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AEON CREDIT SERVICE  
REGIONAL OFFICES, BRANCHES  
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## CORPORATE VISION AND MISSION

Our **CORPORATE VISION** is to establish **AEON** as a leading brand in consumer finance and service industry by providing excellent customerservice. As a reflection of this vision, **OUR MISSION** is to provide a wide range of consumer financial services that best meet customer needs and we are committed to serve customers to enhance their lifestyle through our products and services. We adhere to a strict code of corporate ethics and, at the same time, engage in activities which contribute to society.

# an introduction to AEON CREDIT SERVICE (M) BERHAD

AEON Credit Service (M) Berhad (AEON Credit or the Company) was incorporated on 6 December 1996 and was converted into a public limited company on 9 February 2007 and listed on the Main Market of Bursa Malaysia Securities Berhad on 12 December 2007. AEON Credit commenced operations in 1997 by providing Easy Payment schemes for purchase of consumer durables through appointed retail merchants and chain stores.

Today the business of the Company has expanded to include issuance of Credit Cards, Easy Payment schemes, Personal Finance schemes, Insurance business and other services. The Company currently has 5 Regional Offices, 38 branches and Service Centres located in major shopping centres and towns and a network of more than 7,000 participating merchant outlets nationwide. AEON Credit believes in working closely with its business partners to provide consumer financing products and services which meet customer needs. The Company currently has more than 1.1 million cardmembers for the various products and more than 1,900 staff in service with the Company.

AEON Credit is a subsidiary of AEON Financial Service Co., Ltd. Japan (AFSJ), [formerly known as AEON Credit Service Co., Ltd.], which is listed on the First Section of the Tokyo Stock Exchange. AFSJ is mainly involved in the issuance of credit cards, and it currently has more than 29.76 million card members in Japan. It is one of the biggest credit card issuers and a leading consumer credit provider in Japan.

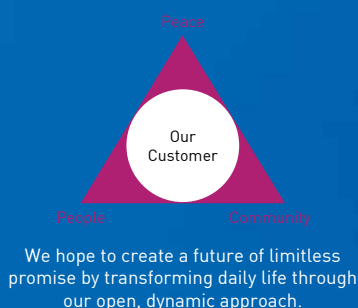
AFSJ is in turn part of the AEON Group of Companies (AEON Group), a global retail and financial services group. AEON Group consists of more than 200 subsidiaries and affiliated companies. AEON Group operates not only in Japan but also in Southeast Asia, China and North America. The fundamental principle of AEON is its "customer-centered approach." AEON's mission is to contribute to customers.

AEON's most basic and abiding principles are the pursuit of peace, respect for humanity, and contribution to local communities through customer-centered initiatives. Under these principles, we are determined to achieve global management standards.

All companies under the AEON Group are guided by the unchanging 'Customer First' philosophy. Its aim is to surpass expectations by combining excellent products with unique personal services



## (Aeon Commitment)



## Aeon Basic Principles

Aeon abides by the unchanging principles of "pursuit of peace, respect for humanity and contribution to local communities," always with the customer's point of view as its core. The "Aeon Commitment" was established to help us implement these principles and to guide us in our practice of the Customer-First philosophy.

## The Aeon Code of Conduct Commitment

1. Aeon people are always grateful to the many other individuals who provide support and help, never forgetting to act with humanity.
2. Aeon people value the trust of others more than anything else, always acting with integrity and sincerity in all situations.
3. Aeon people actively seek out ways to exceed customer expectations.
4. Aeon people continually challenge themselves to find new ways to accomplish the Aeon ideals.
5. Aeon People support local community growth, acting as good corporate citizens in serving society





# MILESTONES OVER THE YEARS



## 1997

Commenced operations by providing General Easy Payment Scheme for consumer durables.

## 1998

Began issuing AEON Express Card (a privilege card)

Expansion of General Easy Payment Scheme within Peninsular Malaysia outside Klang Valley namely Ipoh, Perak and Melaka.

## 1999

Expansion of General Easy Payment scheme and operations to East Malaysia in Kuching, Sarawak and Kota Kinabalu, Sabah.

## 2001

Set-up branches in Kuching, Sarawak and Johor Bahru, Johor with marketing, credit assessment and credit management operations.

## 2002

Launched Motorcycle Easy Payment Scheme, with 50 appointed merchants within Klang Valley and later in Johor Bahru, Johor.

Changed name from ACS Credit Service (M) Sdn. Bhd. to AEON Credit Service (M) Sdn. Bhd.

## 2003

Launched Personal Financing Scheme, which is based on Syariah principles.

Set-up first AEON Credit Service Centre in Kuala Lumpur.

## 2004

Full expansion of Personal Financing Scheme to major towns nationwide.

Entered into agreements with Visa International Service Association and MasterCard International Incorporated to issue credit cards.

Obtained ISO 9001:2000 UKAS Quality Management, certified by UKAS, in line with our vision of providing excellent customer service.

## 2005

Started insurance sales business.

Obtained approval from Bank Negara Malaysia to issue credit cards.

Launched AEON Credit Card.

Launched JUSCO Credit Card, a co-brand credit card with AEON CO. (M) BHD.

Opened AEON Credit Service Centre within shopping centres outside Klang Valley.

## 2006

Launched specific purpose financing.

Obtained ISO 27001:2005 for information security management system.

Established 3 service centres in AEON Shopping Centres bringing nationwide network to 24.



## 2007

Launched RM400 million commercial paper / medium term notes programme.

Launched ATM Network and AEONCASH @ ATM.

Launched AEON & JUSCO Gold Visa Credit Card.

Launched Motorcycle Association Affinity Gold Visa Card.

Listed on Main Board of Bursa Malaysia Securities Berhad.

## 2008

Launched CRUIZE Visa Card with Automobile Association of Malaysia (AAM).

Launched AEON Zing card with Touch 'n Go Sdn. Bhd.

Established 3 regional offices in Penang, Johor and Pahang.

Expanded nationwide network of service centres and branches by establishing 3 service centres inside new AEON Shopping Centres.

## 2009

Launched New AEON Card with AEON CO. (M) BHD.

Expanded nationwide network by establishing 1 service centre and 6 marketing offices.

Established AEON Credit's Representative Office in Mumbai, India.

Launched RM150 million asset-backed medium term notes programme.

## 2010

Launched "2 in 1" AEON Master Card credit card with JCard loyalty points function.

Expansion of Motorcycle Easy Payment (MEP) scheme to provide financing for higher c. c. motorcycles.

## 2011

Established 1 new service centre.

Launched RM200 million Single Investor medium term notes programme.

Launched AEON Prepaid Card

## 2012

Launched Watami Co-Brand Card

Launched nationwide Used Car Easy Payment Scheme (UCEP)

Established 7 new Service Centres and Branches.

Recognised by Finance Asia as "Best Mid-Cap" in Malaysia under "Asia's Best Companies 2012" Survey.

# 2012 EVENTS

## The BrandLaureate SMEs BestBrands Awards 2012

AEON Credit was awarded The BrandLaureate SMEs BestBrand Awards 2012 under the Finance category for "Payment Solutions". This award was made based on nominations by SMEs and the winners of "The BrandLaureate – SMEs Chapter Awards" are selected based on a 300-point selection criteria consisting of brand strategy, brand culture, integrated brand communications, brand equity and brand performance, with only one winner being selected from each category.



## SMBC Environment Assessment Loan

In December 2012, the Company became the first company in Malaysia to use the new SMBC Environment Assessment Loan product offered by the SMBC banking group, based on evaluation as a company that is proactively implementing environmental initiatives, based on its management system to mitigating and reducing their environmental risks, in alignment with its corporate vision and mission statement. The loan terms are determined based on the evaluation of the company's environmental measures, and the environmental evaluation report will be provided to further enhance the company's eco-management related activities.



## Annual General Meeting

The Company held its fifteenth Annual General Meeting of shareholders on 19 June 2012 at Renaissance Kuala Lumpur Hotel. Salient details of the Company's business performance for FYE2012 were shared with the shareholders. Meanwhile, an EGM was held on 28 August 2012 to seek shareholders' approval for a proposed bonus issue of 24 million new ordinary shares on the basis of one (1) bonus share for every five (5) existing ordinary shares held.



## Investor Relations Presentation

Two analysts and fund managers presentation seminars were held during the year to update investors on the Company's performance and growth prospects, coinciding with the announcement of the Company's interim results for the six months ended August 2011 and financial year results for FYE2012.





The Company had established seven new branches and service centres during the financial year at Banting, Subang, Sri Gombak, Setapak and Rawang in Selangor as well as Ipoh Station 18 and Seri Manjung in Perak. The branch network expansion will serve to enhance market penetration for the Company's products and provide customer service in the said areas.



AEON Co., Ltd of Japan acquired Carrefour operations in Malaysia in late 2012, which has now been rebranded as AEON BIG hypermarket. The Company will be collaborating with AEON BIG to provide customers with credit card and other financial service products. Credit card recruitment counters were opened at all 27 AEON BIG outlets nationwide from December 2012, with free gifts and cash rebates being offered to successful card applicants, including rebate for waiver of AEON member card fees for up to three years.



The AFF SUZUKI Cup 2012 Campaign ran from November to December 2012, during which Credit card, Easy Payment and Personal Financing customers had opportunity to win prizes worth up to RM 108,000/- through applying for the Company's products or spending on credit cards. Customers were also entitled for exclusive sign up gifts upon application within the promotion period.

## "Beraya Ria Dengan Ansuran Mudah AEON 2012" Sales Campaign

The Hari Raya festive period is important to the business annually, and the Company ran a "Beraya Ria Dengan Ansuran Mudah AEON 2012" campaign from July to August 2012, under which Easy Payment customers enjoyed "Free 1 month" instalment. Further, customers were entitled to participate in a lucky draw with chance to win prizes up to RM 100,000.



## Touch N' Go Card Acquisition And Usage Campaign

During this campaign held in collaboration with Touch n' Go, new and existing AEON Zing card members were offered rebates, waiver of reload fees and a chance to win SmartTAGs. As a result, sign up ratio among credit card applicants for the AEON Zing cards increased by 515% in the 3 month campaign period, compared to previous period ratio.

**AEON CREDIT SERVICE**

Live life on the fast lane with AEON Zing Card -  
The companion to your credit cards with auto-reload facility!

**Touch N' Go**

**Zing**

✓ Fast  
✓ Convenient  
✓ Hassle-Free

**SIGN-UP TODAY!**

For new AEON Zing cardmembers

- \* Complimentary SmartTAG + Complimentary AEON Zing Card with RM30 credit + Complimentary Auto Reload Fee

For existing AEON Zing cardmembers

- \* Complimentary Auto Reload Fee + Parking rebate up to RM30 with minimum spend of RM350 + Highest number of reloads wins a Complimentary SmartTAG

\* RM10 Fee waiver for AEON Zing card. Parking rebate applicable with use of AEON Zing card at participating shopping malls. Complimentary SmartTAG is limited to 360 units for new cardmembers and 50 units for existing cardmembers. Other Terms & Conditions apply. For more details, please visit our website at [www.aeonmalaysia.com.my](http://www.aeonmalaysia.com.my)

Promotion period: 16th Nov 2012 - 31st Jan 2013

**AEON Credit Service (M) Berhad** (412767-V)  
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## AEON Bukit Tinggi "Shopping Blast"

As part of the Company's ongoing activities to increase credit card usage, a promotion was held from November 2012 to January 2013 at AEON Bukit Tinggi shopping centre to offer RM10 AEON Vouchers for customer who spend more than RM200 per receipt at the participating merchant outlets, with the launching coinciding with AEON Member's Day. The campaign was successful, with transaction volume from the said merchants increasing by 320% compared to normal peak season.

**AEON CREDIT SERVICE**

**AEON Shopping Blast**  
AEON Bukit Tinggi Mall  
7th Nov 2012 - 1st Jan 2013

**1 Free AEON Gift Voucher**  
Spend and redeem RM10 AEON Gift Voucher! Limited Time Only!  
• RM10 voucher is redeemable with every minimum spending of RM200 and above in a single receipt with the AEON Credit Card at participating AEON Rewards privilege merchants only.  
• To redeem, kindly present your AEON Credit Card and original sales draft receipt at the redemption counter of our AEON Credit Service Branch in Lot S09, 2nd Floor (next to FOS).  
• Voucher is available only while stock last.

**2 Sign-up & Enjoy Privileges Instantly**  
• Sign-up for the New AEON Credit Card & get your Temporary Privilege Card On-The-Spot to enjoy instant promotions and privileges from AEON Rewards participating merchants!  
• Offers may vary by individual merchants. Terms & conditions apply.

**3 Exclusive Rewards**

- Earn 2x AEON Points for every RM1 spent
- Earn 2% Rebate on AEON MEMBER Day (purchases at AEON Stores only)
- Earn Extra Member AEON Points (AEON Member Privilege Shopping Day - 2x a year) (AEON Carnival - 4x a year)
- Earn up to 5% Rebates in AEON Gift Voucher

\* Terms & Conditions apply

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[www.facebook.com/AEONCredit](http://www.facebook.com/AEONCredit)

Find us at  
Lot S09, 2nd Floor  
(Next to FOS)



## AEON Watami Credit Card

The AEON WATAMI co-branded Credit Card launched during the year enables customers to enjoy exclusive discounts when they dine in any of the Watami Japanese Casual restaurants here in Malaysia as well as in Japan, Hong Kong and Taiwan. The card also offers dining credits, Watami vouchers annually and on card member's birthday, reward points as well as other benefits. Malaysia is the 4th country to launch this credit card based on the popularity of Watami as reputable casual dining network of restaurants which is well received in Japan and around the world.



## Annual Dinner and Staff Awards

The Company's central region annual dinner themed "Red Carpet Hat Attack" was held on 31 March 2012, followed by annual dinners in other regions. It was a magical night to remember for the more than 1,000 staff who were present. Staff who displayed excellence in service were recognised with various awards such as Excellent Staff Award, Excellent Customer Service Award, Meritorious Service Award, Best Team Achievement Award and Top Sales Award. The evening also showcased the multitude of talents among "AEON people" through various performances.



# CORPORATE RESPONSIBILITY

AEON Credit continuously seeks to reinforce the wellbeing of and social participation within the community it serves. The Company and its employees participate in Corporate Responsibility (CR) activities and social welfare through environmentally friendly business practices, charity and community contribution. This in turn will indirectly contribute to a positive business environment.

## CONCERN FOR THE ENVIRONMENT

The Company is committed to environmental conservation and reduction of harmful effects on the environment arising from its business operations, as shown by achievement of ISO14001 certification on Environmental Management System (EMS). Key focus area in environmental activities undertaken is reduction of CO2 emission (which causes greenhouse effect) attributable to business operations. In FYE 2013, the Company achieved 11.5% reduction in CO2 emission compared to the previous year, based mainly on significant reduction in paper usage (decrease of 34.6%). The Company has minimised paper usage in areas such as credit processing and customer service through usage of IT system solutions while credit card customers are encouraged to migrate to e-statement.

Meanwhile, disposal of documents no longer required is via approved recycling service providers. As for electronic waste (e.g. PCs, monitors, fluorescent tubes etc.), disposal is made through appointed vendor who is registered with the Department of Environment for carrying out eco-friendly disposal of such items.



The AEON Group continued to organise various tree planting initiatives in Malaysia and in other countries, recognising the importance of trees to our ecosystem. Trees combat the greenhouse effect caused by global warming, arising from burning of fossil fuels and destruction of rainforests. One such tree planting activity was carried out in conjunction with the opening of AEON Seri Manjung Shopping centre in November 2012. Staff of the Company were among more than 800 participants who planted over 3,000 saplings in area adjacent to the shopping complex.





## MALYSIAN AEON FOUNDATION

"With All Our Hearts" Malaysian AEON Foundation ("MAF") is the charity arm of the AEON Group in Malaysia, comprising AEON Co. (M) Bhd and AEON Credit Service (M) Berhad.

Through the constant support and encouragement of customers and business partners of AEON Group in Malaysia as well as members of the public, MAF has raised millions of ringgit over the last 10 years, which have been donated to various organisations and needy individuals or spent on other community contributions. The mission of MAF is as follows:-

1. To be continuously involved in fund-raising activities and events for the benefit of all Malaysians, irrespective of race, religion and creed, with special focus on the needs of Malaysian children;
2. To provide financial aid to those with the greatest needs, especially in the area of education, living environment and medical assistance. We also aim to provide activity-based resources to guide people away from today's social ills; and
3. To give children the opportunity to discover their self-worth and develop themselves to their fullest potential so that they may live fuller and more meaningful lives in the future.



## CHARITY DRIVES

The main fund raising event organised annually by MAF is the Charity Gala Dinner, which was held in July 2012 at the Kuala Lumpur Convention Centre. The dinner, with the theme of "A Blend of Culture", was graced by presence of YB Puan Sri Noorainee Abdul Rahman, wife of the Honourable Deputy Prime Minister. MAF raised total funds of approximately RM 1.18 million from the dinner for its planned activities and charitable contributions.



## BASIC EDUCATION SUPPORT PROGRAMME FOR SCHOOLS

The year 2012 also marked a new donation project by the MAF to support needs of certain schools in Sarawak. Under the new Basic Education Support Programme (BEST), a total sum of RM 450,000/- was allocated by MAF to three schools in rural areas of Sarawak, selected with the assistance of the Ministry of Education. The projects, carried out at Sekolah Kebangsaan Serabak in Sarikei, Sekolah Kebangsaan Pedaun Bawah in Bau and Sekolah Kebangsaan Tembawang, also in Bau, involved construction of new library and hall, upgrading of classrooms, setting up of audio visual room, renovation of canteen and purchase of furniture and equipment, in order to create a more conducive learning environment for the students.





## CHARITABLE CONTRIBUTIONS AND ACTIVITIES

Throughout the year, MAF made various contributions for charitable causes including to orphanages, old folks homes, spastic children's home, school libraries and to meet or partially meet the medical expenses of certain poor children having serious illness or disease. Various activities were also organised for children from orphanages, especially in conjunction with festive celebrations such as Hari Raya, Chinese New Year, Deepavali and Christmas. The total amount of contributions made and charity events' expenses of MAF for 2012 exceeded RM1 million.



## OTHER COMMUNITY CONTRIBUTION ACTIVITIES OF AEON CREDIT

In 2012, the Company took part in Yamaha's 14th Road Safety Campaign, which was held at various locations nationwide during the Hari Raya period, by contributing helmets and luminous stickers. Meanwhile, the Company also donated side-carts during a charity event organised by the Selangor and Federal Territory Motorcycle and Scooter Dealers Association, in conjunction with the Chinese New Year celebration this year. This was in support of the needy and handicapped people of Persatuan Kristian Shuang Fu untuk Orang-orang Kurang Upaya of Taman Overseas Union.



# 5 YEARS FINANCIAL HIGHLIGHTS

	FYE2013 RM'000	FYE2012 RM'000	FYE2011 RM'000	FYE2010 RM'000	FYE2009 RM'000
<b>STATEMENT OF COMPREHENSIVE INCOME</b>					
Revenue	467,127	344,269	269,610	248,408	186,919
Profit before tax	181,107	128,061	85,024	72,226	65,930
<b>Profit after tax</b>	<b>134,126</b>	<b>95,607</b>	<b>63,429</b>	<b>54,275</b>	<b>48,757</b>
<b>STATEMENT OF FINANCIAL POSITION</b>					
<b>Assets</b>					
Plant and equipment	41,036	27,452	24,137	22,047	24,820
Investments	5,542	1,283	1,797	1,797	1,797
Receivables	1,189,825	568,276	407,377	360,704	323,325
Deferred tax assets	5,057	4,128	-	-	-
<b>Total non-current assets</b>	<b>1,241,460</b>	<b>601,139</b>	<b>433,311</b>	<b>384,548</b>	<b>349,942</b>
Receivables, deposits and prepayments	1,187,561	959,435	736,526	622,484	557,718
Cash and bank balances	6,404	4,416	5,649	3,161	2,462
<b>Total current assets</b>	<b>1,193,965</b>	<b>963,851</b>	<b>742,175</b>	<b>625,645</b>	<b>560,180</b>
<b>Total assets</b>	<b>2,435,425</b>	<b>1,564,990</b>	<b>1,175,486</b>	<b>1,010,193</b>	<b>910,122</b>
<b>Equity</b>					
Share capital	72,000	60,000	60,000	60,000	60,000
Share Premium	44,012	56,147	56,147	56,147	56,147
Reserves	313,195	225,087	166,070	134,315	99,696
<b>Total equity attributable to shareholders of the Company</b>	<b>429,207</b>	<b>341,234</b>	<b>282,217</b>	<b>250,462</b>	<b>215,843</b>
<b>Liabilities</b>					
Borrowings	1,191,934	877,603	594,742	460,041	358,529
Deferred tax liabilities	-	-	1,807	1,782	2,386
<b>Total non-current liabilities</b>	<b>1,191,934</b>	<b>877,603</b>	<b>596,549</b>	<b>461,823</b>	<b>360,915</b>
Payables, accruals and derivative financial liabilities	124,999	105,763	55,577	44,453	50,035
Borrowings	670,499	228,591	238,302	246,631	276,279
Taxation	18,786	11,799	2,841	6,824	7,050
<b>Total current liabilities</b>	<b>814,284</b>	<b>346,153</b>	<b>296,720</b>	<b>297,908</b>	<b>333,364</b>
<b>Total liabilities</b>	<b>2,006,218</b>	<b>1,223,756</b>	<b>893,269</b>	<b>759,731</b>	<b>694,279</b>
<b>Total equity and liabilities</b>	<b>2,435,425</b>	<b>1,564,990</b>	<b>1,175,486</b>	<b>1,010,193</b>	<b>910,122</b>
<b>STATISTICS</b>					
Net earnings per share (sen)*	102.84	73.30**	52.86	45.23	40.63
Net dividends per ordinary share (sen)	35.5	30.00	19.88	16.88	15.08
Net assets per share (RM)	2.98	2.84	2.35	2.09	1.80

Note:-

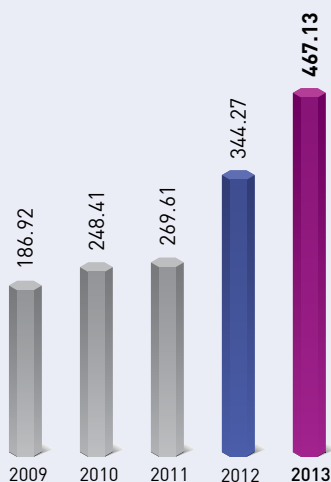
\* Earnings per share has been calculated based on weighted average number of ordinary shares outstanding in the respective year.

