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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)**

**SUPPLEMENTAL ANNOUNCEMENT  
CONNECTED TRANSACTION  
ACQUISITION OF EQUITY INTERESTS IN AN ASSOCIATE**

Reference is made to the announcement of the Company dated 7 February 2022 (the “**Announcement**”) in relation to the Acquisition. Unless otherwise indicated, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

As stated in the Announcement, the consideration payable by the Company to AFS Japan under the AIS Sale and Purchase Agreement was arrived at with reference to the valuation of the entire equity interests in AIS as at 31 December 2021 (the “**Valuation**”) by an independent professional valuer in the PRC (the “**Valuer**”). Given that the Valuation involves adoption of the discounted cash flow method, which constitutes a profit forecast under Rule 14.61 of the Listing Rules (the “**Profit Forecast**”), additional disclosure is made below in this announcement pursuant to Rules 14A.68(7) and 14.62 of the Listing Rules.

**ASSUMPTIONS**

The principal assumptions (including commercial assumptions), upon which the Valuation (including the Profit Forecast) is based, are set out as follows:

**General assumptions**

1. Transactional assumption: The appraised assets are being traded in the market, and the Valuer carries out the Valuation according to the transaction terms of those assets based on a simulated market.
2. Open market assumption: The parties in any asset transactions are of equal status, with sufficient time and opportunities to obtain market information so as to facilitate rational judgments on the functions, uses and transaction prices of the assets traded in the market or assumed to be traded in the market.
3. Going-concern assumption: AIS will fully comply with all relevant laws and regulations and continue to operate as a going concern in the foreseeable future.
4. There will be no major changes in the current relevant laws, regulations and policies as well as macroeconomic situation, and there will be no major changes in the political, economic and social environment in the jurisdiction where AIS is located after 31 December 2021.

5. There will be no force majeure and unforeseen factors that may have a material adverse impact on AIS after 31 December 2021.

### **Special assumptions**

1. The management of AIS remains responsible and stable, and has the capability to take on its duties after 31 December 2021.
2. Based on the current management style and standards of AIS, the direction of its business scope and style will remain consistent with its current ones after 31 December 2021.
3. The accounting policies to be adopted by AIS after 31 December 2021 will be consistent with those adopted at the time of preparing the report on the Valuation in material respects.
4. There will be no material changes to the interest rates, exchange rates, tax bases, tax rates and policy-imposed levies in relation to AIS after 31 December 2021.
5. AIS fully complies with all relevant laws and regulations.
6. The general and financial information provided by the Company and AIS are true, accurate, and complete.
7. The financial reports and transaction data of comparable companies relied on by the Valuer are true and reliable.
8. AIS has obtained a steady inflow of cash throughout the forecasted period.
9. The competitiveness of AIS's products and services will maintain at the current level after 31 December 2021.
10. The lease agreement(s) signed by AIS is/ are legal and valid, duly executed, and will not be changed or terminated without reason.

### **CONFIRMATIONS**

Deloitte Touche Tohmatsu, acting as the reporting accountant of the Company (the “**Reporting Accountant**”), has reviewed the calculations for the Profit Forecast. No accounting policies of the Company have been adopted in the preparation of the Profit Forecast. An independent assurance report from the Reporting Accountant is included in Appendix I to this announcement.

Pelican Financial Limited, acting as the financial advisor to the Company (the “**Financial Advisor**”), has reviewed the Profit Forecast and the abovementioned independent assurance report from the Reporting Accountant. The Financial Adviser is satisfied that the Profit Forecast has been made after due and careful enquiry. A letter of confirmation from the Financial Adviser is included in Appendix II to this announcement.

## EXPERTS AND CONSENTS

Qualifications of the Reporting Accountant and the Financial Advisor (collectively, the “Experts”) are respectively set out as follows:

<u>Name</u>	<u>Qualifications</u>
Deloitte Touche Tohmatsu	Certified Public Accountants
Pelican Financial Limited	A licensed corporation which is licensed to carry out type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

To the best knowledge, information and belief of the Board and having made all reasonable enquiries, the Experts are third parties independent of the Group and its connected persons (as defined under the Listing Rules). As at the date of this announcement, each of the Experts:

- (i) has given, and has not withdrawn, its written consent to the publication of this announcement that includes its letter and all references to its name in the form and context in which they appear;
- (ii) does not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate any person to subscribe for securities in any member of the Group; and
- (iii) has confirmed that it was not interested, directly or indirectly, in any assets which have been acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group, since 28 February 2021 (being the date to which the latest audited consolidated results of the Group were made up).

By order of the Board  
**Tomoharu Fukayama**  
*Managing Director*

Hong Kong, 18 February 2022

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

## **APPENDIX I – REPORT FROM THE REPORTING ACCOUNTANT**

*The following is the text of a report received from the reporting accountant, Deloitte Touche Tohmatsu, for the purpose of incorporation into this announcement.*

### **INDEPENDENT ASSURANCE REPORT ON THE CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE VALUATION OF AEON INFORMATION SERVICE (SHENZHEN) CO., LTD.**

#### **TO THE DIRECTORS OF AEON CREDIT SERVICE (ASIA) COMPANY LIMITED**

We have examined the calculations of the discounted future estimated cash flows on which the valuation prepared by an independent professional valuer dated 25 January 2022, of in AEON Information Service (Shenzhen) Co., Ltd. as at 31 December 2021 (the "Valuation") is based. AEON Information Service (Shenzhen) Co., Ltd. is a company incorporated in the People's Republic of China which is principally engaged in the provision business process outsourcing services. The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and will be included in a supplemental announcement dated 18 February 2022 to be issued by AEON Credit Service (Asia) Company Limited (the "Company") in connection with the acquisition of 50% equity interest in AEON Information Service (Shenzhen) Co., Ltd. (the "Announcement").

