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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)

VOLUNTARY ANNOUNCEMENT

**VOLUNTARY LIQUIDATION OF
AEON CREDIT GUARANTEE (CHINA) CO., LTD.**

This is a voluntary announcement made by AEON Credit Service (Asia) Company Limited (the “Company”).

VOLUNTARY LIQUIDATION OF AEON CREDIT GUARANTEE (CHINA) CO., LTD.

The board of directors of the Company (the “Board”) would like to announce that on 25 January 2017, in the Company’s capacity as a shareholder of AEON Credit Guarantee (China) Co., Ltd. (“ACG”), the Board resolved to approve the winding up of ACG by way of voluntary liquidation (the “Voluntary Liquidation”) under the law of the People’s Republic of China (“PRC”).

INFORMATION ABOUT ACG

ACG, a company established in PRC, is owned as to 50% by the Company and 50% by AEON Financial Service Co., Ltd. (“AFS Japan”) and is a subsidiary of AFS Japan. AFS Japan, a company incorporated in Japan with limited liability and with its shares listed on the Tokyo Stock Exchange, Inc., is a controlling shareholder of the Company holding approximately 52.73% of the issued share capital of the Company. As such, ACG is an associate company and a fellow subsidiary of the Company.

ACG is primarily engaged in credit guarantee business in the PRC.

REASONS FOR AGREEING TO THE VOLUNTARY LIQUIDATION

The group comprising the Company and its subsidiaries (the “Group”) is principally engaged in the provision of consumer 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 brokerage business, and microfinance business.

As ACG has not been generating sufficient revenue to cover its own operating expenses, ACG has ceased to provide credit guarantee as part of its business since 2015 and is no longer having any substantive operation. It has been making losses since its establishment

and there is no reasonable prospect of making any significant improvement on its financial performance or operation in the foreseeable future. With the Company's subsidiaries in the PRC continuing to engage in microfinance business, the Group no longer has to rely on ACG for acquisition of the requisite know-how for consumer finance business in the PRC.

The Board believes that it is in the best interests of the Company and its shareholders as a whole to agree to the Voluntary Liquidation. In so doing, the Company may be able to reduce its investment losses as well as to allocate more resources and management efforts to further strengthen and develop its microfinance business in the PRC.

EFFECTS OF THE VOLUNTARY LIQUIDATION ON THE GROUP

The process and procedure for the Voluntary Liquidation are expected to be completed by the end of 2017. Upon completion of the Voluntary Liquidation and all incidental procedures, ACG will cease to be an associate company or a fellow subsidiary of the Company.

The Board is of the view that, save as to any further investment losses resulting from the Voluntary Liquidation to be quantified, the Voluntary Liquidation shall have no material adverse impact to the financial performance and operation of the Group. As at 31 December 2016, net investments of the Company in ACG amounted to approximately HK\$8,679,000 (the "Latest Value"). The Company is not expecting to recover a substantial portion of the Latest Value following the Voluntary Liquidation.

By order of the Board
Hideo Tanaka
Managing Director

Hong Kong, 26 January 2017

As at the date of this announcement, the Board comprises Mr. Hideo Tanaka (Managing Director), Ms. Koh Yik Kung, Mr. Kiyoshi Wada, Mr. Tomoharu Fukayama and Mr. Toru Hosokawa as Executive Directors; Mr. Takamitsu Moriyama (Chairman) as Non-executive Director; and Mr. Lee Ching Ming, Adrian, Mr. Wong Hin Wing and Mr. Kenji Hayashi as Independent Non-executive Directors.