\*\* Previous year's earnings per share has been restated to reflect the bonus issue implemented in FYE 2013.

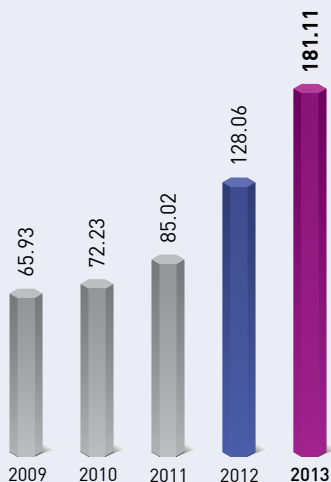




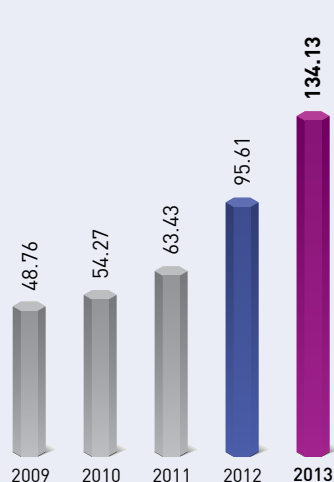
### Revenue (RM Million)



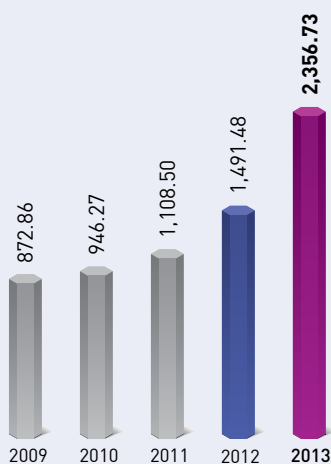
### Profit before Tax (RM Million)



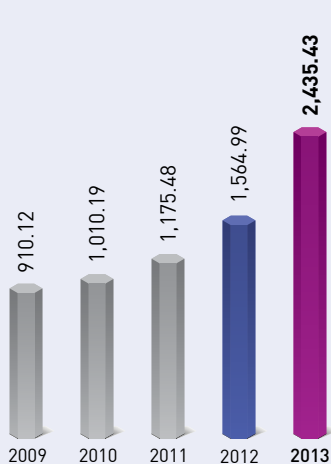
### Profit after Tax (RM Million)



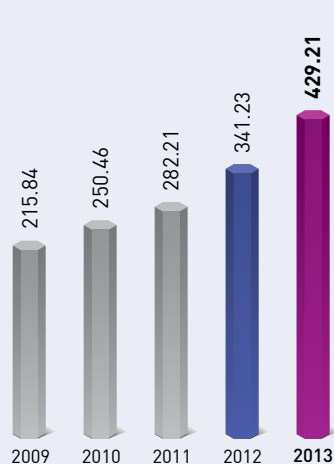
### Financing Receivables (RM Million)



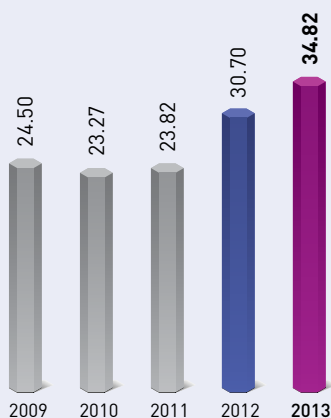
### Total Assets (RM Million)



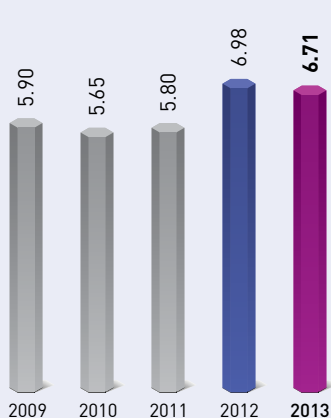
### Shareholders' Funds (RM Million)



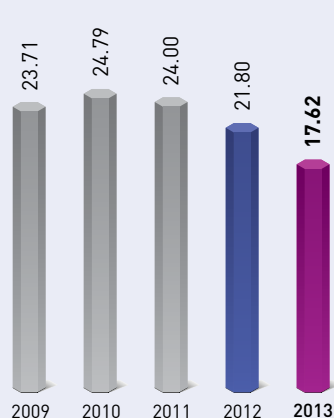
### Return on Equity (%)



### Return on Assets (%)

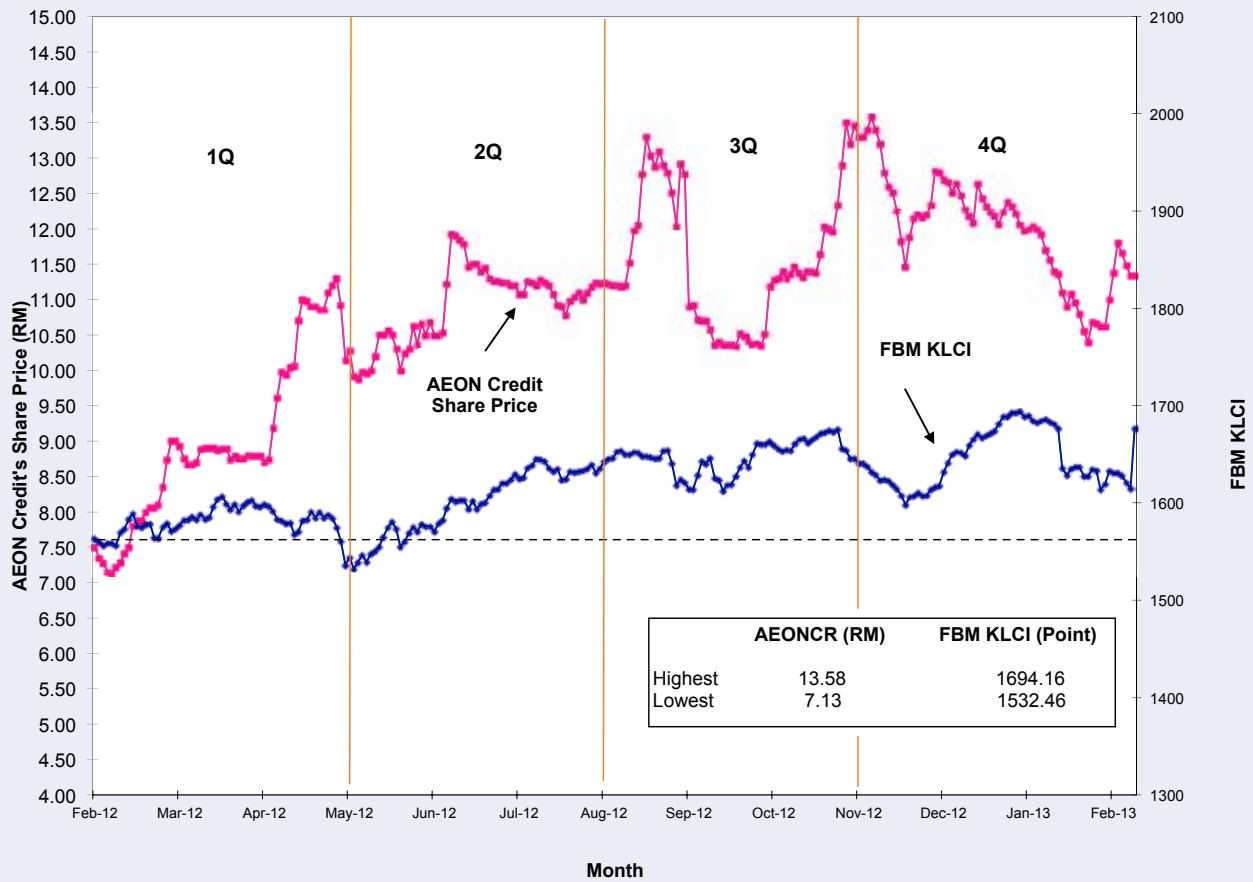


### Capital Adequacy Ratio (%)



# SHARE PRICE

**AEON Credit Share Price vs. FBM KLCI (21-02-12 to 20-02-13)**



**AEON Credit Share Price Movement vs. FBM KLCI Movement (21-02-12 to 20-02-13)**



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Dato' Abdullah bin Mohd Yusof**  
(Chairman)

**Mr. Yasuhiro Kasai**  
(Managing Director)

**Mr. Masao Mizuno**  
(appointed on 20 June 2012)

**Datuk Ramli bin Ibrahim**

**Dato' Md Kamal bin Ismaun**

**Mr. Ng Eng Kiat**

**Mr. Jun Suzuki**  
(appointed on 20 June 2012)

**Mr. Krishnappan A/L S.P.S. Singaram**

**Mr. Clarence Chai**

**Mr. Tomoaki Saito**  
(resigned on 9 May 2013)

**Mr. Takatoshi Ikenishi**  
(retired on 19 June 2012)

## SECRETARIES

**Ms. Tai Yit Chan** (MAICSA 7009143)

**Ms. Choong Lee Wah** (MAICSA 7019418)

## WEBSITE

[www.aeonmalaysia.com.my](http://www.aeonmalaysia.com.my)

## REGISTERED OFFICE

Lot 6.05, Level 6, KPMG Tower  
8 First Avenue, Bandar Utama  
47800 Petaling Jaya  
Selangor Darul Ehsan  
T: +603-7720 1188  
F: +603-7720 1111

## HEAD OFFICE

Level 29, Menara Olympia  
No. 8, Jalan Raja Chulan  
50200 Kuala Lumpur  
Malaysia  
T: +603-2772 9000  
F: +603-2711 4110

## AUDITORS

KPMG (AF No. 0758)  
Level 10, KPMG Tower  
8 First Avenue, Bandar Utama  
47800 Petaling Jaya  
Selangor Darul Ehsan  
T: +603-7721 3388  
F: +603-7721 3399

## REGISTRARS

Symphony Share Registrars Sdn. Bhd.  
Level 6, Symphony House  
Block D13, Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301, Petaling Jaya  
Selangor Darul Ehsan  
T: +603-7841 8000  
F: +603-7841 8008

## STOCK EXCHANGE LISTING

The Company is a public listed company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad

**STOCK NAME:** AEONCR

**STOCK CODE:** 5139

## PRINCIPAL BANKERS

Al Rajhi Banking & Investment Corporation. (Malaysia) Berhad

Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad

Bank of Tokyo-Mitsubishi UFJ, Ltd.

CIMB Bank Berhad

CIMB Islamic Bank Berhad

Citibank Berhad

Deutsche Bank (Malaysia) Berhad

Malayan Banking Berhad

Mizuho Corporate Bank, Ltd.

Public Bank Berhad

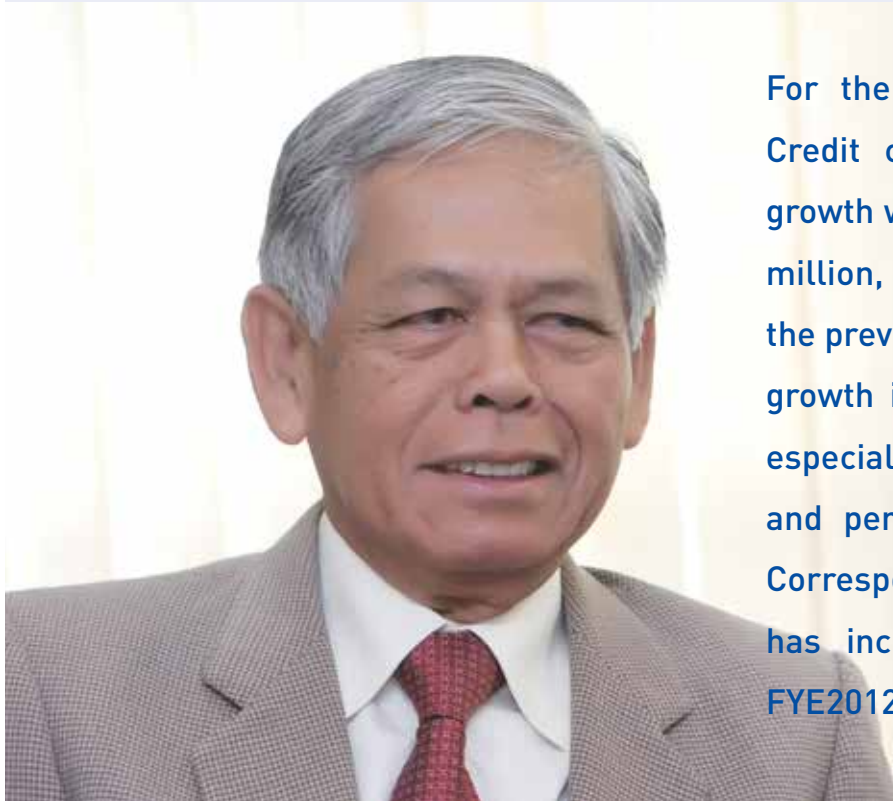
RHB Islamic Bank Berhad

Sumitomo Mitsui Banking Corporation (Malaysia) Berhad

# CORPORATE CALENDAR

<b>Notice of Annual General Meeting</b>	28 May 2012
<b>Annual General Meeting</b>	19 June 2012
<b>Payment of Dividend (Final)</b>	Book Closure - 28 June 2012 Payment - 13 July 2012
<b>Payment of Dividend (Interim)</b>	Book Closure - 4 October 2012 Payment - 22 October 2012
<b>First Quarter Results Announcement</b>	18 June 2012
<b>Second Quarter Results Announcement</b>	20 September 2012
<b>Third Quarter Results Announcement</b>	19 December 2012
<b>Fourth Quarter Results Announcement</b>	18 April 2013

# CHAIRMAN'S STATEMENT



For the year under review, AEON Credit continued to record strong growth with a net profit of RM 134.13 million, an increase of 40.3% from the previous year with expansion and growth in all its product segments, especially in the vehicle financing and personal financing operations. Correspondingly, earnings per share has increased from 73.30 sen in FYE2012 to 102.84 sen in FYE 2013.

## Introduction

On behalf of the Board of Directors, I am pleased to present AEON Credit Service (M) Berhad (AEON Credit) Annual Report and Audited Financial Statements for the financial year ended 20 February 2013.

The Malaysian economy recorded GDP growth of 5.6% in 2012, which was marginally higher than 5.1 % in 2011. Despite the slower growth in global economy in 2012, the Malaysian economy remained resilient, with growth driven by continuing strong domestic demand, and private and public investments. Net exports of goods and services had meanwhile contracted by almost 30% due to the weaknesses in external demand conditions and generally lower global commodity prices.

## Company's Performance

For the year under review, AEON Credit continued to record strong growth with a net profit of RM 134.13 million, an increase of 40.3% from the previous year with expansion and growth in all its product segments, especially in the vehicle financing and personal financing operations. Correspondingly, earnings per share has increased from 73.30 sen in FYE2012 to 102.84 sen in FYE 2013. The growth in business and receivables was due to increased financing transaction volume attributable to continued favourable economic environment and increased marketing and promotion activities.

During the year, the Company had subscribed for an additional 7,450,000 Ordinary Shares of Rupees 10/- each in the share capital of AEON Credit Service India Private Limited ("ACSI") in May 2012 for a total cash consideration of Rupees 74,500,000 only (which is equivalent to approximately RM4.26 million), resulting in an increase in the total equity participation by the Company in ACSI from 750,000 Ordinary Shares of Rupees 10/- each to 8,200,000 Ordinary Shares of Rupees 10/- each, representing 20% of its enlarged issued and paid-up share capital. Although ACSI has commenced consumer finance business in Mumbai, India, in February 2013, it is not expected to have material contribution to the financial performance of the Company in the short term.

## Dividend

The Board of Directors has recommended a final single tier dividend payment of 19.50 sen per share, totaling RM28.08 million. This would result in total dividend payout ratio of 38.1% of the net profit for FYE2013, including the interim dividend paid during the year. The total dividends for the year of 35.5 sen per share represents an increase of 18.3% from total net dividends of 30.0 sen paid out for the last financial year. However, the total amount of dividend payout is higher by 42% from previous year as the dividends for FYE2013 is paid on the enlarged share capital after bonus issue in September 2012 of one ordinary share for every five ordinary shares held.



### Human Resource development

The Company has grown rapidly over the past sixteen years since commencing operations, with sharper growth of total assets and operations since our listing on the Main Market of Bursa Malaysia Securities Berhad in 2007. Today the Company has total of more than 1,900 employees nationwide with 28% increase in number of employees in the last financial year. Management has recognised that it is imperative for focus on human resource development efforts moving forward to retain the required resources to achieve business objectives and future growth, in a competitive employment market where sourcing for replacement staffing in certain roles can be challenging, especially in the financial services sector. In this regard, greater emphasis shall be made on internal talent development and identifying career growth path for staff.

### Looking forward

The Malaysian economic growth forecast for 2013 of between 5% and 6% by Bank Negara Malaysia is within range of growth of 5.6% in year 2012. Private consumption is expected to grow at a moderate rate in the year, supported by sustained income growth and healthy labour market conditions.

Bank Negara Malaysia has taken various measures to ensure that Malaysian household debt remains at a manageable level and most households are "credit worthy", including the introduction of the responsible lending guidelines to financial institutions. The household sector's non-performing loans was only 1.5% and there was no deterioration in borrowers' portfolio. Credit-worthy households would continue to have access to credit facilities.

The Company expects continued favourable business environment in 2013 to sustain business performance. We shall continue with business strategies to enhance and expand our product schemes to meet market demand, including e-money and e-commerce solutions, as well as improve service level and process efficiency for our customers and merchants. Expansion of equipment and asset financing to small businesses is also a focus area.

Last year we opened 7 new branches and service centres; we will continue to expand our network of branches and merchant network offering our products and services to enhance customers' lifestyle. We need to constantly remind ourselves that product value proposition and understanding of customer needs, excellent customer service and strong branding awareness and reputation in market are key elements for long term business sustainability in the market.

### Acknowledgement

On behalf of the Board of Directors, I wish to thank my fellow Board members, the Management and all employees for their contribution, dedication and commitment towards the business growth of AEON Credit.

I would like to extend my gratitude to Mr. Takatoshi Ikenishi, who retired as a Director at the Company's last AGM for his service and valuable contribution. Meanwhile, Mr Tomoaki Saito resigned in May 2013 as he is taking up a new role in AEON Credit Indonesia, and the Board records its appreciation for his contribution as an Executive Director over the last three years.

I also welcome Mr Masao Mizuno and Mr Jun Suzuki who were appointed as Directors during the year. The Board will benefit from the international experience and invaluable knowledge of the two Directors.

The Board also wishes to thank all our valued shareholders, business associates, bankers and most of all, our valued customers for their continuous support to the Company over the years.

Yours sincerely

**Dato' Abdullah bin Mohd Yusof**  
Chairman



# MANAGING DIRECTOR'S OPERATIONS REVIEW

## Financial Review

AEON Credit Service (M) Berhad continued to record strong double digit business growth in the year ended 20 February 2013 compared to the previous year, with sustained customer loyalty and new customer base growth from business network expansion and support of retail merchants, backed by branding and marketing activities.

Total revenue for the financial year of RM467.13 million represented growth of 35.7% from previous year revenue of RM344.27 million. Stronger growth was recorded in vehicle financing and personal financing operations, while lower rate of growth was maintained for other products. Total transaction and financing volume of RM2.47 billion for the year represented growth of 49.0% from the previous year. Profit before tax (PBT) recorded for the year of RM181.11 million was 41.4% higher than RM128.06 million PBT in the previous year.

While the average interest/profit rate charged to customers during the year was marginally lower compared to the previous year, this did not have material impact on revenue growth. Generally, lower product pricing is offered by the Company for certain products to customers with stronger credit profile for bigger size of financing, e.g. car financing portfolio and small part of motorcycle financing and personal financing portfolios.

The financing receivables as at end of FYE2013 was RM2.36 billion, representing growth of 58.0% from RM1.49 billion in the previous financial year. Asset quality remained healthy with non-performing loans (NPL) ratio of 1.73% as at February 2013 compared to 1.80% in February 2012, in spite of the sharp growth in business and receivables in the year. Net credit cost of 3.35% per annum represented improvement from 3.48% per annum in the preceding year.

Increase in annual operating costs in FYE 2013 by 30.0% is in tandem with business growth and lower than revenue growth of 35.7%. Margin of profit before tax (PBT) against revenue for the year continued to improve to 38.8% compared to 37.2% in the previous year due to improved cost efficiency for personnel costs and operating overheads attributable to economies of scale and cost management efforts. Average funding cost in February 2013 was lower marginally compared to February 2012 due to new funding at competitive rates in the year from both off shore and domestic sources.

Other operating income recorded of RM33.66 million for the year was 35.2% higher than previous year. This is attributable to continued growth in fee income, especially from sales of insurance products, and increase in bad debts recovered.

