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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

NOVATION OF MASTER SERVICE AGREEMENT

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

Reference is made to an earlier announcement of the Company dated 1 March 2019 in relation to the 2019 Master Service Agreement entered into between the Company and AEON Credit Service Systems (Philippines) Inc. (“ACSS”) for provision of IT system development and maintenance/ support services (the “Services”) by ACSS to the Company (the “Announcement”). Unless otherwise indicated, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

NOVATION OF THE 2019 MASTER SERVICE AGREEMENT

On 19 October 2020, the Company entered into a novation agreement (the “Novation Agreement”) with ACSS and AEON Financial Service Co., Limited (“AFS Japan”), pursuant to which ACSS agreed to transfer and AFS Japan agreed to assume all of ACSS’s rights and obligations under the 2019 Master Service Agreement for the remaining term of the 2019 Master Service Agreement from 1 November 2020 to 28 February 2022.

Following the novation of 2019 Master Service Agreement under the Novation Agreement (the “Novation”), ACSS will continue to provide the Services to the Company as a subcontractor of AFS Japan, while any payment for the Services from the Company will be made to AFS Japan. There is no material change to the terms of the 2019 Master Service Agreement brought about by the Novation. There is also no change to the Annual Caps of HK\$14,000,000 for each of the three years ended 28 February 2022 as stated in the Announcement. The aggregate transaction amount paid by the Company to ACSS under the 2019 Master Service Agreement was approximately HK\$11,078,000 for the year ended 29 February 2020.

REASON FOR THE NOVATION

To more effectively manage the quality of the Services provided by ACSS to the Company under the 2019 Master Service Agreement, AFS Japan sought the Novation, to which both the Company and ACSS agreed under the Novation Agreement.

INFORMATION ABOUT AFS JAPAN

AFS Japan, an investment holding company, is a company incorporated in Japan with limited liability whose shares are listed on the Tokyo Stock Exchange, Inc.. AFS Japan has subsidiaries comprising a bank holding company and others conducting banking business, credit card business and/ or other businesses. AFS Japan, formerly known as AEON Credit Service Co., Ltd. and itself formerly a bank holding company, has extensive know-how and expertise in the consumer finance industry. On 1 August 2019, following share acquisition by AFS Japan as the then majority shareholder of ACSS from the other shareholders (including the Company), ACSS became the wholly-owned subsidiary of AFS Japan.

As AFS Japan is a controlling shareholder of the Company indirectly interested in approximately 52.86% of the issued shares of the Company, AFS Japan is a connected person of the Company under Chapter 14A of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The 2019 Master Service Agreement, as amended and supplemented by the Novation Agreement, accordingly remains a continuing connected transaction of the Company under the Listing Rules.

By Order of the Board
Tomoharu Fukayama
Managing Director

Hong Kong, 19 October 2020

As at the date of this announcement, the Board comprises Mr. Tomoharu Fukayama (Managing Director), Mr. Lai Yuk Kwong (Deputy Managing Director), Mr. Tony Fung and Mr. Daisuke Takenaka as Executive Directors; Mr. Masaaki Mangetsu (Chairman) as Non-executive Director; and Mr. Lee Ching Ming Adrian, Mr. Kenji Hayashi, Ms. Shing Mo Han Yvonne and Ms. Junko Dochi as Independent Non-executive Directors.