATIONS**

AFS HK is a controlling shareholder of the Company interested in approximately 52.73% of the issued shares of the Company. AFS HK is a wholly-owned subsidiary of AFS Japan. AFS HK is therefore a connected person of the Company and the Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios for the Annual Cap exceeds 0.1% but is less than 5%, the 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.

None of the Directors has a material interest in the transactions contemplated under the Agreement, save for Mr. Masanori Kosaka, Mr. Fung Kam Shing, Barry, Ms. Koh Yik Kung and Mr. Lai Yuk Kwong who are directors of AFS HK. Accordingly, Mr. Masanori Kosaka, Mr. Fung Kam Shing, Barry, Ms. Koh Yik Kung and Mr. Lai Yuk Kwong have abstained from voting on the Board resolutions approving the Agreement.

## **GENERAL**

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 brokerage and agency business, and microfinance business.

AFS HK is an investment holding company.

AFS Japan is a bank holding company, with subsidiaries conducting banking business, credit card business and other businesses. AFS Japan is under the supervision and regulation of the Financial Services Agency of Japan. AFS Japan, which was formerly known as AEON Credit Service Co., Ltd ("ACS Japan"), has extensive know-how and expertise in the consumer finance industry. On 1 April 2013, through management integration and share swap with AEON Bank Ltd., ACS Japan became a bank holding company and AEON Bank Ltd. became its wholly-owned subsidiary. At the same time, ACS Japan changed its name to AFS Japan.

## **DEFINITIONS**

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

“AFS HK”	AEON Financial Service (Hong Kong) Co., Limited, a company incorporated in Hong Kong with limited liability
“AFS Japan”	AEON Financial Service Co., Ltd., a company incorporated in Japan with limited liability, the shares of which are listed on the Tokyo Stock Exchange, Inc.
“Agreement”	the business advisory service agreement dated 27 April 2015 entered into between the Company and AFS HK
“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
“Services”	consultation and advisory services including but not limited to general as well as case-specific advice and guidance on business strategies, marketing strategies, Group structure strategy, funding arrangements, risk management, operational audit and investment opportunities
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 28 April 2015

*As at the date of this announcement, the Board comprises Mr. Fung Kam Shing, Barry (Managing Director), Ms. Koh Yik Kung, Mr. Tomoyuki Kawahara and Mr. Fong Chung Leung, Gerald as executive Directors; Mr. Masanori Kosaka (Chairman) and Mr. Lai Yuk Kwong as non-executive Directors; and Mr. Ip Yuk Keung, Mr. Wong Hin Wing and Prof. Tong Jun as independent non-executive Directors.*