## Operational Review

### Card Business

2012 remained a challenging year for credit card industry in Malaysia to realise customer base growth due to limited size of untapped eligible market; while total card receivables growth was approximately 2.5%.

The Company's principal credit cards in circulation as at February 2013 had increased by 5.2% from the previous year based on database marketing efforts, various promotions carried out and enhancement of card benefits. Total credit card transactions volume of RM779.36 million represents growth of 8.8% against the previous year, realised from both increase in card member base as well as higher average card usage amount.

Meanwhile, the acquisition of Carrefour Malaysia operations by the AEON Group in 2012, now operating as AEON Big outlets, provides opportunities to create greater synergy among AEON Group business entities operating in Malaysia and offering of the Company's products to new customer base. This also includes the Company's collaboration with AEON Co. (M) Berhad. The Company established credit card recruitment counters at all 27 AEON Big stores nationwide in December 2012.

### Easy Payment and Personal Financing Business

The Easy Payment and Personal Financing schemes saw a 80% annual growth in financing volume to RM1.688 billion for the year under review.

Personal financing schemes, car financing schemes and financing for mid-range and high-end motorcycles were key drivers for the sharp growth in transactions and receivables for the year. The Company capitalized on market opportunities in these product segments based on competitive pricing, flexible credit policies, fast turnaround, continued expansion of network of participating dealers for vehicle financing and other marketing activities.

Database marketing and new customer acquisition through an expanding branch network remained as main pillars of personal financing growth strategy. Currently the Company has a total of 38 branches and service centres nationwide, including seven new branches opened during the year at Seri Manjung, Ipoh, Rawang, Banting, Subang, Sri Gombak and Kuala Lumpur.

The financing receivables as at end of FYE2013 was RM2.36 billion, representing growth of 58.0% from RM1.49 billion in the previous financial year. Asset quality remained healthy with non-performing loans (NPL) ratio of 1.73% as at February 2013 compared to 1.80% in February 2012.

Total revenue for the financial year of RM467.13 million represented growth of 35.7% from previous year revenue of RM344.27 million.



#### Future Plans

New growth areas in car financing and small business financing portfolios will be key performance drivers for the financial year ending February 2014, supported by continued favourable outlook for the other portfolios, with steady economic growth in the macro environment. The Company is well positioned to complement financial services available to SMEs in the market from banking institutions, government linked companies and other credit companies.

For the credit card operations, the Company intends to enhance card benefits in AEON Group shopping centres in Malaysia to make the Company's credit cards the preferred choice. The Company also plans to launch e-money product for usage at AEON shopping centres and customer loyalty programme management business.

Additional branches shall be opened nationwide by the Company in FYE 2014, to facilitate greater market reach to consumers, especially for credit card and personal financing scheme operations as well as to provide customer service.

#### Acknowledgement

I am grateful to our customers, business partners and shareholders for your continued support and confidence in the Company. My heartfelt gratitude also goes to the Board of Directors, management and staff of the Company for your contributions and efforts to sustain the business success of AEON Credit.

Yours sincerely,

Yasuhiro Kasai  
Managing Director

# PROFILE OF DIRECTORS



## **DATO' ABDULLAH BIN MOHD YUSOF**

Chairman and Independent Non-Executive Director  
(74, Malaysian)

Dato' Abdullah bin Mohd. Yusof was appointed the Chairman of AEON Credit Service (M) Berhad on 23 July 1997. He holds a Bachelor of Law (Honours) from University of Singapore, which he obtained in 1968. He has more than forty (40) years of experience as an Advocate & Solicitor. He started his career with Skrine & Co, as a Legal Assistant in 1968 before starting his own partnership under the name of Tunku Zuhri Manan & Abdullah, Advocates & Solicitors in 1969 and subsequently renamed the law firm to Abdullah & Zainudin, Advocates and Solicitors in 1989. He presently remains a partner in Abdullah & Zainudin, Advocates and Solicitors. He sits on the Board of Directors of AEON CO. (M) BHD., MMC Corporation Berhad, Zelan Berhad and Tradewinds Corporation Berhad, all of which are companies listed on Bursa Securities. He sits on the Board of Directors of THR Hotel (Selangor) Bhd. and several private limited companies. He is currently the Chairman of the Nomination Committee and also serves as a member of the Remuneration Committee.

He does not have any family relationship with any Director and/or major shareholder of the Company or any conflict of interest with the Company, nor does he have any conviction for offences within the past 10 years, except for traffic offences, if any.

He has attended all five (5) Board meetings held in the financial year ended 20 February 2013. He holds 271,080 ordinary shares directly in the Company and 102,000 ordinary shares indirectly in the Company.

## **MR. YASUHIRO KASAI**

Managing Director  
(42, Japanese)



Mr. Yasuhiro Kasai was appointed as an Executive Director of AEON Credit Service (M) Berhad on 7 June 2005. On 20 April 2010, he was appointed as the Managing Director of the Company. Prior to his appointment as the Managing Director of the Company, he was the Head of Operation Management Division. He obtained a Bachelor's Degree in Law from Doshisha University of Japan in 1996. He began his career with AEON Financial Service Co., Ltd., Japan (AFSJ) (formerly known as AEON Credit Service Co., Ltd.) in 1996. He was seconded as Head of Electronic Data Processing in 1997. He has held various responsibilities in our Company, i.e Head of Management Information Systems Department in March 2000 as well as the Credit Assessment Department in March 2001, Senior Manager of Management Information Systems Department, Credit Assessment Department and Electronic Data Operations Department, General Manager/Head of Customer Relations Management Group as well as call centre and risk management sections and Senior General Manager of Customer Relations Management Group. He does not hold any directorship in any other public or public listed company.

He does not have any family relationship with any Director and/or major shareholder of the Company or any conflict of interest with the Company, nor does he have any conviction for offences within the past 10 years, except for traffic offences, if any.

He has attended all five (5) Board meetings held during the financial year ended 20 February 2013. He holds 108,000 ordinary shares directly in the Company.





### MR. MASAO MIZUNO

Non-Independent Non-Executive Director  
(55, Japanese)  
(appointed on 20 June 2012)

Mr. Masao Mizuno was appointed as a Non-Executive Director of AEON Credit Service (M) Bhd on 20 June 2012. He obtained a Bachelor's Degree in Law in Japan in 1981. He started his career in AEON Financial Service Co., Ltd., Japan (AFSJ) (formerly known as AEON Credit Service Co., Ltd.) in 1982. In 1991, he was part of the pioneer team from business establishment in Thailand, where he served for a number of years at AEON Thana Sinsap (Thailand) PLC and became the Managing Director in 1992. Subsequently, he assumed role in AFSJ as Chief General Manager of Asian Business Division in 2011. In April 2013, He was appointed as the Managing Director of AFSJ. Mr Mizuno is also currently a Non-Executive Director and Chairman of Aeon Credit Service (Asia) Co., Ltd., Aeon Credit Guarantee (China) Co., Ltd., Aeon Information Service (Shenzhen) Co., Ltd., PT AEON Credit Service Indonesia and ACS Trading Vietnam Co., Ltd. He is currently the Chairman of the Remuneration Committee and also serves as a member of the Nomination Committee.

He does not have any family relationship with any Director and / or major shareholder of Company or any conflict of interest with the Company nor does he have any conviction for offences within the past 10 years, except for traffic offences, if any.

He has attended two (2) Board meetings held in the financial year ended 20 February 2013. He does not hold any directorship in any other public or public listed company. He does not hold any shares in the Company.

### MR. JUN SUZUKI

Non-Independent Non-Executive Director  
(44, Japanese)  
(appointed on 20 June 2012)

Mr. Jun Suzuki was appointed as a Non-Executive Director of AEON Credit Service (M) Bhd on 20 June 2012. He obtained a Bachelor's Degree in E-Commerce from Sapporo Gakuin University, Japan in 1991. He began his career at OMC Card, Inc. in April 1991 before joining AEON Financial Service Co., Ltd., Japan (AFSJ) (formerly known as AEON Credit Service Co., Ltd.) in 1998. He was subsequently promoted as Manager of Accounting Division, General Manager of Accounting Division and General Manager of Accounting and Finance Division of AFSJ. In 2012, he was transferred to AEON Thana Sinsap (Thailand) PLC where he was appointed as Executive Director in June 2012. He does not hold any directorship in any other public company except AEON Thana Sinsap (Thailand) PLC.

He does not have any family relationship with any Director and/or major shareholder of the Company or any conflict of interest with the Company, nor does he have any conviction for offences within the past 10 years, except for traffic offences, if any.

He has attended one (1) Board meeting held during the financial year ended 20 February 2013. He does not hold any directorship in any other public or public listed company. He does not hold any shares in the Company.





### **DATUK RAMLI BIN IBRAHIM**

Independent Non-Executive Director  
(73, Malaysian)

Datuk Ramli bin Ibrahim was appointed as a Non-Executive Director of AEON Credit Service (M) Berhad on 23 July 1997. He qualified as a Chartered Accountant from the Institute of Chartered Accountants of Australia in 1965. He is a member of the Malaysian Institute of Accountants and a Fellow of the Australian Institute of Chartered Accountants. He has approximately 30 years of experience in the field of audit and accountancy with KPMG in Australia, United Kingdom and Malaysia. He was appointed to the position of Partner of KPMG Malaysia in 1971 and promoted to Senior Partner of KPMG Malaysia in 1989. He also served on the Board of Directors of KPMG International and KPMG Asia Pacific from 1990 to 1995. He retired from KPMG Malaysia in 1995. He further served as the Executive Chairman of Kuala Lumpur Options and Financial Futures Exchange Berhad from December 1995 to December 2000. Currently, he sits on the Board of AEON CO. (M) BHD., BCT Technology Berhad and several other unlisted public and private limited companies including Measat Global Berhad and HSBC Bank Malaysia Berhad. He also serves as a member of the Audit and Nomination Committees. He does not hold any directorship in any other public or public listed company.

He does not have any family relationship with any Director and/or major shareholder of the Company or any conflict of interest with the Company, nor does he have any conviction for offences within the past 10 years, except for traffic offences, if any.

He has attended all five (5) Board meetings held in the financial year ended 20 February 2013. He holds 162,000 ordinary shares directly in the Company.

### **DATO' MD KAMAL BIN ISMAUN**

Independent Non-Executive Director  
(65, Malaysian)

Dato' Md. Kamal bin Ismaun was appointed as a Non-Executive Director of AEON Credit Service (M) Berhad on 7 August 2007. He obtained a Bachelor's Degree in Arts from Universiti Malaya in 1975. He had served 32 years in the Foreign Service in various capacities both abroad and in Wisma Putra (Ministry of Foreign Affairs) which included stints as Counsellor at the Embassy of Malaysia in Tokyo, Japan (1986-1990), Charge d'Affaires in Zagreb, Croatia in Bosnia Herzegovina (1994-1996), Ambassador to Cambodia (1996-1999), Under-Secretary at the Ministry of Foreign Affairs (Southeast Asia and Pacific, 1999-2001), Director-General of ASEAN in the Ministry of Foreign Affairs (2001-2003) and Ambassador to Germany (2003 - July 2007). He also serves as a member of the Audit and Nomination Committees. He does not hold any directorships in any other public or public listed company.

He does not have any family relationship with any Director and/or major shareholder of the Company or any conflict of interest with the Company, nor does he have any conviction for offences within the past 10 years, except for traffic offences, if any.

He has attended all five (5) Board meetings held in the financial year ended 20 February 2013. He holds 6,000 ordinary shares directly in the Company.





### MR. NG ENG KIAT

Independent Non-Executive Director  
(60, Malaysian)

Mr. Ng. Eng Kiat was appointed as a Non-Executive Director of AEON Credit Service (M) Berhad on 7 August 2007. He is a member of the Malaysian Institute of Accountants, Malaysian Institute of Certified Public Accountants and a fellow member of the Chartered Tax Institute of Malaysia and CPA Australia. He has more than thirty (30) years of experience in the field of audit, accountancy and taxation. He had previously served as a member on a number of working groups of the Malaysian Accounting Standards Board, a co-opted member on a number of committees of the Malaysian Institute of Certified Public Accountants and an examiner for the final professional examination of the Malaysian Institute of Certified Public Accountants. Presently, he is the Managing Partner of the merged firm of Azman, Wong, Salleh & Co. and Folks DFK & Co. He also sits on the Board of Directors of several private limited companies. He does not hold any directorship in any other public or public listed company. He is currently the Chairman of the Audit Committee.

He does not have any family relationship with any Director and/or major shareholder of the Company or any conflict of interest with the Company, nor does he have any conviction for offences within the past 10 years, except for traffic offences, if any.

He has attended four (4) Board meetings held in the financial year ended 20 February 2013. He holds 12,000 ordinary shares directly in the Company.



### MR. TOMOAKI SAITO

Executive Director  
(41, Japanese)  
(resigned on 9 May 2013)

Mr. Tomoaki Saito was appointed as an Executive Director for AEON Credit Service (M) Berhad on 19 April 2010. He obtained a Bachelor's Degree in Commerce from Doshisha University of Japan in 1996. He began his career with AEON Financial Service Co., Ltd., Japan (AFSJ) (formerly known as AEON Credit Service Co., Ltd.) in 1996. Mr. Tomoaki has held various senior management responsibilities within AFSJ from 1999 to 2008 and he has gained broad experience in the Human Resources Division, Accounting and Finance Division and the Corporate Affairs Division. Before he was promoted to Managing Director of AEON Credit Service (Taiwan) Co., Ltd., he was the Senior Manager of the Accounts and Finance Department of AEON Credit Service (Asia) Co., Ltd. He was responsible for overseeing the Operations Management Division of the Company from April 2010- March 2012. In March 2012, he was redesigned as Head of E-commerce, E-money and SME Business Division. He does not hold any directorship in any other public or public listed company. Mr Saito resigned from the board on 9 May 2013.

He does not have any family relationship with any Director and/or major shareholder of the Company or any conflict of interest with the Company, nor does he have any conviction for offences within the past 10 years, except for traffic offences, if any.

He has attended all five (5) Board meetings held during the financial year ended 20 February 2013. He holds 12,000 ordinary shares directly in the Company.



### MR. KRISHNAPPAN A/L S.P.S. SINGARAM

Executive Director  
(46, Malaysian)

Mr. Krishnappan a/l S.P.S. Singaram was appointed as an Executive Director for AEON Credit Service (M) Berhad on 7 June 2005. He obtained the Certified Public Accountant qualification from the Malaysian Institute of Certified Public Accountants ("MICPA") in 1994 and is currently a member of both MICPA and the Malaysian Institute of Accountants ("MIA"). He began his career with KPMG Peat Marwick in 1987. He left to join Sime Darby Berhad as Finance Manager in 1993 before joining Tanjung Serbaneka Holding Sdn. Bhd. as their Group Finance Manager in 1996. Thereafter, he left Tanjung Serbaneka Holding Sdn Bhd to join our Company in 2000 as Manager of Finance Department. In 2003, he was promoted to the position of Assistant General Manager of both Human Resource and Finance Departments. He was made the Head of Finance Group in 2006. On 21 February 2008, he was made Head of Finance and Human Resource Division. He was redesignated as the Head of Finance, Legal and Administration Division on 1 April 2010. On 9 March 2011, he has been nominated as AEON Credit's representative to represent and act for and on behalf of the Company on the Board of AEON Credit Service India Pte. Ltd. In June 2012, he was made the Head of Corporate Service Division overseeing the Quality Information Management Department, Customer Service Improvement Department, Investor Relations and Legal and Compliance Department. He does not hold any directorship in any other public or public listed company.

He does not have any family relationship with any Director and/or major shareholder of the Company or any conflict of interest with the Company nor does he have any conviction for offences within the past 10 years, except for traffic offences, if any.

He has attended all five (5) Board meetings held during the financial year ended 20 February 2013. He holds 108,000 ordinary shares directly in the Company.



### MR. CLARENCE CHAI

Executive Director  
(51, Malaysian)

Mr. Clarence Chai was appointed as an Executive Director for AEON Credit Service (M) Berhad on 18 April 2006. He obtained the Advance Level qualifications in Business Studies from Hasting College of Further Education, England in 1981. He began his career with RJ Reynolds Tobacco Co. Sdn. Bhd. in 1982 and subsequently joined MBF Card Services Sdn. Bhd. as Area Manager in 1989. In 1995, he joined Synergy Card & Payment Services Sdn Bhd as Area Manager. He joined the Company as Kuching Branch Manager in 2000. In 2003, he was promoted as Senior Manager for East Malaysia operations. He was later promoted to Assistant General Manager, and General Manager/Head of Branch Operations Group. He is responsible for overseeing the company's entire branch network and service centres network. In February 2008, he was made Head of Regional Sales and Operations Division. In 2010, he was made the Head for Collection Agency and Business Process Outsourcing Division responsible for overseeing the management and development of these businesses. He does not hold any directorship in any other public company.

He does not have any family relationship with any Director and/or major shareholder of the Company or any conflict of interest with the Company nor does he have any convictions for offences within the past 10 years, except for traffic offences, if any.

He has attended all five (5) Board meetings held during the financial year ended 20 February 2013. He holds 22,000 ordinary shares directly in the Company.



# SENIOR MANAGEMENT



**MR. YASUHIRO KASAI**  
Managing Director



**MR. KRISHNAPPAN A/L S.P.S. SINGARAM**  
Senior General Manager /  
Head of Corporate Services Division



**MR. TOMOAKI SAITO**  
General Manager /  
Head of E-Commerce, E-Money & SME Business Division  
(resigned on 9 May 2013)



**MS. LEE TYAN JEN**  
General Manager /  
Head of Credit Card Division



**MR. CLARENCE CHAI**  
Senior General Manager /  
Head of Business Process Outsourcing & Collection Agency



**MR. MASAKI WATANABE**  
Assistant General Manager /  
Head of Credit Policy & Method Group



**MR. TENG BOON HONG**  
Assistant General Manager /  
Head of Information Technology Group



**MR. LEE KIT SEONG**  
Assistant General Manager /  
Head of Finance and Admin Group



**MR. JOSEPH CHONG KIM LEN**  
Assistant General Manager /  
Head of Motorcycle Easy Payment Division



**MR. AJITH A/L JAYARAM**  
Assistant General Manager /  
Head of Personal Financing Division

**MS. NG SOO LEE**  
Assistant General Manager /  
Head of Human Resource Group



**MR. PHANG CHEE CHONG**  
Assistant General Manager /  
Head of Internal Audit



# STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors ("The Board") of AEON Credit Service (M) Berhad (the "Company") is committed towards ensuring the high standards of corporate governance embodied in the Malaysian Code on Corporate Governance 2012 ("Code") are maintained by the Company in managing its business affairs and meeting expectations of various stakeholders. In addition to the Code, the corporate governance practices and operations of the Company comply with or are guided by the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad and AEON Group's Code of Conduct ("COC").

The Board considers that the Company's corporate governance framework and practices, as set out in this statement, serve to strengthen the Company's sustainability, organisational effectiveness and drive a high-performance culture within the Company.

This Statement outlines the key aspects of how the Company has applied and taken into account the Principles enumerated under the Code during the financial year ended 2013. Where there are gaps in the Company's observation of any of the Recommendations of the Code, these are disclosed herein with explanations.

## A. THE BOARD OF DIRECTORS

### Board Responsibilities

The Board is responsible for the stewardship of the business and affairs of the Company on behalf of the shareholders with a view of enhancing the long-term value of their investment. The overall principal roles and responsibilities of the Board are as follows:

- (a) Develop, review and revise the Company's long-term strategic plans;
- (b) Provide clear objectives and policies to senior management for operations;
- (c) Oversee the conduct and proper management of the Company's businesses, including succession planning;
- (d) Ensure establishment of appropriate risk management framework and adequate management information and internal control system of the Company;
- (e) Review and approve the Company's annual budget and business plan;
- (f) Review and approve Related Party Transactions; and
- (g) Approve transactions and activities outside the discretionary powers of senior management, subject to shareholders' approval where necessary.

The Board has established a Board Charter as a key point of reference to clarify the roles and responsibilities of the Board. The Board Charter is subject to review by the Board from time to time to ensure relevance and compliance, incorporating the following areas, amongst others:

- (a) Roles of the Board and Committees
- (b) Board composition and Terms of Reference
- (c) Appointment, Re-election and Resignation of Directors
- (d) Code of Ethics and Code of Conduct for Directors and Employees
- (e) Board and Board Committee Proceedings
- (f) Remuneration and Benefits for Directors
- (g) Training and Development
- (h) Annual Board Assessment

Steps will be taken to upload the salient features of the Charter on the Company's website at [www.aeonmalaysia.com.my](http://www.aeonmalaysia.com.my).

The Board reserves certain powers for itself and delegates other matters to the Executive Directors and Senior Management. The schedule of matters reserved for the Board's decision includes, amongst others, review and approval of the following:

- (a) Business strategy and annual business plan/budget;
- (b) Raising or restructuring of equity or debt capital and bank borrowings;
- (c) New investments, divestments, establishment of subsidiaries or joint ventures, and any other corporate exercise which requires approval of shareholders;
- (d) Acquisition or disposal of significant assets outside the ordinary course of business;
- (e) Quarterly financial results and annual financial statements; and
- (f) Appointment of new Directors

The management team is led by the Managing Director ("MD") and assisted by three (3) other Executive Directors is responsible for the day-to-day management of the Company and are accountable to the Board. Various powers are further delegated to the management team of the Company based on the Company's Authority Matrix, which is also subject to periodic review based on changes in organisation structure and business requirements for efficient decision making.

The Board is further committed to ensuring the Company's strategies promote sustainability as encapsulated in AEON Group's basic principles of "pursuit of peace, respect for humanity and contribution to local communities", with the customer's point of view as its core. Environmental and community responsibilities and concerns are integral to the way in which the Company conducts its business, as set out in AEON Group's Code of Conduct Commitment. The report on activities pertaining to corporate responsibilities are set out on pages 10 to 13 of the Annual Report.