#### **Directors' Responsibility for the Discounted Future Estimated Cash Flows**

The directors of the Company are responsible for the preparation of the discounted future estimated cash flows in accordance with the bases and assumptions determined by the directors and set out in the Announcement (the "Assumptions"). This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future estimated cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

#### **Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### **Reporting Accountants' Responsibility**

Our responsibility is to express an opinion on whether the calculations of the discounted future estimated cash flows have been properly compiled, in all material respects, in accordance with the Assumptions on which the Valuation is based and to report solely to you, as a body, as

required by Rule 14.62(2) of the Listing Rules, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Our engagement was conducted in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the HKICPA. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain reasonable assurance on whether the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled in accordance with the Assumptions. Our work was limited primarily to making inquiries of the Company's management, considering the analyses and assumptions on which the discounted future estimated cash flows are based and checking the arithmetic accuracy of the compilation of the discounted future estimated cash flows. Our work does not constitute any valuation of AEON Information Service (Shenzhen) Co., Ltd.

Because the Valuation relates to discounted future estimated cash flows, no accounting policies of the Company have been adopted in its preparation. The Assumptions include hypothetical assumptions about future events and management actions which cannot be confirmed and verified in the same way as past results and these may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Valuation and the variation may be material. Accordingly, we have not reviewed, considered or conducted any work on the reasonableness and the validity of the Assumptions and do not express any opinion whatsoever thereon.

### **Opinion**

Based on the foregoing, in our opinion, the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled, in all material respects, in accordance with the Assumptions.

Deloitte Touche Tohmatsu  
Certified Public Accountants  
Hong Kong  
18 February 2022

## APPENDIX II – LETTER FROM THE FINANCIAL ADVISOR

*The following is the text of a letter received from the financial advisor, Pelican Financial Limited, for the purpose of incorporation into this announcement.*



AEON Credit Service (Asia) Company Limited  
20/F, Mira Place Tower A  
132 Nathan Road  
Tsimshatsui, Kowloon  
Hong Kong

**Attention: The Board of Directors**

18 February 2022

Dear Sirs,

We refer to the valuation report dated 25 January 2022 (the “**Valuation Report**”) prepared by an independent professional valuer in the PRC (the “**Valuer**”) in relation to the valuation of the entire equity interests of AEON Information Service (Shenzhen) Co., Ltd. (永旺資訊服務(深圳)有限公司) (the “**Target Company**”) as at 31 December 2021 (the “**Valuation**”).

We noted that the Valuation has been developed based on the discounted cash flow approach, which is regarded as profit forecast (the “**Profit Forecast**”) under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and this letter is issued in compliance with the requirement under Rules 14A.68(7) and 14.62(3) of the Listing Rules. The principal assumptions upon which the Valuation is based are included in the supplemental announcement of AEON Credit Service (Asia) Company Limited (the “**Company**”) dated 18 February 2022 (the “**Supplemental Announcement**”), of which this letter forms a part.

We have reviewed the Profit Forecast, for which you as the directors of the Company (the “**Directors**”) are solely responsible for, and have discussed with the management of the Company and the Valuer regarding the bases and assumptions upon which the Profit Forecast has been made to arrive at the Valuation. We have also reviewed the report issued by Deloitte Touche Tohmatsu, the reporting accountants of the Company, dated 18 February 2022 as set out in Appendix I to the Supplemental Announcement containing its opinion on whether the discounted future estimated cash flow, so far as the arithmetical accuracy of the calculations are concerned, have been properly compiled in accordance with the bases and assumptions made by the Directors.

On the basis that (i) the assumptions and calculations adopted by the Valuer in respect of the Profit Forecast have been properly reviewed by the Directors; and (ii) the Directors are satisfied that no further matters should be brought to our attention, we are of the opinion that the Profit Forecast, for which you as the Directors are solely responsible, has been made after due and careful enquiry. However, as the relevant bases and assumptions are related to future events which may or may not occur, the actual financial performance of the businesses of the Target Company may or may not achieve as expected. Accordingly, we express no opinion as to how closely the actual cash flow will eventually correspond with the Profit Forecast.

Our work in connection with the Profit Forecast has been undertaken solely for the strict compliance under Rules 14A.68(7) and 14.62(3) of the Listing Rules and for no other purpose.

Yours faithfully,  
For and on behalf of  
**Pelican Financial Limited**

**Charles Li\***  
Managing Director

\* *Charles Li is a responsible person registered under the SFO to carry out Type 6 (advising on corporate finance) regulated activity for Pelican Financial Limited and has over 30 years of experience in the accounting and financial services industry.*