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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)

**REVISION OF ANNUAL CAPS FOR
CONTINUING CONNECTED TRANSACTION**

Reference is made to the announcements of the Company dated 20 February 2013 in relation to the Master Agreement entered into between the Company and AIS and 8 January 2015 in relation to the change of financial year end date of the Company from 20 February to 28 February (or 29 February in a leap year).

In view of the change of financial year end date of the Company and the increase in the quantity of tasks assigned to AIS by the Group, the Original Annual Caps will be insufficient and the Directors therefore revised the Original Annual Caps.

AIS is a fellow subsidiary of the Company. Accordingly, the Revision of Annual Caps constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios for the Revised Annual Caps (on an aggregated basis) exceeds 0.1% but is less than 5%, the Revision of Annual Caps 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 announcements of the Company dated 20 February 2013 in relation to the Master Agreement entered into between the Company and AIS and 8 January 2015 in relation to the change of financial year end date of the Company from 20 February to 28 February (or 29 February in a leap year).

On 20 February 2013, the Company and AIS entered into the Master Agreement for a term of three years commencing on 21 February 2013 and ending on 20 February 2016. Pursuant to the Master Agreement, AIS would provide the Services and the Company would pay service fees to AIS. The Original Annual Caps as set by the Company were disclosed in the Company's announcement dated 20 February 2013.

On 1 January 2014, AMF Shenzhen, a wholly-owned subsidiary of the Company, and AIS entered into the AMF Agreement for a term of six months commencing on 1 January 2014 and ending on 30 June 2014. The AMF Agreement may be terminated by either party prior to its expiry by giving one month's prior written notice and may be renewed on such terms and conditions as the parties may mutually agree. Pursuant to the AMF Agreement, AIS would provide accounts management service by making reminder calls to customers of AMF Shenzhen and AMF Shenzhen would pay service fees to 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 performing the services. AMF Shenzhen would pay the service fees in RMB on a monthly basis after receipt of an invoice issued by AIS. The AMF Agreement was entered into on normal commercial terms and in the ordinary and usual course of business of the Group. On 1 July 2014, the AMF Agreement was renewed for a further term of one year from 1 July 2014 to 30 June 2015.

Starting from 21 December 2014, the Company has assigned additional tasks to AIS which are related to customer services, credit assessment and accounts management.

AIS is currently providing call centre services, including but not limited to customer services, telemarketing, credit assessment and accounts management to the Group. AIS may provide such other services, such as accounting and administration, as may be requested by the Group from time to time. The fees payable to AIS for such other services shall be at such rates and on such terms as may be agreed by the parties from time to time.

REVISION OF ANNUAL CAPS

For the year ended 20 February 2014, the historical transaction amounts under the Master Agreement and the AMF Agreement were HK\$40,210,000 and HK\$466,000 respectively, and after aggregation amounted to HK\$40,676,000, which did not exceed the relevant Original Annual Caps. The Directors confirm that the transaction amounts under the Master Agreement and the AMF Agreement (on an aggregated basis) for the period from 21 February 2014 to the date of this announcement comply with the relevant Original Annual Caps.

In view of the change of financial year end date of the Company and the increase in the quantity of tasks assigned to AIS by the Group, the Original Annual Caps will be insufficient and the Directors therefore revised the Original Annual Caps as follows:

<u>Financial Period</u>	<u>Revised Annual Caps</u>
21/2/2014 to 28/2/2015	HK\$45,000,000
1/3/2015 to 20/2/2016	HK\$52,000,000

The Revised Annual Caps have been determined with reference to the historical transaction amounts, the business plan of the Group and the projected quantity of tasks to be assigned to AIS by the Group, plus a buffer to provide flexibility for possible appreciation of the value of RMB.

Save for the Revision of Annual Caps, all the terms and conditions of the Master Agreement remain unchanged.

The Directors, including the independent non-executive Directors, consider that the Revision of Annual Caps is fair and reasonable and in the interests of the Group and the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

AIS is owned as to 50% by each of the Company and AFS Japan, which is a controlling shareholder of the Company interested in approximately 52.73% of the issued shares of the Company. AIS is therefore a connected person of the Company under the Listing Rules and the

Revision of Annual Caps constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the Master Agreement and the AMF Agreement should be aggregated.

As each of the applicable percentage ratios for the Revised Annual Caps (on an aggregated basis) exceeds 0.1% but is less than 5%, the Revision of Annual Caps 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 Revision of Annual Caps, no Director has abstained from voting on the Board resolutions approving the Revision of Annual Caps.

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.

AMF Shenzhen is principally engaged in the microfinance business.

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

DEFINITIONS

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

“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.
“AIS”	AEON Information Service (Shenzhen) Co., Ltd., a company established in the People's Republic of China
“AMF Agreement”	the telephone call reminder service agreement dated 1 January 2014 entered into between AMF Shenzhen and AIS, as renewed by a renewal agreement dated 1 July 2014
“AMF Shenzhen”	AEON Micro Finance (Shenzhen) Co., Ltd., a company established in the People's Republic of China
“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
“Master Agreement”	the master service agreement dated 20 February 2013 entered into between the Company and AIS
“Original Annual Caps”	the annual caps as disclosed in the announcement of the Company dated 20 February 2013
“Revised Annual Caps”	the revised annual caps as set out on page 2 of this announcement
“Revision of Annual Caps”	the revision of the Original Annual Caps for the financial periods ending 28 February 2015 and 20 February 2016 respectively
“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, 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, 16th February 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.