### Board Composition and Balance

There is clear division of responsibilities between the Chairman and the MD, where the MD is also the Chief Executive Officer to engender accountability and facilitate the division of responsibility, such that no one individual has unfettered powers over decision making. The Chairman is responsible for ensuring the adequacy and effectiveness of the Board's governance process and acts as a facilitator at Board meetings to ensure that contributions by Directors are forthcoming on matters being deliberated and that no Board member dominates discussion. The MD, supported by the Executive Management team, implements the Company's strategic plan, policies and decision adopted by the Board and oversees the operations and business development of the Company.

The Board recognises the importance of independence and objectivity in the decision making process. In line with the Code and to enable a balance of power and authority in the Board, the Board Charter was adopted such that the Board should comprise a majority of Independent Directors in the event the Chairman of the Board is a Non-Independent Non-Executive Director.

The Board currently consists of nine (9) members, comprising one (1) Chairman who is a Non-Executive Director, three (3) Executive Directors including the MD and five (5) Non-Executive Directors. The Directors' profiles are presented on pages 22 to 26 of the Annual Report.

The Chairman and three (3) of the Non-Executive Directors are Independent Directors of the Company. This complies with Paragraph 15.02(1) of the MMLR of Bursa Malaysia Securities Berhad ("Bursa Malaysia") which required at least two (2) or one third (1/3) of the Board of the Company, whichever is the higher, to be independent directors. In the event of any vacancy in the Board resulting in non-compliance with the requirements on Independent Directors, the vacancy must be filled within three (3) months of that event.

The Company's Independent Directors are required to be independent of management and free of any business or other relationship that could materially interfere with the exercise of unfettered and independent judgment taking into account the interest not only of the Company, but also of shareholders, employees, customers and communities in which the Company conducts business. The Board, via the Nomination Committee, assesses each Director's independence to ensure ongoing compliance with this requirement annually.

Any Director who considers that he has or may have a conflict of interest or a material personal interest or a direct or indirect interest or relationship that could reasonably be considered to influence in a material way the Director's decision in any matter concerning the Company is required to immediately disclose to the Board such conflict of interest or potential conflict of interest and to abstain from participating in any discussion or voting on the matter.

During the financial year under review, the Board assessed the independence of its Independent Non-Executive Directors based on criteria set out in the MMLR of Bursa Malaysia and criteria developed by the Nomination Committee.

The present size and composition of the Board is optimum and well balanced, in terms of the required mix of skills and experience, including core competencies. The Board is well represented by individuals with diverse professional backgrounds and experience in the areas of law, finance and accounting, audit and taxation, commerce and public service. This results in the Board having the stability, continuity and commitment as well as capacity to discharge its responsibilities and manage the Company effectively. The current number of Independent Directors is deemed as ideal to provide the necessary check and balance to the Board's decision making process, through objective participation in Board deliberations and the exercise of independent judgement. Meanwhile, the Board has no immediate plans to implement a gender diversity policy although the Board considers that gender is not a bar to Board appointment. The Board is of the view that Directors' appointments are dependent solely on the candidate's skills, experience, core competencies and personal qualities.

Datuk Ramli bin Ibrahim is the Senior Independent Non-Executive Director to whom concerns may be conveyed by shareholders and other stakeholders on matters relating to corporate governance of the Company.

Recommendation 3.2 of the Code recommends that the tenure of an Independent Director should not exceed nine (9) years cumulatively. However, an Independent Director may continue to serve the Board upon reaching the 9-year limit subject to the Independent Director's re-designation of as a Non-Independent Non-Executive Director. In the event the Board intends to retain a Director's status as Independent after having served a cumulative term of nine (9) years, the Board must justify the decision and seek shareholders' approval at a general meeting. In justifying the decision, the Nomination Committee is entrusted to assess the candidate's suitability to continue as an Independent Non-Executive Director based on the criteria on independence.



Following a performance evaluation and assessment by the Nomination Committee and deliberation at its meeting held in May 2013, Dato' Abdullah bin Mohd Yusof and Datuk Ramli bin Ibrahim who served as an Independent Non-Executive Chairman and Independent Non-Executive Director of the Company for a cumulative term of more than 9 years as at the end of the financial year under review have been recommended by the Board to continue to act as Independent Non-Executive Chairman and Independent Non-Executive Director of the Company subject to shareholders' approval at the forthcoming Annual General Meeting of the Company. The reasons for the recommendation are as follows:-

- (i) The said Directors have fulfilled the criteria under the definition on Independent Director as stated in the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), and are able to bring independent and objective judgement to the Board;
- (ii) The said Directors' knowledge of the MMLR of Bursa Securities and experience\* have enabled them to provide the Board with a diverse set of experience, expertise, skills and competence;
- (iii) The said Directors understand the Company's business operations well and contribute actively during deliberations or discussions at Committee and Board meetings;
- (iv) The said Directors have contributed sufficient time and effort and have attended all the Committee and Board meetings to ensure informed and balanced decision making; and
- (v) The said Directors have exercised due care during their tenure as Independent Non-Executive Directors of the Company and have always discharged their professional and fiduciary duties in the best interest of the Company and stakeholders.

*\*Note: Dato' Abdullah bin Mohd Yusof has experience in financial and legal services while Datuk Ramli bin Ibrahim has experience in financial services and accountancy profession.*

Dato' Abdullah bin Mohd Yusof and Datuk Ramli bin Ibrahim as the Chairman and a member of the Nomination Committee respectively have abstained from any deliberations or voting pertaining to their own independence at the Nomination Committee and Board levels.

### Supply of and Access to Information

The Board and the respective Board Committees are furnished with Board papers and reports providing updates on financial, operational, regulatory, audit matters and corporate plans, developments and results prior to Board or respective Board Committees' meetings to facilitate informed discussion and decision-making during meetings.

Other information shall be furnished to Directors from time to time for review and consideration of matters reserved specifically for the Board's decision. Procedures are in place for the Board or Board members to seek independent professional advice in the course of fulfilling their responsibilities, at the Company's expense, in accordance with established procedures set out in the Board Charter in furtherance of their duties.

The Board or Board Committees may invite senior management staff to attend the Board or Board Committees' meetings to brief or present to the Board or Board Committee on the business operations and performance.

Directors have unrestricted access to the advice and services of the appointed Company Secretaries, both of whom are qualified persons as members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"). The Directors are regularly updated and advised by the Company Secretaries on new statutory guidelines and regulatory requirements from time to time and their impact and the implication on the Company and Directors in carrying out their fiduciary duties and responsibilities. The Company Secretaries also notified the Directors and Principal Officers on the closed period for trading in the Company's shares, in accordance with Chapter 14 of the MMLR of Bursa Malaysia.

Deliberations during the Board and Board Committees' Meetings were properly minuted and documented by the Company Secretary.

### Board and Board Committees Meetings

Board and Board Committees meetings are conducted in accordance with a structured agenda. The agenda for each Board and Board Committees meeting and the relevant reports and Board and Board Committees papers are forwarded to the Board and Board Committees generally five (5) days prior to the Board and Board Committees meeting to allow the Directors and Board Committees sufficient time to peruse the Board papers and review the issues well ahead of the meeting date.

Board meetings are held at least on a quarterly basis. Additional meetings are held as and when required. During the financial year ended 20 February 2013, the Board met five (5) times where it deliberated and considered a variety of matters, inclusive of financial results, operations' performance, risk management and matters requiring decision of the Board. The details of Directors' attendance are as follows:

Name of Director		Number of Board meetings attended/held during the Directors' term in office
1	<b>Dato' Abdullah bin Mohd Yusof</b> - Independent Non-Executive Director	5/5
2	<b>Mr. Yasuhiro Kasai</b> - Managing Director	5/5
3	<b>Mr. Masao Mizuno</b> (appointed on 20 June 2012) - Non-Independent Non-Executive Director	2/2
4	<b>Datuk Ramli bin Ibrahim</b> - Independent Non-Executive Director	5/5
5	<b>Dato' Md Kamal bin Ismaun</b> - Independent Non-Executive Director	5/5
6	<b>Mr. Ng Eng Kiat</b> - Independent Non-Executive Director	4/5
7	<b>Mr. Jun Suzuki</b> (appointed on 20 June 2012) - Non-Independent Non-Executive Director	1/2
8	<b>Mr. Krishnappan A/L S.P.S. Singaram</b> - Executive Director	5/5
9	<b>Mr. Clarence Chai</b> - Executive Director	5/5
10	<b>Mr. Tomoaki Saito</b> (resigned on 9 May 2013) - Executive Director	5/5
11	<b>Mr. Takatoshi Ikenishi</b> (retired on 19 June 2012) - Non-Independent Non-Executive Director	0/3
12	<b>Mr. Naruhito Kuroda</b> (resigned on 15 May 2012) - Non-Independent Non-Executive Director	0/2

The Directors do not participate in the deliberations on matters in which they have a material personal interest, and abstain from voting on such matters. The Directors are aware that they must notify the other Board members of their interest in contracts that is in conflict, or appears to be in conflict with an interest of the Company by disclosing the nature and extent of that interest during Board meetings.

The Board's decisions are recorded in the meeting minutes and the draft minutes of meetings are made available to all Board members before the confirmation of the minutes at the next meeting.

In order to enable Directors to sustain active participation in board deliberations, the Directors have access to continuing education programmes or trainings. The Directors have devoted sufficient time to update their knowledge and enhance their skills by attending trainings, conferences, seminars, forums and workshops, details as set out in pages 31 to 32 of this Statement.

### Continuing Education and Training of Directors

All Directors have completed the Mandatory Accreditation Program as prescribed by Bursa Securities. The Board fully supports the need for its members to further enhance their skills and knowledge on relevant new laws and regulations and changing commercial risks to keep abreast with the developments in the economy, industry, technology and the changing business environment within which the Company operates. Throughout their period in office, the Directors are continually updated on the Company's business and the regulatory requirements. During the financial year ended 20 February 2013, the relevant training programmes, seminars, forums and workshops attended by the Directors of the Company were on the following topics:

#### Title of Seminar / Workshops / Courses

- 2013 Malaysian Budget and Other Tax Developments
- Application aspects of the 2012 IFRS-compliant Malaysian Financial Reporting Standards
- Briefing on MFRSs to Practising Members
- Compliance with Auditing Standards on Comparative Information and Going Concern Assessment
- Corporate Governance and Risk Management Seminar
- Goods and Service Tax (GST) Presentation
- Impact of Amendments to Listing Requirements & IFRS
- Internal Capital Adequacy Assessment Process
- Management Code of Conduct Training
- Managing Corporate Risk and Achieving Internal Control Through Statutory Compliance
- Mandatory Accreditation Programme for Directors of Public Listed Companies
- MFRS1 - First time adoption of MFRS
- National Tax Seminar 2012 - Challenges in a Borderless Economy

## STATEMENT ON CORPORATE GOVERNANCE (cont'd)

- Role of the Audit Committee in Assuring Audit Quality
- The Anti-Money Laundering Act 2001
- The Statement On Risk Management and Internal Control Guidelines
- Understanding Financial Statements – Use of Healthy Scepticism

All Directors are encouraged to continue to identify and attend appropriate seminars, conferences and courses to keep abreast with the developments in the business environment as well as the current changes in the laws and regulations to enhance their knowledge and skills.

### Appointments to the Board

The Company has in place formal and transparent procedures for the appointment of new Directors to the Board. These procedures ensure that all nominees to the Board are first considered by the Nomination Committee, taking into account the required mix of skills, experience and other qualities of Board members, prior to making a recommendation to the Board of the Company.

The Directors observe the recommendation of the Code that they are required to notify the Chairman of the Board before accepting any new directorships and to indicate the time expected to be spent on the new appointment. Generally, Directors are at liberty to accept other Board appointments so long as such appointments are not in conflict with the business of the Company and do not adversely affect the Director's performance as a member of the Board.

### Re-election of Directors

In accordance with the Company's Articles of Association, at every Annual General Meeting ("AGM") of the Company, one-third of the Directors or the number nearest to one-third (1/3) are subject to retirement by rotation such that each Director shall retire from office once in every three (3) years. All Directors who retire from office shall be eligible for re-election.

Directors appointed by the Board in each financial year shall hold office only until the next AGM and shall then be eligible for re-election. Pursuant to Section 129 (6) of the Companies Act, 1965, Directors who are over the age of seventy (70) shall retire at every AGM and may offer themselves for re-appointment to hold office until the next AGM.

The performance of those Directors who are subject to re-appointment and re-election at the AGM will be assessed by the Nomination Committee whose recommendations will be submitted to the Board for decision on such proposed re-appointment and/or re-election to be tabled to shareholders for approval at the AGM.

### Directors' Remuneration

The Remuneration Committee recommends to the Board the framework and remuneration package of Managing Director and other Executive Directors after annual review exercise while the determination of the remuneration of the Non-executive Directors is a matter to be decided by the Board as a whole.

The remuneration package are structured according to the skills, experience and performance of the Executive Directors to ensure the Company attracts and retains the Directors needed to run the Company successfully. Further, the remuneration package is structured so as to link rewards to the achievement of corporate and individual performance. The fees of the Non-Executive Directors depend on their contribution to the Company in terms of their responsibilities and time spent as well as their level of knowledge and experience.

The Directors' remuneration for the financial year ended 20 February 2013 are broadly categorized into the following bands:

	Number of Directors		
	Executive	Non-Executive	Total (RM)
Below RM50,000		4	4
RM50,001 to RM100,000		3	3
RM100,001 to RM150,000			
RM150,001 to RM200,000		1	1
RM500,001 to RM550,000	2		2
RM600,001 to RM650,000	1		1
RM1,000,001 to RM1,050,000	1		1
<b>TOTAL</b>	<b>4</b>	<b>8</b>	<b>12</b>

Note: Table above includes two directors who resigned/retired during the financial year



## STATEMENT ON CORPORATE GOVERNANCE (cont'd)

The details of the aggregate remuneration of the Directors for the financial year ended 20 February 2013, categorised into appropriate components are as follows:-

	Executive Directors	Non-Executive Directors	Total (RM)
Fees	-	446,000	446,000
Salaries, bonus and other contributions	2,507,389	-	2,507,389
Benefits-in-kind	143,725	-	143,725
<b>TOTAL</b>	<b>2,651,114</b>	<b>446,000</b>	<b>3,097,114</b>

The Board has chosen to disclose the remuneration in bands pursuant to the MMLR as separate and detailed disclosure of individual director's remuneration will not add significantly to the understanding and evaluation of the Company's governance.

### Uphold integrity in financial reporting by Company

The Board has established an Audit Committee, comprising wholly Non-Executive Directors, the majority of whom are Independent, with Mr. Ng Eng Kiat as the Committee Chairman. The composition of the Audit Committee, including its roles and responsibilities are set out on pages 37 to 39 of this Annual Report. One of the key responsibilities of the Audit Committee is to ensure that the financial statements of the Company comply with applicable financial reporting standards in Malaysia. Such financial statements comprise the quarterly financial report announced to Bursa Malaysia and the annual statutory financial statements.

The Board upholds the integrity of financial reporting by the Company. As such, it has established procedures, via the Audit Committee, in assessing the suitability and independence of the external auditors. Such procedures entail the provision of written assurance by the external auditors, confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out by the Malaysian Institute of Accountants.

## B. INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATIONS

The Company is aware that a key element of good corporate governance is the effective communication and dissemination of clear, relevant and comprehensive information which is readily accessible by the Company's shareholders. The Board recognises the importance of maintaining transparency and accountability to shareholders.

The Company's quarterly/annual financial performance and corporate developments in the Company have been promptly announced to all shareholders through disclosures to Bursa Securities, accessible through both the stock exchange website ([www.bursamalaysia.com](http://www.bursamalaysia.com)) and the Company's own website ([www.aeonmalaysia.com.my](http://www.aeonmalaysia.com.my)). Further updates of the Company's activities, product launching and operations are also disseminated through dialogues with analysts, fund managers and investors as well as press releases from time to time. Investor relations and corporate information are available from the Company's website, including information on the Company's products, services and promotions.

This Annual Report is another main channel of comprehensive communications with shareholders on the financial results, operations, prospects, activities undertaken and state of corporate governance in the Company. A dedicated Investor Relations e-mail contact has also been made available at [[IR@aeonmalaysia.com.my](mailto:IR@aeonmalaysia.com.my)] for shareholders to submit queries or comments on any issue of concern.

The AGM has been the main forum of dialogue for shareholders to raise their concerns and provide feedback to the Board on the Company's performance and direction. A presentation will be made by the management during the AGM on the Company's performance and major activities during the year under review. The Board encourages participation at AGM and will generally carry out resolutions by show of hand except for resolution(s) on Related Party Transaction(s) (where shareholders' voting is by way of poll), unless otherwise demanded by shareholders in accordance with the Articles of Association of the Company.

## C. ACCOUNTABILITY, AUDIT AND RISK MANAGEMENT

### Financial Reporting

The Board aims to provide and present a balanced and meaningful assessment of the Company's financial performance and prospects, primarily through its annual financial statements and quarterly statements to shareholders and the review of operations through its annual report. The Audit Committee and the Board oversee the Company's annual and quarterly reporting and the quality of its financial reporting, to ensure completeness, accuracy and adequacy prior to release to Bursa Securities.

### Directors' Responsibility Statement in Respect of the Preparation of the Audited Financial Statements

The Directors are responsible for ensuring that financial statements, as set out in pages 49 to 88 of this Annual Report, are drawn up in accordance with accounting standards approved by the Malaysian Accounting Standards Board (MASB), the provisions of the Companies Act, 1965, and the requirements of Bursa Malaysia and other regulatory bodies. In presenting the financial statements which have been prepared on a going concern basis, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgement and estimates, to show a true and fair view of the state of affairs of the Company and of its results and cash flows for the financial year under review.

The Directors are responsible for keeping proper accounting records, which disclosed with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act, 1965. The Directors have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company, to prevent and detect fraud and other irregularities.

### Related Party Transactions

At the Fifteenth AGM of the Company held on 19 June 2012, the Company obtained a shareholders' mandate to allow the Company to enter into recurrent related party transactions of a revenue or trading nature. All related party transactions are reviewed by the Audit Committee on quarterly basis.

An internal compliance framework is in place to ensure that the Company meets its obligations under the Listing Requirements pertaining to related party transactions. Procedures have been established by the Company to ensure that all related party transactions are undertaken on an arm's length basis and on normal commercial terms, consistent with the Company's usual business practices and policies, which are generally not more favourable than those generally available to the public, where applicable, and are not detrimental to the minority shareholders. Details of the procedures are set out in the Circular to shareholders dated 27 May 2013 for renewal of the aforesaid mandate.

All recurrent related party transactions entered into by the Company during the financial year ended 20 February 2013 are disclosed in Note 20 of the financial statements on pages 72 to 73 of the Annual Report 2013.

### Risk Management and Internal Control

The Board is responsible for setting up and maintaining an effective risk management framework and sound internal control system, to identify, evaluate, control, monitor and report the principal business risks faced by the Company on an ongoing basis. The key features of the risk management framework are set out in the Statement on Risk Management and Internal Control of this Annual Report.

In line with the Code and the MMLR, the Board has established an internal audit function that reports directly to the Audit Committee. The scope of work covered by the internal audit function during the financial year under review is provided in the Statement on Risk Management and Internal Control of this Annual Report.

### Whistle Blowing Policy

The Company has also established a whistle blowing channel, identified as AEON Hotline, under the Code of Conduct to be complied with by staff and management. Employees can raise genuine concerns without fear, on an anonymous basis or otherwise, on areas such as unethical practices, illegal activities, breach of regulations, financial/accounting fraud etc. The issues raised through the AEON Hotline, an Intranet communication channel, are investigated and resolved with strict confidentiality by the Company.

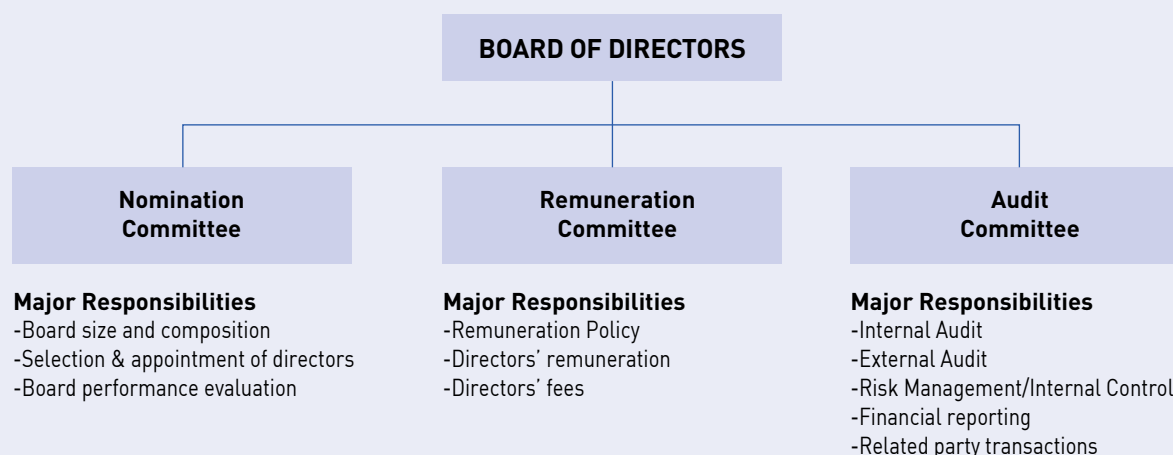
### Relationship with Auditors

The Board with the assistance of the Audit Committee maintains a formal and transparent relationship with the Company's external auditors through Board meetings and formal meetings where issues are discussed. The Audit Committee meets with the external auditors to discuss the audit plan, audit findings and the Company's financial statements. The external auditors also meet with the Audit Committee of the Company at least twice a year without the presence of the Executive Directors and Management. Further, the external auditors are invited to attend the AGM and answer any shareholders enquiries relating to the audit of the financial statements.

The relationship between the Board and external auditors is also formalised through the Audit Committee's terms of reference.

## D. BOARD COMMITTEES

The Board is assisted by its Committees, which have been established under defined terms of reference, in accordance with the MMLR of Bursa Malaysia and best practices prescribed by the Code to assist the Board in discharging its responsibilities. The Committees are the Audit Committee, Nomination Committee, and the Remuneration Committee. The following diagram provides a brief overview of the three main Board Committees of the Company:



The functions and terms of reference of the Board Committees as well as authority delegated by the Board to these Committees have been approved by the Board and are reviewed from time to time to ensure they are relevant and up-to-date. The Board Committees examine specific issues and report to the Board with their recommendations. The ultimate responsibility for decision-making lies with the Board.

### Audit Committee

The Audit Committee reviews issues of accounting policy and presentation of external financial reporting, monitors the work of the internal audit function and ensures that an objective and professional relationship is maintained with the external and internal auditors. The Audit Committee works closely with both the internal and external auditors who, in turn, have access to the Chairman of the Audit Committee.

The members, terms of reference and activities for the financial year under review are stated on pages 37 to 39 of the Annual Report.

### Nomination Committee

The Company's Nomination Committee ("NC") comprised of five (5) members, all of whom are Non-Executive Directors, with a majority being Independent. The current NC Chairman is independent and able to contribute effectively to the NC in view of his wide and vast boardroom experience.

The NC is responsible for making recommendation to the Board on the optimum size of the Board, formalising a transparent procedure for proposing new nominees to the Board and Board Committees and ensuring that the interest of the minority shareholders are fairly reflected on the Board. A selection process for new appointees to the Board as recommended by the Nomination Committee has been adopted by the Board. In evaluating the suitability of candidates, the NC considers the following factors before recommending to the Board for appointment:

- skills, knowledge, expertise and experience;
- time commitment to effectively discharge his/her role as a director
- character, integrity and competence;
- Boardroom diversity including gender diversity; and
- in the case of candidates for the position of Independent Non-Executive Directors, the Committee shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors.

The NC has reviewed annually the size of Board, required mix of skills, experience and other qualities of the Board including core-competencies that both Executive and Non-Executive Directors should bring to the Board. The NC also has assessed annually the effectiveness of the Board as a whole, the Board Committees and contribution of each individual Director, the effectiveness and performance of the Executive Directors, independence of Independent Directors, training courses required by the Directors and the character, experience, integrity, competence and time to effectively discharge the roles of Directors/Chief executive and is satisfied with the current composition and performance of the Board.



## STATEMENT ON CORPORATE GOVERNANCE (cont'd)

During the financial year ended 20 February 2013, two (2) NC meetings were held. Details of the NC members and meeting attendance are set out below:

	Name of Director	Number of Board meetings attended/held during the Directors' term in office
1	<b>Dato' Abdullah bin Mohd Yusof</b> (Chairman) - Independent Non-Executive Director	2/2
2	<b>Mr. Masao Mizuno</b> (appointed on 20 June 2012) - Non-Independent Non-Executive Director	N/A
3	<b>Datuk Ramli bin Ibrahim</b> - Independent Non-Executive Director	2/2
4	<b>Dato' Md Kamal bin Ismaun</b> - Independent Non-Executive Director	2/2
5	<b>Mr. Jun Suzuki</b> (appointed on 20 June 2012) - Non-Independent Non-Executive Director	N/A
6	<b>Mr. Takatoshi Ikenishi</b> (retired on 19 June 2012) - Non-Independent Non-Executive Director	0/2
7	<b>Mr. Naruhito Kuroda</b> (resigned on 15 May 2012) - Non-Independent Non-Executive Director	0/1

The key activities undertaken by the NC were review and assessment on the mix of skills and experience of the Board including the core competencies of both Executive and Non-Executive Directors, size of the Board, performance and contribution of each Director and effectiveness of the Board and Board Committees, evaluation of suitability of new Directors proposed to be appointed to the Board and also review on the retirement of Directors by rotation and their eligibility for re-election. NC has also reviewed, assessed and recommended to the Board the new appointments of Mr. Masao Mizuno and Mr. Jun Suzuki as Directors of the Company and member of NC and Remuneration Committee. Further, the NC also reviewed the retirement of Directors by rotation.

The NC has arranged for the induction of the newly appointed Directors to the Board to ensure they have a full understanding of the nature of the business, current issues within the Company and corporate strategies as well as the structure and management of the Company.

### Remuneration Committee

The Remuneration Committee ("RC") comprises three (3) members, all of whom are Non-Executive Directors.

The RC is responsible for reviewing annually and recommending to the Board, the remuneration of Executive Directors and fees of Non-Executive Directors of the Company in all its forms. The Executive Directors concerned play no part in the decision of their own remuneration but may attend the committee meetings at the invitation of the Chairman of the RC if their presence is required. The determination of fees of the Independent Non-Executive Directors is a matter for the Board, as a whole, with individual Director abstaining from discussion of their own fees. The Company's Articles of Association provide that any increase in Directors' fees should be approved at a general meeting.

During the financial year ended 20 February 2013, two (2) RC meetings were held. Details of the RC members and meeting attendance are set out below:

	Name of Director	Number of Board meetings attended/held during the Directors' term in office
1	<b>Mr. Masao Mizuno</b> (Chairman) (appointed on 20 June 2012) - Non-Independent Non-Executive Director	N/A
2	<b>Dato' Abdullah bin Mohd Yusof</b> - Independent Non-Executive Director	2/2
3	<b>Mr. Jun Suzuki</b> (appointed on 20 June 2012) - Non-Independent Non-Executive Director	N/A
4	<b>Mr. Takatoshi Ikenishi</b> (retired on 19 June 2012) - Non-Independent Non-Executive Director	1/2
5	<b>Mr. Naruhito Kuroda</b> (resigned on 15 May 2012) - Non-Independent Non-Executive Director	1/1

During the financial year, the key activities undertaken by the RC were to review and recommend to the Board, the remuneration for the Managing Director and Executive Directors of the Company and further recommended the Non-Executive Directors' fees to the Board to seek shareholders' approval at the Company's AGM.

This Statement on Corporate Governance was approved by the Board of Directors of the Company on 9 May 2013.

# AUDIT COMMITTEE REPORT

## Membership and Meetings

The Audit Committee members are appointed by the Board of Directors from amongst its non-executive members. The Audit Committee comprises three (3) Independent Non-Executive Directors of the Board as set out in the table below.

Mr. Ng Eng Kiat, the Chairman of the Audit Committee and Datuk Ramli bin Ibrahim are members of the Malaysian Institute of Accountants (MIA).

During the financial year under review, the Audit Committee convened four (4) meetings. The attendance record of the members of the Audit Committee is as follows:

No.	Audit Committee Member	Designation	Meetings Attended
1.	Mr. Ng Eng Kiat	Chairman (Independent Non-Executive Director)	4 / 4
2.	Datuk Ramli bin Ibrahim	Member (Independent Non-Executive Director)	4 / 4
3.	Dato' Md Kamal bin Ismaun	Member (Independent Non-Executive Director)	4 / 4

The Company Secretary, being the Secretary of the Audit Committee was present at all the meetings. Upon invitation, representatives of the External Auditors, Messrs KPMG, the Managing Director and the Heads of Human Resource, Finance & Admin Division, Internal Audit and related management personnel also attended specific meetings. The Chairman of the Audit Committee reported to the Board of Directors on matters deliberated during the Audit Committee Meetings and minutes of Audit Committee Meetings were circulated to all the members of the Board.

## Summary of Activities of the Audit Committee

The Audit Committee carried out its duties as set out in the terms of reference outlined in pages 38 to 39. During the period under review, the Audit Committee carried out the following main activities:

- Reviewed and approved the annual internal audit plan of the Internal Audit Department, including its audit strategy, scope, functions, competency, resource requirements and the necessary authority to carry out its work.
- Reviewed and deliberated reports issued by the External Auditors, Messrs KPMG and Internal Audit Department on significant findings and remedial actions to be taken by Management to address the issues raised.
- Reviewed and recommended the quarterly unaudited financial results and the annual audited financial statements of the Company to the Board of Directors for consideration and approval.
- Reviewed with the external auditors the scope of work and audit plan for the year.
- Reviewed and recommended the re-appointment of Messrs KPMG as the Company's External Auditors and their professional fees to the Board of Directors for consideration.
- Reviewed the incidence and nature of recurrent related party transactions and also reviewed the annual circular to shareholders in respect of the recurrent related party transactions of revenue and trading nature and recommended the same to the Board of Directors for consideration and approval.
- Discussed and recommended to the Board of Directors for approval, the Statements on Corporate Governance and Internal Control and the Audit Committee activities report for inclusion in the annual report.
- Conducted an annual assessment of the Internal Audit Department's scope, functions, competency and resources pursuant to the Main Market Listing Requirements of Bursa Securities.
- Reported to the Board of Directors on its activities and any significant issues and remedial actions taken arising from the audits undertaken by the external and internal auditors.

For the financial year under review, the Audit Committee held two (2) meetings with the external auditors and one (1) meeting with the internal auditor without the presence of the Management to discuss any issues or significant matters, which the External / Internal Auditors wished to raise.

## Internal Audit Functions and Summary of Activities

The Company has established an Internal Audit Department which reports to the Audit Committee. The Internal Audit Department serves as a governance control and provides the Audit Committee with independent and objective reports on the state of internal controls of the operating units within the Company. The Internal Audit Department's annual audit plan is approved by the Audit Committee. Total staff cost incurred in respect of the internal audit function during the financial year ended 20 February 2013 was RM539,100.

During the period under review, the Internal Audit Department carried out the audits of the operating units of the Company as identified in the annual internal audit plan to review the adequacy and effectiveness of the internal control system as well as compliance with policies and procedures, reported ineffective and inadequate controls, and made recommendations to improve their effectiveness. Internal Audit also followed-up on the implementation of the agreed remedial measures and the status was reported to the Audit Committee.

# TERMS OF REFERENCE OF THE AUDIT COMMITTEE

## 1. Introduction

The Audit Committee ("Committee") is a governing body appointed by the Board of Directors, which is charged with oversight of the organisation's audit, accounting and internal control functions.

## 2. Primary Purpose

The primary purpose of the Committee is to assist the Board of Directors (BOD) in fulfilling its fiduciary responsibilities relating to the following objectives of the Company:-

- Assess the Company's processes relating to its risks and control environment,
- Improve the quality of the accounting function, system of internal controls and audit function and strengthen the confidence of the public in the Company's reported results,
- Maintain a direct line of communication between the BOD, the external auditors and internal auditors through regularly scheduled meetings,
- Enhance the independence of both the external and internal audit functions through active participation in the audit process,
- Strengthen the role of the independent directors by giving them a greater depth of knowledge as to the operations of the Company,
- Review and recommend ethics code for all executives and members of the staff of the Company, and
- Create a climate of discipline and control which will prevent the incidence of fraud and other shortcomings.

## 3. Membership

The BOD shall appoint Committee members from amongst its members, comprising no fewer than 3 directors (all of whom shall be Non-Executive) and the majority of whom shall comprise independent directors of the Company.

The BOD shall at all times ensure that all members of the Committee should have working knowledge of finance and accounting and at least 1 member of the Committee shall be:-

- A member of the Malaysian Institute of Accountants (MIA); or
- If he or she is not a member of MIA, he or she must have at least 3 years of working experience and:-
  - He or she must have passed the examinations specified in Part 1 of the 1st schedule of the Accountants Act 1967; or
  - He or she must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
  - He or she must be a person who fulfills such other requirements as maybe prescribed by or approved by Bursa Malaysia Securities Berhad ("Bursa Securities") and/or such other relevant authorities from time to time.

In the event of any vacancy in the Committee resulting in the non-compliance of the above requirements, the Company must fill the vacancy within 3 months.

The Chairman of the Committee shall be an independent non-executive director. No alternate director of the BOD shall be appointed as a member of the Committee.

The BOD shall review the term of office and performance of the Committee and each of its members at least once in every 3 years and determine if their duties have been carried out in accordance with their terms of reference and will recommend the necessary actions thereon.

## 4. Meetings

The Committee shall meet at least 4 times a year and such additional meetings as the Chairman shall decide in order to fulfill its duties.

The quorum for the meeting shall be 2 and the majority of members present must be independent directors. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present.

The Company Secretary shall be appointed Secretary of the Committee. The Secretary shall, in conjunction with the Chairman, draw up an agenda, which shall be circulated together with relevant support papers, at least 1 week prior to each meeting, to the Committee members. The minutes shall be circulated to the members of the BOD and kept by the Secretary for the custody, production and inspection of such minutes.

The agenda for the meeting shall include the following:-

- Review the quarterly, interim or year end financial statements of the Company and respective announcements of the Company before submission to BOD for consideration and approval,
- Report and recommend to BOD for approval of annual financial statements,
- Review with external auditors the scope of work and audit plans prior to implementation,
- Review recurrent related party transactions of a revenue or trading nature within the Company for inclusion in the circular to the shareholders in relation to proposed renewal of the shareholders' mandate for recurrent related party transactions pursuant to Bursa Securities requirements for BOD approval, and

- e. Review internal audit reports and consider the significant findings and management responses and ensure significant findings have been adequately addressed by the management.

Other BOD members and/or employees may attend specific audit committee meetings at the invitation of the Committee.

The Chairman shall report on each meeting to the BOD summarising the Committee's activities and the related significant results and findings.

The Committee shall meet at least once a year with the Head of Internal Audit and at least twice a year with the external auditors to discuss any matters without the presence of the management and any executive members of the BOD.

## 5 Authority

The Committee shall have the following authority as empowered by the BOD:-

- a. Investigate any matter within its terms of reference.
- b. Seek any information it requires from employees who are required to cooperate with any request made by Committee,
- c. Full and unrestricted access to any information pertaining to the Company,
- d. Direct communication channels with internal and external auditors and with senior management of the Company,
- e. Adequate resources required to perform its duties including legal or other independent professional advice as it considers necessary,
- f. Report to Bursa Securities any matter that has not been satisfactorily resolved resulting in a breach of Bursa Securities Main Market Listing Requirements, after the matter has been reported to the BOD,
- g. Be able to convene meetings with the external auditors, internal auditors or both excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

The Chairman of the Committee shall engage on a continuous basis with senior management, such as the Chairman of the Board, the Managing Director, the Head of Finance, the Head of Internal Audit and the External Auditors in order to be kept informed of matters affecting the Company.

## 6 Responsibilities And Duties

Pursuant to Section 15.12 of the Main Market Listing Requirements of Bursa Securities (or any other succession/deletions/changes thereof), the following duties shall be discharged by the Committee and the same shall be reported/recommended, where applicable to the BOD:-

- a. Review with the external auditors, the audit scope and plan including any changes to the planned scope of the audit and the proposed audit fees in connection with the statutory audit,
- b. Review the independence, objectivity and performance of the external auditors and their services, including approving the provision of non-audit services by the external auditors,
- c. Review the letter of resignation from the external auditors and/or whether there is reason to believe that the external auditors are not suitable for re-appointment,
- d. Review the Internal Audit Charter to ensure that the internal audit function is independent of the activities it audits and to identify a head of internal audit who reports directly to the Audit Committee. The head of internal audit will be responsible for the regular review and/or appraisal of the effectiveness of the risk management, internal control and governance processes within the Company. The head of internal audit shall have unrestricted access to the Committee Members.
- e. Review the adequacy of the internal audit scope and plan, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out the work,
- f. Review the adequacy and integrity of internal control system including risk management, management information system and the internal and external auditors' evaluation of the system,
- g. Review the external and internal audit reports, process and investigation reports and whether or not appropriate action is taken by management on the recommendations made,
- h. Review the assistance given by Company's officers to the internal and external auditors and any difficulties encountered in the course of work including any restrictions on the scope of activities or access to required information,
- i. Approve the appointment, transfer, dismissal of the Head of Internal Audit as well as to evaluate the performance of the Internal Audit function,
- j. Note resignations of internal audit senior staff members, and providing the resigning staff member an opportunity to submit his/her reasons for resigning,
- k. Review the quarterly results and year end financial statements prior to approval by BOD focusing particularly on:-
  - changes in or implementation of major accounting policy changes;
  - significant and unusual events; and
  - compliance with accounting standards and other legal requirements.
- l. Review any related party transactions and conflict of interest situations that may affect the management's integrity,
- m. Prepare reports at least once a year, to BOD summarising the activities performed in fulfilling the Committee's responsibilities,
- n. Review any other financial and governance related matters that may be considered/requested by the BOD from time to time.



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## Introduction

The Board of Directors ("Board") recognises that risk management and internal control is about commitment to safeguard shareholders' investment and the company's assets.

The Board is committed to its responsibility of maintaining a sound system of risk management and internal control, covering financial and operating activities to safeguard shareholders' investment, the Company's assets and customers' interests. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

Accordingly, the Board is pleased to provide the Statement on Risk Management and Internal Control ("Statement") prepared in accordance with the "Statement on Risk Management & Internal Control – Guidelines for Directors of Public Listed Issuers" issued by Bursa Malaysia Securities Berhad which outlines the processes to be adopted by the Board in reviewing the adequacy and effectiveness of the risk management and internal control system of the organisation.

This Statement outlines the processes that have been implemented to ensure the adequacy and integrity of the system of risk management and internal control of the Company during the financial year and it has been prepared in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

## Board Responsibilities

The Board has an overall responsibility for the Company's system of risk management and internal control to provide reasonable assurance of efficient operations, effective internal checks and compliance with laws and regulations. However, the Board recognises that the Company's system of internal controls is designed to manage rather than eliminate the risk of failure to achieve the Company's objectives, hence it can only provide reasonable but not absolute assurance against material misstatement, fraud or loss.

The Board is assisted by the Company's Management in the implementation of the approved policies and procedures on risks and controls, in which the Company's Management identifies and assesses the risks faced as well as implements and monitors appropriate control measures to mitigate and control these risks. Further, the Board is assisted by the Audit Committee to review the adequacy and integrity of the system of internal controls in the Company as part of the internal control and risk management processes.

The Board has established appropriate control structure and process for identifying, evaluating, monitoring, and managing significant risks that may affect the achievement of business objectives. The control structure and process which have been instituted throughout the organisation are updated and reviewed from time to time to suit the changes in the business environment, and this on-going process has been in place for the whole financial year under review and up to the date of approval of this statement for inclusion in the annual report.

## Internal Control System

The Board is responsible for managing the key business risks of the Company and implementing an appropriate internal control system to manage those risks. The Board reviewed the adequacy and integrity of the system of internal controls during the year.

## Enterprise-wide Risk Management Framework

The Board is committed to operating within a system of internal control that enables business to be transacted and risk taken without exposing itself to unacceptable potential losses or reputational damage. The Enterprise-wide Risk Management Framework ("ERMF") is the framework that sets out the Company's approach to risk management. It establishes the mechanisms and processes by which the Board directs the risk management function of the organisation, through setting the tone and expectations from the top, delegating its authority and monitoring compliance.

The purpose of the ERMF is to identify and set minimum requirements in respect of the main risks to achieving the company's strategic objectives and to provide reasonable assurance that internal controls are effective. The key elements of the company's system of risk management and internal control are set out in the ERMF relating to each of the company's Key Risks and in the organisation's operational risk policies and procedures. The ERMF is reviewed and approved by the Board.

The Board has delegated the responsibility of reviewing the effectiveness of risk management to the Risk Management Committee ("RMC"), comprising members of key management team, with objective of assessment and management of the identified risks. Monthly meetings are held to address the various risk areas associated with the Company's business and operations including credit risk, operational risk, market risk and liquidity risk. The Company's exposure to risk events, impact arising and mitigation

measures are presented and discussed the said meetings. The effectiveness of the risk management system is monitored and evaluated by the Company's Risk Management Department, on an ongoing basis. Changes to policies and framework formulated to identify, measure and monitor various risk components shall be reviewed and recommended by the RMC to the Board. Additionally, the RMC assesses the adequacy of these risk management policies and ensures infrastructure, resources and systems are emplaced for risk management. Risk Management reports are presented to the Board on quarterly basis, highlighting the key risk areas, impact arising to the Company from risk events, changes to risk assessment evaluation, risk mitigation measures etc. for Board review and feedback.

The Company also adopted a whistle blowing policy, providing an avenue for employees to report actual or suspected malpractice, misconduct or violations of the Company's policies and regulations in a secure and confidential manner.

The Company has established structure of "three lines of defence" for risk management: risk taking units (Business Units), risk control unit (Risk Management Department), and internal audit. The risk taking units are responsible for the day-to-day management of risks inherent in their business activities, while the risk control unit is responsible for setting the risk management framework and developing related tools and methodologies. Complementing this is internal audit, which provides independent assurance of the effectiveness of the risk management approach.

### Internal Audit Function

The Audit Committee, assisted by the Internal Audit Department, provides the Board with the assurance it requires on the adequacy and integrity of the system of internal controls. The Audit Committee has an oversight function of all activities carried out by the Internal Audit Department.

The Internal Audit Department adopts a risk-based approach in preparing its audit strategy and plan. The Internal Audit Department independently reviews the risk exposures and control processes implemented by the management and conducts assignments which encompass auditing and review of critical areas within the Company, including operations and IT/information systems. The internal audit activities are guided by an annual internal audit plan, which is approved by the Audit Committee and the internal audit reports are tabled at the Audit Committee Meetings for review. Further, the Internal Audit Department engages in regular communication with the senior management team and various departments within the Company related to Internal Audit activities and efforts for continuous improvement in operations and systems. External auditors' recommendations for improvements, if any, noted during their audit are also closely monitored and followed-up to ensure that they are promptly implemented.

### Other key elements of Internal Controls

Other key elements of the processes established by the Board which provides effective internal control include:

- An annual business plan and budget are submitted to the Board for approval. Actual performances are reviewed against the targeted results on a quarterly basis for management response and action required, where applicable. The Board reviews reports from the management on the key operating statistics and risk management, and feedback on action required is furnished to the senior management team.
- The Company has in place written operating procedures in various areas of operations, which also incorporate risk management issues and are subject to periodic review and updated as and when necessary to improve on the control environment and operational efficiency.
- Various Management Committees at senior level have been established by Management to assist and support the Board to oversee areas such as business operations, risk management, system implementation and support, staff disciplinary issues etc. These include the Company's Executive Committee, Risk Management Committee, IT Steering Committee and Disciplinary Action Committee (under Human Resource function).
- The Audit Committee is responsible for reviewing the statutory annual financial statements and the quarterly announcements to Bursa Securities and recommends to the Board for approval prior to submission to Bursa Securities.

All the above mentioned processes are in place with the aim to provide reasonable assurance on the effectiveness of the internal control system. The Board will conduct reviews on continuing basis to ensure the effectiveness, adequacy and integrity of the system of internal controls in safeguarding the Company's assets and stakeholders' interests.

# OTHER INFORMATION

## 1. Material Contracts Involving Directors and Substantial Shareholders

There were no material contracts entered into by the Company (not being contracts entered into the ordinary course of business) involving Directors' and major Shareholders' interests which were still subsisting as at the end of the financial year under review or which were entered into since the end of the previous financial year.

## 2. Non-Audit Fees

The amount of non-audit fees incurred for services rendered to the Company by the Company's auditors, or a firm or company affiliated to the auditors' firm for the financial year ended 20 February 2013 was RM0.127 million, comprising advisory, review and tax services.



# Financial Statements

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# DIRECTORS' REPORT

## for the year ended 20 February 2013

The Directors have pleasure in submitting their report and the audited financial statements of the Company for the year ended 20 February 2013.

### PRINCIPAL ACTIVITIES

The Company is principally engaged in the provision of easy payment schemes, personal financing schemes and issuance of credit cards under international brand names of Visa and MasterCard. The personal financing schemes and certain easy payment schemes are based on Islamic principles. There has been no significant change in the nature of the principal activities during the financial year.

### RESULTS

	RM'000
Profit for the year	134,126

### RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review.

### DIVIDENDS

Since the end of the previous financial year, the Company paid:

- i) a final ordinary dividend of 16.80 sen per ordinary share under single tier system, totalling RM20,160,000 in respect of the financial year ended 20 February 2012 on 13 July 2012; and
- ii) an interim ordinary dividend of 16.00 sen per ordinary share under single tier system, totalling RM23,040,000 in respect of the financial year ended 20 February 2013 on 22 October 2012.

The final ordinary dividend recommended by the Directors in respect of financial year ended 20 February 2013 is 19.50 sen per ordinary share under single tier system, totalling RM28,080,000. The proposed dividend will be recognised in the subsequent financial period upon approval by the equity holders of the Company at the forthcoming Annual General Meeting.

### DIRECTORS OF THE COMPANY

Directors who have served since the date of the last report are:

Dato' Abdullah Bin Mohd Yusof  
Yasuhiro Kasai  
Datuk Ramli Bin Ibrahim  
Dato' Md Kamal Bin Ismaun  
Ng Eng Kiat  
Krishnappan A/L S.P.S. Singaram  
Clarence Chai  
Masao Mizuno (appointed on 20 June 2012)  
Jun Suzuki (appointed on 20 June 2012)  
Takatoshi Ikenishi (retired on 19 June 2012)  
Tomoaki Saito (resigned on 9 May 2013)

## DIRECTORS' INTERESTS

The interests and deemed interests in the ordinary shares of the Company and of its related corporations of those who were Directors at year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of RM0.50 each			
	At 21.2.2012	Bonus Issue	Bought	Sold
<b>The Company</b>				
<b>Direct interest:</b>				
Dato' Abdullah Bin Mohd Yusof	235,900	45,180	-	10,000
Yasuhiro Kasai	90,000	18,000	-	-
Datuk Ramli Bin Ibrahim	160,000	32,000	-	30,000
Dato' Md Kamal Bin Ismaun	5,000	1,000	-	-
Ng Eng Kiat	10,000	2,000	-	-
Krishnappan A/L S.P.S. Singaram	90,000	18,000	-	-
Clarence Chai	22,000	4,400	-	4,400
Tomoaki Saito (resigned on 9 May 2013)	10,000	2,000	-	-
<b>Deemed interest:</b>				
Dato' Abdullah Bin Mohd Yusof				
- others*	89,000	17,000	-	4,000

	Number of ordinary shares		
	At 21.2.2012/ Date of appointment	Bought	Sold
<b>Ultimate holding company</b>			
<b>AEON Co., Ltd.</b>			
<b>Direct interest:</b>			
Masao Mizuno	-	191	-

	Number of ordinary shares		
	At 21.2.2012/ Date of appointment <sup>#</sup>	Bought	Sold
<b>Immediate holding company</b>			
<b>AEON Financial Service Co., Ltd.</b> <i>(Formerly known as AEON Credit Service Co., Ltd.)</i>			
<b>Direct interest:</b>			
Yasuhiro Kasai	519	42	-
Masao Mizuno	2,376 <sup>#</sup>	204	-
Jun Suzuki	1,881 <sup>#</sup>	64	-
Tomoaki Saito (resigned on 9 May 2013)	1,816	413	-

	Number of ordinary shares of RM1.00 each			
	At 21.2.2012	Bought	Sold	At 20.2.2013
<b>Related company</b>				
<b>AEON CO. (M) BHD.</b>				
<b>Direct interest:</b>				
Dato' Abdullah Bin Mohd Yusof	526,000	-	-	526,000
Yasuhiro Kasai	800	-	-	800
<b>Deemed interest:</b>				
Dato' Abdullah Bin Mohd Yusof - own	1,167,800	-	100,000	1,067,800
Datuk Ramli Bin Ibrahim*	560,000	-	-	560,000

	Number of ordinary shares of THB1.00 each			
	At 21.2.2012/ Date of appointment <sup>#</sup>	Bought	Sold	At 20.2.2013
<b>Related company</b>				
<b>AEON Thana Sinsap (Thailand) Plc.</b>				
<b>Direct interest:</b>				
Masao Mizuno	1,485,000 <sup>#</sup>	-	85,000	1,400,000

	Number of ordinary shares of PHP100 each			
	At 21.2.2012/ Date of appointment <sup>#</sup>	Bought	Sold	At 20.2.2013
<b>Related company</b>				
<b>AEON Credit Service System (Philippines) Inc.</b>				
<b>Direct interest:</b>				
Masao Mizuno	1 <sup>#</sup>	-	-	1

\* Deemed to have interest through spouse and/or children pursuant to Section 134(12)(c) of the Companies Act, 1965.

## DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued 24,000,000 new ordinary shares of RM0.50 each at par on the basis of one bonus share for five existing ordinary shares to entitled shareholders via the capitalisation of RM12,000,000 from Company's share premium account.

There were no other changes in the authorised, issued and paid up capital of the Company during the financial year.

There were no issuance of debentures during the financial year.

## OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

## OTHER STATUTORY INFORMATION

Before the financial statements of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision has been made for doubtful debts, and
- ii) all current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Company misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Company that has arisen since the end of the financial year.



## OTHER STATUTORY INFORMATION (CONTINUED)

No contingent liability or other liability of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Company for the financial year ended 20 February 2013 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

## AUDITORS

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

**Dato' Abdullah bin Mohd Yusof**

**Yasuhiro Kasai**

Kuala Lumpur,

Date: 9 May 2013

# STATEMENT OF FINANCIAL POSITION

## as at 20 February 2013

	Note	20.2.2013 RM'000	20.2.2012 RM'000	21.2.2011 RM'000
<b>Assets</b>				
Plant and equipment	3	41,036	27,452	24,137
Investments	4	5,542	1,283	1,797
Deferred tax assets	5	5,057	4,128	-
Receivables	6	1,189,825	568,276	407,377
<b>Total non-current assets</b>		1,241,460	601,139	433,311
Receivables and deposits	6	1,179,825	953,745	731,348
Prepayments		7,736	5,690	5,178
Cash and bank balances	7	6,404	4,416	5,649
<b>Total current assets</b>		1,193,965	963,851	742,175
<b>Total assets</b>		2,435,425	1,564,990	1,175,486
<b>Equity</b>				
Share capital		72,000	60,000	60,000
Share premium		44,012	56,147	56,147
Reserves		313,195	225,087	166,070
<b>Total equity attributable to equity holders of the Company</b>	8	429,207	341,234	282,217
<b>Liabilities</b>				
Borrowings	9	1,191,934	877,603	594,742
Deferred tax liabilities	5	-	-	1,807
<b>Total non-current liabilities</b>		1,191,934	877,603	596,549
Borrowings	9	670,499	228,591	238,302
Payables and accruals	10	106,869	81,097	54,132
Derivative financial liabilities		18,130	24,666	1,445
Taxation		18,786	11,799	2,841
<b>Total current liabilities</b>		814,284	346,153	296,720
<b>Total liabilities</b>		2,006,218	1,223,756	893,269
<b>Total equity and liabilities</b>		2,435,425	1,564,990	1,175,486

The notes on pages 54 to 88 are an integral part of these financial statements.

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## for the year ended 20 February 2013

	Note	2013 RM'000	2012 RM'000
<b>Continuing operations</b>			
Revenue	11	467,127	344,269
Staff costs		(91,085)	(72,135)
Depreciation on plant and equipment	3	(13,381)	(9,204)
Operating expenses		(153,542)	(117,144)
Other income		33,660	24,900
<b>Operating profit</b>	12	242,779	170,686
Finance costs	14	(61,672)	(42,625)
<b>Profit before tax</b>		181,107	128,061
Income tax expense	15	(46,981)	(32,454)
<b>Profit for the year</b>		134,126	95,607
<b>Other comprehensive income, net of tax</b>			
Cash flow hedge	16	(2,818)	(7,250)
<b>Total other comprehensive income for the year, net of tax</b>		(2,818)	(7,250)
<b>Total comprehensive income for the year</b>		131,308	88,357
<b>Profit attributable to equity holders of the Company</b>		134,126	95,607
<b>Total comprehensive income attributable to equity holders of the Company</b>		131,308	88,357
<b>Basic earnings per ordinary share (sen)</b>	18	102.84	73.30

The notes on pages 54 to 88 are an integral part of these financial statements.



# STATEMENT OF CHANGES IN EQUITY

## for the year ended 20 February 2013

	Note	Non-distributable			Distributable	Total RM'000
		Share capital RM'000	Share premium RM'000	Hedging reserves RM'000	Retained earnings RM'000	
<b>At 21 February 2011</b>		60,000	56,147	(643)	166,713	282,217
Cash flow hedge (net of tax)		-	-	(7,250)	-	(7,250)
Total other comprehensive income for the year		-	-	(7,250)	-	(7,250)
Profit for the year		-	-	-	95,607	95,607
<b>Total comprehensive income for the year</b>		-	-	(7,250)	95,607	88,357
Dividends to equity holders of the Company	17	-	-	-	(29,340)	(29,340)
<b>At 20 February 2012/ 21 February 2012</b>		60,000	56,147	(7,893)	232,980	341,234
Cash flow hedge (net of tax)		-	-	(2,818)	-	(2,818)
Total other comprehensive income for the year		-	-	(2,818)	-	(2,818)
Profit for the year		-	-	-	134,126	134,126
<b>Total comprehensive income for the year</b>		-	-	(2,818)	134,126	131,308
Bonus shares issued		12,000	(12,000)	-	-	-
Bonus share issue expenses		-	(135)	-	-	(135)
Dividends to equity holders of the Company	17	-	-	-	(43,200)	(43,200)
<b>At 20 February 2013</b>		72,000	44,012	(10,711)	323,906	429,207
		Note 8.1	Note 8.2	Note 8.3	Note 8.4	

The notes on pages 54 to 88 are an integral part of these financial statements.



# STATEMENT OF CASH FLOWS

## for the year ended 20 February 2013

	Note	2013 RM'000	2012 RM'000
<b>Cash flows from operating activities</b>			
Profit before tax		181,107	128,061
Adjustments for:			
Allowance for impairment losses		87,131	64,014
Depreciation of plant and equipment	3	13,381	9,204
Dividend income		-	(40)
Finance costs		61,672	42,625
Gain on disposal of investment		-	(742)
Gain on disposal of plant and equipment		(231)	-
Plant and equipment written off		-	11
<b>Operating profit before working capital changes</b>		343,060	243,133
Changes in working capital:			
Receivables, deposits and prepayments		(936,806)	(447,822)
Payables and accruals		12,916	26,510
<b>Cash used in operations</b>		(580,830)	(178,179)
Finance costs paid		(59,111)	(41,568)
Income taxes paid		(39,984)	(27,022)
<b>Net cash used in operating activities</b>		(679,925)	(246,769)
<b>Cash flows from investing activities</b>			
Acquisition of plant and equipment	3	(27,025)	(12,535)
Acquisition of investment		(4,259)	(512)
Dividend income		-	40
Proceeds from disposal of investment		-	1,768
Proceeds from disposal of plant and equipment		291	5
<b>Net cash used in investing activities</b>		(30,993)	(11,234)
<b>Cash flows from financing activities</b>			
Dividends paid to equity holders of the Company	17	(43,200)	(29,340)
Proceeds from borrowings		977,930	551,688
Repayment of bank borrowings		(223,031)	(265,488)
Payment of Bonus share issue expenses		(135)	-
<b>Net cash generated from financing activities</b>		711,564	256,860

The notes on pages 54 to 88 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS (cont'd)  
for the year ended 20 February 2013

	Note	2013 RM'000	2012 RM'000
<b>Net increase/(decrease) in cash and cash equivalents</b>		646	(1,143)
<b>Cash and cash equivalents at beginning of year</b>		3,514	4,657
<b>Cash and cash equivalents at end of year</b>	(i)	4,160	3,514

(i) *Cash and cash equivalents*

Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:

	Note	2013 RM'000	2012 RM'000
Cash and bank balances		6,290	4,364
Deposits placed with licensed banks		114	52
Bank Overdrafts	7 9	6,404 (2,244)	4,416 (902)
		4,160	3,514

The notes on pages 54 to 88 are an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

AEON Credit Service (M) Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows:

## Principal place of business

Level 29, Menara Olympia  
No. 8, Jalan Raja Chulan  
50200 Kuala Lumpur

## Registered office

Lot 6.05, Level 6, KPMG Tower  
No. 8, First Avenue, Bandar Utama  
47800 Petaling Jaya, Selangor

The Company is principally engaged in the provision of easy payment schemes, personal financing schemes and issuance of credit cards under international brand names of Visa and MasterCard. The personal financing schemes and certain easy payment schemes are based on Islamic principles.

The immediate and ultimate holding companies are AEON Financial Service Co., Ltd., formerly known as AEON Credit Service Co., Ltd. and AEON Co., Ltd. respectively. Both companies were incorporated in Japan.

The financial statements were authorised for issue by the Board of Directors on 9 May 2013.

## 1. BASIS OF PREPARATION

### (a) Statement of compliance

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. These are the Company's first financial statements prepared in accordance with MFRSs and MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards* has been applied.

In the previous financial years, the financial statements of the Company were prepared in accordance with Financial Reporting Standards ("FRSs") in Malaysia. The financial impact on transition to MFRSs is disclosed in Note 25.

The following are accounting standards, amendments and interpretations of the MFRS framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Company:

### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013***

- MFRS 10, *Consolidated Financial Statements*
- MFRS 11, *Joint Arrangements*
- MFRS 12, *Disclosure of Interests in Other Entities*
- MFRS 13, *Fair Value Measurement*
- MFRS 119, *Employee Benefits* (2011)
- MFRS 127, *Separate Financial Statements* (2011)
- MFRS 128, *Investment in Associates and Joint Ventures* (2011)
- IC Interpretation 20, *Stripping Costs in the Production Phase of a Surface Mine*
- Amendments to MFRS 7, *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*
- Amendments to MFRS 1, *First-time Adoption of Financial Reporting Standards – Government Loans*
- Amendments to MFRS 1, *First-time Adoption of Financial Reporting Standards (Annual Improvements 2009 - 2011 Cycle)*
- Amendments to MFRS 101, *Presentation of Financial Statements (Annual Improvements 2009 - 2011 Cycle)*
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2009 - 2011 Cycle)*
- Amendments to MFRS 132, *Financial Instruments: Presentation (Annual Improvements 2009 - 2011 Cycle)*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2009 - 2011 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements: Transition Guidance*
- Amendments to MFRS 11, *Joint Arrangements: Transition Guidance*
- Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Transition Guidance*

## 1. BASIS OF PREPARATION (CONTINUED)

### (a) Statement of compliance (continued)

#### **MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014**

- Amendments to MFRS 10, *Consolidated Financial Statements*
- Amendments to MFRS 12, *Disclosure of Interests in Other Entities*
- Amendments to MFRS 127, *Consolidated and Separate Financial Statements*
- Amendments to MFRS 132, *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*

#### **MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2015**

- MFRS 9, *Financial Instruments* (2009)
- MFRS 9, *Financial Instruments* (2010)
- Amendments to MFRS 7, *Financial Instruments: Disclosures – Mandatory Effective Date of MFRS 9 and Transition Disclosures*

The Company plans to apply the abovementioned standards, amendments and interpretations:

- from the annual period beginning on 21 February 2013 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2013, except for:
  - MFRS 10, *Consolidated Financial Statements*
  - MFRS 11, *Joint Arrangements*
  - MFRS 12, *Disclosure of Interests in Other Entities*
  - MFRS 127, *Separate Financial Statements* (2011)
  - IC Interpretation 20, *Stripping Costs in the Production Phase of a Surface Mine*
  - Amendments to MFRS 1, *First-time Adoption of Financial Reporting Standards – Government Loans*
  - Amendments to MFRS 10, *Consolidated Financial Statements: Transition Guidance*
  - Amendments to MFRS 11, *Joint Arrangements: Transition Guidance*
  - Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Transition Guidance*

which are not applicable to the Company.

- from the annual period beginning on 21 February 2014 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2014, except for:
  - MFRS 10, *Consolidated Financial Statements*
  - MFRS 12, *Disclosure of Interests in Other Entities*
  - Amendments to MFRS 127, *Consolidated and Separate Financial Statements*

which are not applicable to the Company.

- from the annual period beginning on 21 February 2015 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2015.

### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

### (c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

### (d) Use of estimates and judgements

The preparation of financial statements in conformity with Malaysian Financial Reporting Standards ("MFRSs") requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.



## 1. BASIS OF PREPARATION (CONTINUED)

### (d) Use of estimates and judgements (continued)

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than determination of the allowance for impairment losses as disclosed in Note 2(f)(i).

## 2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, and in preparing the opening MFRS statement of financial position of the Company at 21 February 2011 (the transition date to MFRS framework), unless otherwise stated.

### (a) Foreign currency

#### Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date except for those measured at fair value that are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments or a financial instrument designated as a cash flow hedge of currency risk, which are recognised in other comprehensive income.

### (b) Financial instruments

#### (i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with the policy applicable to the nature of the host contract.

#### (ii) Financial instrument categories and subsequent measurement

The Company categorises financial instruments as follows:

#### Financial assets

##### (a) Financial assets at fair value through profit or loss

Fair value through profit or loss category comprises derivatives (except for a derivative that is designated as an effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(b) Financial instruments (continued)****(ii) Financial instrument categories and subsequent measurement (continued)****(b) Loans and receivables**

Loans and receivables category comprises financing receivables, other receivables and cash and cash equivalents.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

**(c) Available-for-sale financial assets**

Available-for-sale category comprises investment in equity securities instruments that are not held for trading.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair value hedges which are recognised in profit or loss. On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment (see Note 2(f)(i)).

**Financial liabilities**

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is designated as an effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

**(iii) Hedge accounting****Cash flow hedge**

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and could affect the profit or loss. In a cash flow hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and the ineffective portion is recognised in profit or loss.

Subsequently, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss in the same period or periods during which the hedged forecast cash flows affect profit or loss. If the hedge item is a non-financial asset or liability, the associated gain or loss recognised in other comprehensive income is removed from equity and included in the initial amount of the asset or liability. However, loss recognised in other comprehensive income that will not be recovered in one or more future periods is reclassified from equity into profit or loss.

Cash flow hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, the hedge is no longer highly effective, the forecast transaction is no longer expected to occur or the hedge designation is revoked. If the hedge is for a forecast transaction, the cumulative gain or loss on the hedging instrument remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, any related cumulative gain or loss recognised in other comprehensive income on the hedging instrument is reclassified from equity into profit or loss.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (b) Financial instruments (continued)

#### (iv) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expired or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset has been transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

### (c) Plant and equipment

#### (i) Recognition and measurement

Items of plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The gain and loss on disposal of an item of plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and is recognised net within "other income" or "operating expenses" respectively in profit or loss.

#### (ii) Subsequent costs

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised to profit or loss. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

#### (iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Plant and equipment under construction are not depreciated until the assets are ready for their intended use. The estimated useful lives for the current and comparative periods are as follows:

- |                                   |             |
|-----------------------------------|-------------|
| • Office equipment                | 2 - 5 years |
| • Computer equipment and software | 2 - 5 years |
| • Motor vehicles                  | 5 years     |
| • Furniture and fittings          | 2 - 4 years |
| • Renovation                      | 2 - 5 years |

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate at the end of the reporting period.

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(d) Leased assets****Operating lease**

Leases, where the Company does not assume substantially all the risks and rewards of the ownership are classified as operating leases and the leased assets are not recognised in the statement of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

**(e) Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand and balances and deposits with banks. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

**(f) Impairment****(i) Financial assets**

All financial assets (except for financial assets categorised as fair value through profit or loss) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment. If any such objective evidence exists, then the financial asset's recoverable amount is estimated.

**(a) Financing receivables**

For financing receivables ("loan(s)"), the Company first assesses whether objective evidence of impairment exists individually for loans that are individually significant, or collectively for loans that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed loan, the loan is then included in a group of loans with similar credit risk characteristics and collectively assessed for impairment.

Loan impairment is calculated as the difference between the carrying amount and the present value of future expected cash flows discounted at the original effective interest rate ("EIR") of loans. The carrying amount of the loans is reduced through the use of an allowance account and the amount of the loss is recognised in the profit or loss.

The Company addresses impairment of loans via either individually assessed allowance or collectively assessed allowance.

**Individually assessed allowance**

The Company determines the allowance appropriate for each individual significant loan on an individual basis. The allowances are established based primarily on estimates of the realisable value of the collateral pledged to secure the loan and is measured as the difference between the carrying amount of the loan and the present value of the expected future cash flows discounted at original EIR of the loan.

All loans that have been individually evaluated, but not considered to be individually impaired are assessed collectively for impairment.

**Collectively assessed allowance**

Collective allowances are maintained to reduce the carrying amount of portfolios of similar loans to their estimated recoverable amounts at the end of reporting period. For the purposes of a collective evaluation of impairment, exposures that are assessed collectively are placed into pools of similar loans with similar credit risk.

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(f) Impairment (continued)****(i) Financial assets (continued)****(b) Renegotiated/restructured loans**

Where a loan shows evidence of credit weaknesses, the Company may seek to renegotiate the loan rather than to take possession of collateral. This may involve an extension or restructuring of the payment arrangements via renegotiation of new loan terms and conditions. These loans continue to be subjected to individual or collective impairment assessment.

**(c) Investments**

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in the other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity and recognised to profit or loss.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognised in profit or loss for an investment in an equity instrument is not reversed through profit or loss.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

**(ii) Other assets**

The carrying amounts of other assets (except for deferred tax asset) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets (known as cash-generating unit).

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the cash-generating unit (or a group of cash-generating units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.



**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(g) Employee benefits****(i) Short-term employee benefits**

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**(ii) State plans**

The Company's contributions to the statutory pension funds are charged to profit or loss in the year to which they relate. Once the contributions have been paid, the Company has no further payment obligations.

**(h) Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

**(i) Revenue recognition*****Interest income, profit revenue and finance charges from easy payment, personal financing schemes based on Islamic principles and credit card business***

Interest income, profit revenue and finance charges from easy payment, personal financing schemes and credit card business are recognised in the profit or loss using the Effective Interest/Profit Rate ("EIR") method.

The EIR is a method of calculating the amortised cost of financing receivables ("receivable(s)") and of allocating the corresponding interest income, profit revenue and finance charges over the relevant period. The EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the receivable or, when appropriate, a shorter period to the net carrying amount of the receivable.

***Fee income from easy payment, personal financing schemes based on Islamic principles and credit card business***

Fee income from easy payment and personal financing schemes comprise late payment / penalty charges, annual fees and processing fees, cash advance fees and credit recovery charges. Fee income from credit card business comprises cash advance fees, transaction charges, merchant commission and Visa / Master Card interchange fees.

Fee income is generally recognised on an accrual basis when services have been provided.

***Dividend income***

Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

**(j) Borrowing costs**

All borrowing costs are recognised in profit or loss using the effective interest method, in the period in which they are incurred.

Cost of issuance of commercial papers/medium term notes are deferred and capitalised as part of the fair value of the commercial papers/medium term notes. The cost of issuance is amortised to profit or loss so as to give a constant periodic interest rate on the outstanding commercial papers/medium term notes at the end of each reporting period.

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(k) Income tax**

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**(l) Earnings per ordinary share**

The Company presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

**(m) Operating segments**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Managing Director of the Company, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

## 3. PLANT AND EQUIPMENT

<i>Cost</i>	<b>Office equipment RM'000</b>	<b>Computer equipment and software RM'000</b>	<b>Motor vehicles RM'000</b>	<b>Furniture and fittings RM'000</b>	<b>Renovation RM'000</b>	<b>Capital work-in- progress RM'000</b>	<b>Total RM'000</b>
At 21 February 2011	6,734	58,628	1,853	3,522	11,678	-	82,415
Additions	695	10,384	-	101	1,355	-	12,535
Disposals	-	(8)	-	-	-	-	(8)
Write-off	(7)	(57)	-	(1)	(147)	-	(212)
At 20 February 2012/ 21 February 2012	7,422	68,947	1,853	3,622	12,886	-	94,730
Additions	1,104	19,619	1,114	989	2,959	1,240	27,025
Disposals	-	-	(542)	-	-	-	(542)
Write-off	(12)	(366)	-	(19)	-	-	(397)
At 20 February 2013	8,514	88,200	2,425	4,592	15,845	1,240	120,816
<b><i>Accumulated depreciation</i></b>							
At 21 February 2011	5,777	37,900	1,437	3,176	9,988	-	58,278
Charge for the year	570	7,146	253	212	1,023	-	9,204
Disposals	-	(3)	-	-	-	-	(3)
Write-off	(5)	(57)	-	(1)	(138)	-	(201)
At 20 February 2012/ 21 February 2012	6,342	44,986	1,690	3,387	10,873	-	67,278
Charge for the year	663	10,717	232	392	1,377	-	13,381
Disposals	-	-	(482)	-	-	-	(482)
Write-off	(12)	(366)	-	(19)	-	-	(397)
At 20 February 2013	6,993	55,337	1,440	3,760	12,250	-	79,780
<b><i>Carrying amounts</i></b>							
At 20 February 2011	957	20,728	416	346	1,690	-	24,137
At 20 February 2012/ 21 February 2012	1,080	23,961	163	235	2,013	-	27,452
At 20 February 2013	1,521	32,863	985	832	3,595	1,240	41,036

#### 4. INVESTMENTS

	20.2.2013 RM'000	20.2.2012 RM'000	21.2.2011 RM'000
<b>At cost</b>			
Unquoted shares	5,542	1,283	1,797

Included in the investments as at 20 February 2013 is an investment of RM4,771,000 (2012: RM512,000) in AEON Credit Service India Private Limited ("ACSI"), a company incorporated in India, which represents 20% equity interest of the total issued and paid-up share capital of ACSI.

The intended activity of ACSI is to provide Non-Banking Financial Services. On 4 February 2013, ACSI has obtained the license from the Reserve Bank of India to conduct Non-Banking Financial activities in India.

#### 5. DEFERRED TAX ASSETS / (LIABILITIES)

##### *Recognised deferred tax assets / (liabilities)*

Deferred tax assets and liabilities are attributable to the following:

	<b>Assets</b>			<b>Liabilities</b>			<b>Net</b>		
	20.2.2013 RM'000	20.2.2012 RM'000	21.2.2011 RM'000	20.2.2013 RM'000	20.2.2012 RM'000	21.2.2011 RM'000	20.2.2013 RM'000	20.2.2012 RM'000	21.2.2011 RM'000
Plant and equipment	-	-	-	(8,197)	(5,503)	(3,488)	(8,197)	(5,503)	(3,488)
Hedging reserve	3,562	2,623	214	-	-	-	3,562	2,623	214
Allowance for impairment losses	2,092	2,064	1,467	-	-	-	2,092	2,064	1,467
Recognition of interest income/profit revenue	5,269	3,307	-	-	-	-	5,269	3,307	-
Provision for bonus and others	2,331	1,637	-	-	-	-	2,331	1,637	-
<b>Net tax assets/(liabilities)</b>	<b>13,254</b>	<b>9,631</b>	<b>1,681</b>	<b>(8,197)</b>	<b>(5,503)</b>	<b>(3,488)</b>	<b>5,057</b>	<b>4,128</b>	<b>(1,807)</b>

Deferred tax assets and liabilities are offset above where there is legally enforceable right to set off current tax assets against current tax liabilities and where the deferred taxes relate to the same authority.

##### **Movement in temporary differences during the year**

	<b>At 21 February 2011 RM'000</b>	<b>Recognised in profit or loss (Note 15) RM'000</b>	<b>Recognised in other comprehensive income (Note 16) RM'000</b>	<b>At 20 February 2012 RM'000</b>	<b>Recognised in profit or loss (Note 15) RM'000</b>	<b>Recognised in other comprehensive income (Note 16) RM'000</b>	<b>At 20 February 2013 RM'000</b>
Plant and equipment	(3,488)	(2,015)	-	(5,503)	(2,694)	-	(8,197)
Hedging reserves	214	-	2,409	2,623	-	939	3,562
Allowance for impairment losses	1,467	597	-	2,064	28	-	2,092
Recognition of interest income/profit revenue	-	3,307	-	3,307	1,962	-	5,269
Provision for bonus and others	-	1,637	-	1,637	694	-	2,331
	(1,807)	3,526	2,409	4,128	(10)	939	5,057

**6. RECEIVABLES AND DEPOSITS**

	Note	20.2.2013 RM'000	20.2.2012 RM'000	21.2.2011 RM'000
<b>Non-current</b>				
Financing receivables		1,189,825	568,276	407,377
<b>Current</b>				
Financing receivables		3,054,663	1,851,880	1,371,949
Less: Unearned carrying charges		(648,190)	(326,407)	(236,970)
Allowance for impairment losses	6.1	(49,739)	(33,997)	(26,475)
	6.2	2,356,734	1,491,476	1,108,504
Less: Financing receivables (Non-current portion)		(1,189,825)	(568,276)	(407,377)
Financing receivables (Current portion)		1,166,909	923,200	701,127
Other receivables and deposits		12,695	30,441	30,221
Related company	6.3	221	104	-
		1,179,825	953,745	731,348

**6.1** During the year, financing receivables amounting to RM71,389,000 (2012: RM56,492,000) was written off against the allowance for impairment losses.

**6.2** Included in financing receivables is an amount of RM1,519,117,000 (2012: RM779,107,000) relating to the Company's easy payment and personal financing schemes based on Islamic principles.

Financing receivables amounting to RM214,000,000 (2012: RM214,000,000) have been sold under the asset backed medium term notes securitised funding programme (Note 9.3). Based on the terms of the transaction, the said receivables has not been de-recognised from the statement of financial position of the Company.

**6.3** The amount due from related company is unsecured, interest free and repayable on demand.

**7. CASH AND CASH EQUIVALENTS**

	20.2.2013 RM'000	20.2.2012 RM'000	21.2.2011 RM'000
Cash and bank balances	6,290	4,364	5,599
Deposits placed with licensed banks	114	52	50
	6,404	4,416	5,649



**8. CAPITAL AND RESERVES****8.1 Share capital**

	Amount 20.2.2013 RM'000	Number of shares 20.2.2013 '000	Amount 20.2.2012 RM'000	Number of shares 20.2.2012 '000	Amount 21.2.2011 RM'000	Number of shares 21.2.2011 '000
Authorised:						
Ordinary shares of RM0.50 each	100,000	200,000	100,000	200,000	100,000	200,000
Issued and fully paid:						
Ordinary shares of RM0.50 each						
At 21 February	60,000	120,000	60,000	120,000	60,000	120,000
Bonus issue	12,000	24,000	-	-	-	-
At 20 February	72,000	144,000	60,000	120,000	60,000	120,000

During the financial year, the Company issued 24,000,000 new ordinary shares of RM0.50 each at par on the basis of one bonus share for five existing ordinary shares to entitled shareholders.

**8.2 Share premium**

Share premium relates to the amount that shareholders have paid for the shares in excess of the nominal value.

During the financial year, RM12,135,000 of the share premium was utilised for the abovemention bonus share issue and bonus share issue expenses amounting to RM135,000.

**8.3 Hedging reserve**

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedges related to hedged transactions that have not yet occurred.

**8.4 Retained earnings**

The Finance Act, 2007 introduced a single tier company income tax system with effect from year of assessment 2008. The Company had opted for a single tier company income tax system and under the Act this option is irrevocable.

As such, the Company may distribute single tier exempt dividends to its shareholders out of its entire retained earnings.

**9. BORROWINGS**

	Note	20.2.2013 RM'000	20.2.2012 RM'000	21.2.2011 RM'000
<b>Non-current</b>				
Term loans/financing (unsecured)	9.1	891,934	507,607	219,802
Medium term notes (unsecured)	9.2	200,000	219,996	274,940
Asset backed medium term notes (secured)	9.3	100,000	150,000	100,000
		1,191,934	877,603	594,742
<b>Current</b>				
Bank overdrafts (unsecured)	9.1	2,244	902	992
Revolving credits (unsecured)	9.1	140,836	87,861	17,000
Term loans/financing (unsecured)	9.1	77,729	34,926	45,947
Medium term notes (unsecured)	9.2	219,999	69,979	109,402
Commercial paper (unsecured)	9.2	179,691	34,923	14,961
Asset backed medium term notes (secured)	9.3	50,000	-	50,000
		670,499	228,591	238,302
		1,862,433	1,106,194	833,044

**9. BORROWINGS (CONTINUED)****9.1 Bank overdrafts, revolving credits and term loans/financing**

The bank overdrafts, revolving credits and term loans/financing are provided on the basis of a letter of awareness from the holding company, standby letters of credit from various financial institutions or on clean basis.

The bank overdrafts are denominated in Ringgit Malaysia whilst the revolving credits and term loans/financing are denominated in the following currencies:

	20.2.2013 RM'000	20.2.2012 RM'000	21.2.2011 RM'000
<b>Revolving credits</b>			
Ringgit Malaysia	130,000	22,000	17,000
Japanese Yen	-	28,092	-
U.S. Dollar	10,836	37,769	-
	140,836	87,861	17,000
<b>Term loans/financing</b>			
Ringgit Malaysia	329,000	99,000	129,000
Japanese Yen	-	34,926	79,496
U.S. Dollar	640,663	408,607	57,253
	969,663	542,533	265,749

The long term loans/financing are granted for periods ranging from three to five years and repayable by way of bullet payment upon expiry of the term loan period.

**9.2 Medium term notes and commercial paper**

	20.2.2013 RM'000	20.2.2012 RM'000	21.2.2011 RM'000
<b>Medium term notes – Bank Guaranteed</b>			
Nominal value	220,000	290,000	385,000
Discount	-	-	(548)
Deferred issuance cost	(1)	(25)	(110)
	219,999	289,975	384,342
<b>Medium term notes - Single Investor MTN</b>			
Nominal value	200,000	-	-
<b>Commercial paper</b>			
Nominal value	180,000	35,000	15,000
Discount	(309)	(77)	(39)
	179,691	34,923	14,961

The above represents RM220 million (2012: RM250 million) of bank guaranteed Islamic Medium Term Notes ("Islamic MTN"), RM Nil (2012: RM40 million) of bank guaranteed Conventional Medium Term Notes ("Conventional MTN") and RM180 million (2012: RM35 million) of bank guaranteed Islamic Commercial Paper ("Islamic CP"). There is an issuance of Single Investor MTN amounting RM200 million during financial year 2013.

**9. BORROWINGS (CONTINUED)****9.2 Medium term notes and commercial paper (continued)**

The redemption periods of Medium term notes and Commercial paper are as follows:

	<b>Total RM'000</b>	<b>Less than 1 year RM'000</b>	<b>1 - 2 years RM'000</b>	<b>2 - 5 years RM'000</b>
<b>20 February 2013</b>				
Islamic MTN – Bank Guaranteed	220,000	220,000	-	-
Single Investor MTN	200,000	-	-	200,000
Islamic CP	180,000	180,000	-	-
	600,000	400,000	-	200,000
<b>20 February 2012</b>				
Islamic MTN	250,000	30,000	220,000	-
Conventional MTN	40,000	40,000	-	-
Islamic CP	35,000	35,000	-	-
	325,000	105,000	220,000	-
<b>21 February 2011</b>				
Islamic MTN	345,000	110,000	30,000	205,000
Conventional MTN	40,000	-	40,000	-
Islamic CP	15,000	15,000	-	-
	400,000	125,000	70,000	205,000

**9.3 Asset backed medium term notes**

	<b>20.2.2013 RM'000</b>	<b>20.2.2012 RM'000</b>	<b>21.2.2011 RM'000</b>
Nominal value	150,000	150,000	150,000

The above represents RM150 million (2012: RM150 million) asset backed medium term notes. The asset backed medium term notes have been extended for two years and the notes are redeemable by 18 June 2015.

The asset backed medium term notes are secured by financing receivables amounting to RM214 million (2012: RM214 million) [Note 6.2].

**10. PAYABLES AND ACCRUALS**

	<b>Note</b>	<b>20.2.2013 RM'000</b>	<b>20.2.2012 RM'000</b>	<b>21.2.2011 RM'000</b>
<b>Trade</b>				
Trade payables		61,474	46,007	26,863
Related company	10.1	311	1,550	973
		61,785	47,557	27,836
<b>Non-trade</b>				
Other payables and accruals		44,586	33,311	26,087
Immediate holding company	10.1	492	191	176
Related companies	10.1	6	38	33
		45,084	33,540	26,296
		106,869	81,097	54,132

**10. PAYABLES AND ACCRUALS (CONTINUED)****10.1 Immediate holding company and related companies**

The amounts due to immediate holding company and related companies are unsecured, interest free and repayable on demand, except for the trade balance due from a related company which is subject to normal trade term.

**11. REVENUE**

	2013 RM'000	2012 RM'000
Revenue from easy payment, personal financing based on Islamic principles and credit card business:		
Interest income, profit revenue and finance charges	380,627	274,034
Fee income	86,500	70,235
	467,127	344,269

**12. OPERATING PROFIT**

	2013 RM'000	2012 RM'000
<b>Operating profit is arrived at after crediting:</b>		
Bad debts recovered	22,269	17,698
Dividend income from:		
Investment		
- Unquoted shares outside Malaysia	-	40
Gain on disposal of investment	-	742
Gain on disposal of plant and equipment	231	-
<b>and after charging:</b>		
Auditors' remuneration:		
- Audit fees		
KPMG Malaysia	145	127
- Non-audit fees		
KPMG Malaysia	127	478
Depreciation on plant and equipment	13,381	9,204
Impairment loss:		
- Financing receivables	87,131	64,014
Personnel expenses (including key management personnel):		
- Contributions to Employees Provident Fund	7,749	5,720
- Wages, salaries and others	83,336	66,415
Plant and equipment written off	-	11
Rental expense in respect of:		
- Office premises	8,456	6,647
- Motor vehicles	6	7
- Office equipment	351	283

**13. KEY MANAGEMENT PERSONNEL COMPENSATION**

The key management personnel compensations are as follows:

	2013 RM'000	2012 RM'000
Directors:		
- Fees	446	434
- Remuneration	2,263	2,093
- Other short term employee benefits (including estimated monetary value of benefits-in-kind)	388	139
	3,097	2,666

**14. FINANCE COSTS**

	2013 RM'000	2012 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:		
- Bank overdrafts	665	100
- Revolving credits	1,377	635
- Term loans/financing and medium term notes	53,403	35,553
- Asset backed medium term notes	6,227	6,337
	61,672	42,625

**15. INCOME TAX EXPENSE*****Recognised in profit or loss***

	2013 RM'000	2012 RM'000
Current tax expense		
- Current year	47,371	32,310
- (Over)/Under provision in prior year	(400)	3,670
Total current tax recognised in profit or loss	46,971	35,980
Deferred tax expense		
- Origination and reversal of temporary differences	24	254
- Over provision in prior year	(14)	(3,780)
Total deferred tax recognised in profit or loss	10	(3,526)
Total income tax expense	46,981	32,454

***Reconciliation of effective tax expense***

Profit before tax	181,107	128,061
Income tax calculated using Malaysian tax rate of 25%	45,277	32,015
Tax effect of non-deductible expenses	2,118	549
	47,395	32,564
Over provision in prior year	(414)	(110)
	46,981	32,454

***Deferred tax recognised directly in other comprehensive income is as follows:***

Cash flow hedge reserves (Note 16)	(939)	(2,409)
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**16. OTHER COMPREHENSIVE INCOME**

	Before tax RM'000	Tax benefit RM'000	Net of tax RM'000
<b>2013</b>			
Cash flow hedge			
- Loss arising during the year	(3,757)	939	(2,818)
<b>2012</b>			
Cash flow hedge			
- Loss arising during the year	(9,659)	2,409	(7,250)

**17. DIVIDENDS**

Dividends recognised in the current year by the Company are:

	Sen per share (single tier/ net of tax)	Total amount RM'000	Date of payment
<b>2013</b>			
Interim 2013 ordinary	16.00	23,040	22 October 2012
Final 2012 ordinary	16.80	20,160	13 July 2012
Total		43,200	
<b>2012</b>			
Interim 2012 ordinary	13.20	15,840	20 October 2011
Final 2011 ordinary	11.25	13,500	13 July 2011
Total		29,340	

After the reporting period, the following dividend was proposed by the Directors.

	Sen per share (single tier)	Total amount RM'000
Final 2013 ordinary	19.50	28,080

This dividend will be recognised in subsequent financial period upon approval by the equity holders of the Company at the forthcoming Annual General Meeting.

**18. EARNINGS PER ORDINARY SHARE****Basic earnings per ordinary share**

The calculation of basic earnings per share was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	2013 RM'000	2012 RM'000
Profit attributable to ordinary shareholders	134,126	95,607
	2013 '000	2012 '000
Issued ordinary shares at 21 February	120,000	120,000
Effect of ordinary shares distributed during the period via a bonus issue	10,426	10,426
Weighted average number of ordinary shares at 20 February	130,426	130,426
	2013 Sen	2012 Sen
Basic earnings per ordinary share	102.84	73.30

The previous year's earnings per ordinary share has been restated to reflect the bonus issue implemented in the current year.

There were no outstanding potential ordinary shares as at 20 February 2013 and 20 February 2012 respectively, accordingly, the diluted earnings per share is not presented.

**19. OPERATING SEGMENTS**

The principal activity of the Company is the provision of easy payment schemes, personal financing schemes based on Islamic principles and credit cards business, all of which are categorised under consumer financing business.

On this basis, the Managing Director ("MD") reviews the business performance of the Company as a whole. Further analysis will be provided or furnished upon request from the MD.

Accordingly, the segmental reporting used is equivalent to the Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income.

**20. RELATED PARTIES****Identity of related parties**

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. Key management personnel comprise all the Directors of the Company. The key management personnel compensation is disclosed in Note 13.

**20. RELATED PARTIES (CONTINUED)**

The significant related party transactions of the Company are as follows:

	2013 RM'000	2012 RM'000
<b>Related companies</b>		
<b>AEON Co. (M) Bhd.</b>		
<b>Customers' transactions via related company*</b>		
Sales through Easy Payment Schemes	6,469	6,102
Sales through AEON Credit Cards	104,440	103,569
<b>Revenue</b>		
Credit cards commission income	1,511	1,491
<b>Expenses</b>		
Convertible J-Card points charges	(1,827)	(1,755)
Office and promotion space rental	(2,198)	(1,618)
<b>AEON Big (M) Sdn. Bhd.</b>		
<i>(Formerly known as Magnificent Diagraph Sdn. Bhd.)</i>		
<b>Customers' transactions via related company*</b>		
Sales through Easy Payment Schemes	595	-
<b>AEON Credit Technology Systems (Philippines) Inc.</b>		
<b>Assets</b>		
IT systems development	(575)	(2,496)
<b>AEON Delight (Malaysia) Sdn. Bhd.</b>		
<b>Expenses</b>		
Cleaning services	(14)	-
<b>Immediate holding company</b>		
<b>AEON Financial Service Co., Ltd.</b>		
<i>(Formerly known as AEON Credit Service Co., Ltd.)</i>		
<b>Expenses</b>		
Corporate support fees	(2,340)	(1,717)

\* In the capacity as merchant of the Company.

Balances with immediate holding company and related companies are disclosed in Note 6 and Note 10. All transactions have been entered in the ordinary course of business and have been established based on negotiated terms.

**21. OPERATING LEASES**

Non-cancellable operating lease rentals are payable as follows:

	20.2.2013 RM'000	20.2.2012 RM'000	21.2.2011 RM'000
Less than one year	8,598	6,899	5,152
Between one and five years	6,846	7,961	1,774

The Company lease a number of service centres and office premises under operating leases.

**22. CAPITAL COMMITMENT**

	20.2.2013 RM'000	20.2.2012 RM'000	21.2.2011 RM'000
<b>Capital expenditure commitments</b>			
<b>Plant and equipment</b>			
Authorised but not contracted for	141	-	-
Contracted but not provided for	4,161	6,034	6,498

**23. FINANCIAL INSTRUMENTS****23.1 Categories of financial instruments**

The table below provides an analysis of financial instruments categorised as follows:

- (a) Loans and receivables (L&R);
- (b) Available-for-sale financial assets (AFS); and
- (c) Other liabilities (OL).

	Carrying amount RM'000	L&R/(OL) RM'000	AFS RM'000	Derivatives used for hedging RM'000
<b>20 February 2013</b>				
<b>Financial assets</b>				
Investments	5,542	-	5,542	-
Financing receivables and other receivables	2,369,650	2,369,650	-	-
Cash and bank balances	6,404	6,404	-	-
	2,381,596	2,376,054	5,542	-
<b>Financial liabilities</b>				
Borrowings	(1,862,433)	(1,862,433)	-	-
Trade and other payables	(106,869)	(106,869)	-	-
Derivative financial liabilities	(18,130)	-	-	(18,130)
	(1,987,432)	(1,969,302)	-	(18,130)
<b>20 February 2012</b>				
<b>Financial assets</b>				
Investments	1,283	-	1,283	-
Financing receivables and other receivables	1,522,021	1,522,021	-	-
Cash and bank balances	4,416	4,416	-	-
	1,527,720	1,526,437	1,283	-
<b>Financial liabilities</b>				
Borrowings	(1,106,194)	(1,106,194)	-	-
Trade and other payables	(81,097)	(81,097)	-	-
Derivative financial liabilities	(24,666)	-	-	(24,666)
	(1,211,957)	(1,187,291)	-	(24,666)

**23. FINANCIAL INSTRUMENTS (CONTINUED)****23.1 Categories of financial instruments (continued)**

	Carrying amount RM'000	L&R/(OL) RM'000	AFS RM'000	Derivatives used for hedging RM'000
<b>21 February 2011</b>				
<b>Financial assets</b>				
Investments	1,797	-	1,797	-
Financing receivables and other receivables	1,138,725	1,138,725	-	-
Cash and bank balances	5,649	5,649	-	-
	1,146,171	1,144,374	1,797	-
<b>Financial liabilities</b>				
Borrowings	(833,044)	(833,044)	-	-
Trade and other payables	(54,132)	(54,132)	-	-
Derivative financial liabilities	(1,445)	-	-	(1,445)
	(888,621)	(887,176)	-	(1,445)

**23.2 Net gains and losses arising from financial instruments**

	2013 RM'000	2012 RM'000
<b>Net gains/(losses) on:</b>		
Available-for-sale	-	782
Loans and receivables	402,265	297,953
Financial liabilities measured at amortised cost	(61,672)	(42,625)
	340,593	256,110

**23.3 Financial risk management****(a) Financial risk management objectives and policies**

Risk Management forms an integral part of the Company's activities and remains an important feature in all its business, operations, delivery channels and decision making processes. The extent to which the Company is able to identify, assess, monitor, manage and report each of the various types of risk is critical to its strength, soundness and profitability. The Company's risk management function is independent of its operating units. All new businesses, introduction of new products, engagement in new activities or entrance into new strategic alliances are subject to review by the Risk Management Committee ("RMC") prior to Management or Board approval.

The objectives of the Company's risk management activities are to:

- (i) Identify and monitor the various risk exposure and risk requirements;
- (ii) Ensure high risk activities are in accordance with the approved policies and the aggregate risk position is within the risk level approved by the Board of Directors; and
- (iii) Help to create shareholder value through proper allocation and management of risk, and facilitate the risk assessment of new business and products independently.



**23. FINANCIAL INSTRUMENTS (CONTINUED)****23.3 Financial risk management (continued)****(b) Risk management framework**

The Company employs an Enterprise-wide Risk Management Framework ("ERMF") to manage its risks effectively. The framework involves on-going process of identifying, evaluating, monitoring, managing and reporting significant risks affecting the Company through the RMC. This framework provides the Board of Directors and management with a tool to anticipate and manage both existing and potential risks, taking into consideration the dynamic risk profiles, as dictated by changes in business strategies, regulatory environment and functional activities throughout the year.

**(c) Risk organisation and reporting**

The responsibility of risk management lies with the Board of Directors, which comprises executive and non-executive directors of the Company. In line with best practices, the Board of Directors determines the risk policy objectives for the Company, and assumes responsibility for the supervision of risk management.

The day-to-day responsibility for risk management and control is delegated to the RMC which undertakes the oversight function for overall risk limit and ensures that the Company is within the risk appetite as established by the Board. The RMC also deliberates the implementation of the enterprise-wide risk management framework which addresses credit, market and operational and strategic risk within the policies established by the Board of Directors and recommending policy changes to the Board of Directors.

Quarterly reporting is made to the Board by RMC on risk exposures, impact and mitigation measures, covering all areas of risk faced by the Company.

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

**23.4 Credit risk**

Credit risk is the risk of a financial loss to the Company due to the deterioration in credit worthiness of its borrowers and consequently their ability to discharge their contractual obligations to the Company. Credit risk remains the most significant risk to which the Company is exposed. The purpose of credit risk management is to keep credit risk exposure to an acceptable level in line with the Company's risk appetite and to ensure that the returns are commensurate to the risk underwritten.

The Company's exposure to credit risk arises principally from its financing receivables from customers and investment securities.

**Receivables***(i) Risk management objectives, policies and processes for managing the risk*

The Company has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit and the credit acceptance procedures are monitored by the management. Collateral is collected for the business of financing vehicles. The Company does not require collateral in respect of the easy payment schemes, personal financing schemes and credit cards issuance business.

The Company has taken reasonable steps to ensure that receivables from customers that are neither past due nor impaired are stated at its realisable values.

The Company conducts periodical monitoring on credit exposure trend, asset quality by impaired loans, portfolio concentration analysis.

## 23. FINANCIAL INSTRUMENTS (CONTINUED)

### 23.4 Credit risk (continued)

#### *(ii) Exposure to credit risk, credit quality and collateral*

At end of the reporting period, the Company does not have any significant exposure to any individual customers or industry sector. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

Financing receivables amounting to RM960,397,000 (2012: RM566,505,000) are secured by vehicles of customers financed by the Company.

#### *(iii) Credit Risk Reporting and monitoring*

The Company's credit portfolios are monitored through monthly and/or adhoc reporting to ensure credit deterioration is promptly detected and mitigated through implementation of risk remediation strategies. Credit Policy Department ("CPD") undertakes regular and comprehensive analysis of credit portfolios and reports to the RMC on emerging credit issues.

#### *(iv) Credit risk mitigation*

All credit facilities are granted on the credit standing of the borrower, source of repayment, debt servicing ability and the collateral pledged. Personal guarantees are obtained when the borrower's credit worthiness is insufficient to justify granting facilities.

#### *(v) Concentration risk*

Concentration of credit risk arises when a number of customers are engaged in similar business activities or activities within the same geographic region, or when they have similar risk characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The Company monitors various portfolios, to identify and assess risk concentrations. The credit portfolios are monitored and reviewed to identify, assess and guard against unacceptable risk concentrations.

**23. FINANCIAL INSTRUMENTS (CONTINUED)****23.4 Credit risk (continued)****Credit quality and allowance for impairment losses**

The ageing of receivables as at the end of the reporting period was:

	<b>Gross RM'000</b>	<b>Collective impairment losses RM'000</b>	<b>Net RM'000</b>
<b>20 February 2013</b>			
Not past due	2,217,180	[4,566]	2,212,614
Past due 18 - 47 days	111,112	[5,743]	105,369
Past due 48 - 77 days	36,809	[9,938]	26,871
Past due more than 78 days	41,372	[29,492]	11,880
	189,293	[45,173]	144,120
	2,406,473	[49,739]	2,356,734
		Note 23.4(i)	Note 23.4(ii)
<b>20 February 2012</b>			
Not past due	1,383,319	[2,803]	1,380,516
Past due 18 - 47 days	89,221	[4,878]	84,343
Past due 48 - 77 days	25,620	[6,820]	18,800
Past due more than 78 days	27,313	[19,496]	7,817
	142,154	[31,194]	110,960
	1,525,473	[33,997]	1,491,476
		Note 23.4(i)	Note 23.4(ii)
<b>21 February 2011</b>			
Not past due	1,027,090	[1,940]	1,025,150
Past due 18 - 47 days	66,707	[3,457]	63,250
Past due 48 - 77 days	20,523	[5,262]	15,261
Past due more than 78 days	20,659	[15,816]	4,843
	107,889	[24,535]	83,354
	1,134,979	[26,475]	1,108,504
		Note 23.4(i)	Note 23.4(ii)

(i) The movements in the allowance for impairment losses of receivables during the financial year were:

	<b>2013 RM'000</b>	<b>2012 RM'000</b>
At 21 February	33,997	26,475
Impairment loss recognised	114,169	78,963
Impairment loss reversed	[27,038]	[14,949]
Impairment loss written off	[71,389]	[56,492]
At 20 February	49,739	33,997

**23. FINANCIAL INSTRUMENTS (CONTINUED)****23.4 Credit risk (continued)****Credit quality and allowance for impairment losses (continued)**

- (ii) Included in net financing receivables is an amount of RM38,032,000 (20 February 2012: RM27,508,000; 21 February 2011: RM23,145,000) which are under renegotiated/restructured activities.

Renegotiated/restructured activities include extended payment arrangements, and the modification and deferral of payments. The status of renegotiated/ restructured receivables are as follows:

	20.2.2013 RM'000	20.2.2012 RM'000	21.2.2011 RM'000
Not past due	31,908	23,724	19,348
Past due 18 - 47 days	4,048	2,434	2,572
Past due 48 - 77 days	1,914	1,193	1,079
Past due more than 78 days	162	157	146
	38,032	27,508	23,145

**Investments**

*Risk management objectives, policies and processes for managing the risk*

Investments are made after careful evaluation by the Board of Directors of the Company.

*Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the Company has only invested in securities of its foreign affiliated companies. The maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

**Inter company balances**

*Risk management objectives, policies and processes for managing the risk*

The Company provides advances to related company and it monitors the results of the related company regularly.

*Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

*Impairment losses*

As at the end of the reporting period, there was no indication that the advances to the related company are not recoverable.

**23.5 Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Company's liquidity risk management practice is to maintain high quality and well diversified portfolios of liquid assets and source of funds under both normal business and stressed conditions. The Company has Asset Liability Management ("ALM") review process in place to review asset and liability maturity profile and identify any maturity mismatch. The Company maintains optimum ratio of long term funding, i.e. debts maturing after 12 months from the reporting date against total debts. This ratio significantly match the ratio of long term financing receivables determined based on customers' contracted terms of repayment and payment pattern for revolving credit limits granted.

RMC meets every month to discuss the liquidity risk and funding profile and is responsible for the independent monitoring of the Company's liquidity risk profile, working closely with Treasury Unit on the surveillance of market conditions and stress testing analysis on liquidity positions.

**23. FINANCIAL INSTRUMENTS (CONTINUED)****23.5 Liquidity risk (continued)***Maturity analysis*

The table below summarises the maturity profile of the Company's financial assets and financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM'000	Contractual interest rate/ coupon	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
<b>20 February 2013</b>							
<i>Financial assets</i>							
Cash and bank balances	6,404	-	6,404	6,404	-	-	-
Financing receivables	2,356,734	20.15%*	3,004,924	1,247,803	794,485	875,251	87,385
Other receivables	12,916	-	12,916	12,916	-	-	-
Investment	5,542	-	5,542	-	-	-	5,542
	2,381,596		3,029,786	1,267,123	794,485	875,251	92,927
<i>Financial liabilities</i>							
Bank overdraft	2,244	3.50% to 7.20%	2,244	2,244	-	-	-
Unsecured term loan/financing	969,663	3.13% to 4.75%	1,100,247	79,341	131,000	889,906	-
Unsecured medium term notes	419,999	4.05% to 4.30%	459,708	225,685	-	234,023	-
Unsecured commercial paper	179,691	3.67%	180,034	180,034	-	-	-
Unsecured revolving credits	140,836	3.51% to 3.78%	141,186	141,186	-	-	-
Asset backed medium term notes	150,000	4.21%	158,788	55,497	78,077	25,214	-
Trade and other payables	106,869	-	106,869	106,869	-	-	-
	1,969,302		2,149,076	790,856	209,077	1,149,143	-
<b>20 February 2012</b>							
<i>Financial assets</i>							
Cash and bank balances	4,416	-	4,416	4,416	-	-	-
Financing receivables	1,491,476	21.86%*	1,817,883	1,120,272	439,966	247,839	9,806
Other receivables	30,545	-	30,545	30,545	-	-	-
Investment	1,283	-	1,283	-	-	-	1,283
	1,527,720		1,854,127	1,155,233	439,966	247,839	11,089
<i>Financial liabilities</i>							
Bank overdraft	902	7.20%	902	902	-	-	-
Unsecured term loan/financing	542,533	3.13% to 4.75%	615,228	35,346	82,062	497,820	-
Unsecured medium term notes	289,975	3.89% to 4.30%	306,463	71,595	234,868	-	-
Unsecured commercial paper	34,923	3.60%	35,006	35,006	-	-	-
Unsecured revolving credits	87,861	2.50% to 3.75%	88,013	88,013	-	-	-
Asset backed medium term notes	150,000	4.33%	165,079	6,290	55,498	103,291	-
Trade and other payables	81,097	-	81,097	81,097	-	-	-
	1,187,291		1,291,788	318,249	372,428	601,111	-

*Maturity analysis of derivatives financial liabilities is disclosed in Note 23.7.*

*\*Note : This represents the average annual effective interest rate on financing receivables outstanding at the end of the reporting period.*

**23. FINANCIAL INSTRUMENTS (CONTINUED)****23.5 Liquidity risk (continued)***Maturity analysis*

	Carrying amount RM'000	Contractual interest rate/ coupon	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
<b>21 February 2011</b>							
<i>Financial assets</i>							
Cash and bank balances	5,649	-	5,649	5,649	-	-	-
Financing receivables	1,108,504	22.94%*	1,345,475	855,683	345,565	143,240	987
Other receivables	30,221	-	30,221	30,221	-	-	-
Investment	1,797	-	1,797	-	-	-	1,797
	1,146,171		1,383,142	891,553	345,565	143,240	2,784
<i>Financial liabilities</i>							
Bank overdraft	992	6.80% to 6.90%	992	992	-	-	-
Unsecured term loan/financing	265,749	3.35% to 4.65%	294,658	44,612	35,614	214,432	-
Unsecured medium term notes	384,342	3.89% to 5.25%	416,620	114,115	74,702	227,803	-
Unsecured commercial paper	14,961	3.60%	15,000	15,000	-	-	-
Unsecured revolving credits	17,000	3.64% to 3.85%	17,045	17,045	-	-	-
Asset backed medium term notes	150,000	4.75%	156,325	53,552	77,548	25,225	-
Trade and other payables	54,132	-	54,132	54,132	-	-	-
	887,176		954,772	299,448	187,864	467,460	-

*Maturity analysis of derivatives financial liabilities is disclosed in Note 23.7.*

*\*Note : This represents the average annual effective interest rate on financing receivables outstanding at the end of the reporting period.*

**23.6 Market risk**

Market risk is the risk of potential loss as a result of changes in the intrinsic value of financial instruments caused by movement in market variables such as interest rate, foreign exchange rates, equity pricing and other related macro economic factors that will eventually affect the Company's profitability, cash flows and capital preservation.

The Company's market risk management includes the monitoring of the fluctuations in net interest income or investment value due to changes in relevant risk factors. RMC monitors the exposure on monthly basis through reports and analysis with the support of the Treasury Unit.

In managing interest rate risk, the Company intends to maximise net interest income and net interest margin; and to minimise the significant volatility in relation to the Company's assets and liabilities.

**23.6.1 Currency risk**

The Company is exposed to foreign currency risk mainly on borrowings that are denominated in a currency other than the functional currency of the Company. The currencies giving rise to this risk are primarily U.S. Dollar (USD) and Japanese Yen (JPY).

*Risk management objectives, policies and processes for managing the risk*

The repayment of all borrowings in foreign currency is fully hedged by forward exchange contracts and/or cross currency interest rate swaps entered into by the Company upon initial drawdown of the borrowings. Most of the forward exchange contracts and cross currency interest rate swap contracts have maturities of 2 to 5 years after the end of the reporting period.



**23. FINANCIAL INSTRUMENTS (CONTINUED)****23.6 Market risk (continued)****23.6.1 Currency risk (continued)***Exposure to foreign currency risk*

The Company's exposure to foreign currency (a currency which is other than the currency of the Company) risk, based on carrying amounts at the end of the reporting period was:

	Note	Denominated in USD RM'000	JPY RM'000
<b>20 February 2013</b>			
Inter-companies balances		-	(492)
Borrowings	(i)	(651,499)	-
<b>Net exposure</b>		(651,499)	(492)
<b>20 February 2012</b>			
Inter-companies balances		-	(191)
Borrowings	(i)	(446,376)	(63,018)
<b>Net exposure</b>		(446,376)	(63,209)
<b>21 February 2011</b>			
Inter-companies balances		-	(197)
Borrowings	(i)	(57,253)	(79,496)
<b>Net exposure</b>		(57,253)	(79,693)

- (i) The Company's foreign currency risk exposure primarily relates to its USD and JPY denominated bank borrowings. The carrying amount of such bank borrowings as at 20 February 2013 was RM651,499,000 (2012: RM509,394,000). To minimise the foreign currency risk and interest rate risk of bank borrowings, the Company has been using forward exchange contracts and/or cross currency interest rate swap contracts as hedging instruments.

The remaining exposure to currency risk of the Company is not material and hence, sensitivity analysis is not presented.

**23. FINANCIAL INSTRUMENTS (CONTINUED)****23.6 Market risk (continued)****23.6.2 Interest rate risk**

The Company's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Investments in equity securities, short term receivables and payables are not significantly exposed to interest rate risk

*Risk management objectives, policies and processes for managing the risk*

The Company borrows for its operations at fixed and variable rates and monitors the interest rate exposure by assessing the interest rate gap of interest bearing financial assets and financial liabilities. The Company also uses cross currency interest rate swap contracts to hedge its interest rate risk on bank borrowings as stated in Note 23.6.1(i). The management continuously seeks for alternative banking facilities, which provide competitive interest rates to finance its capital expenditure, financing and working capital requirements.

*Exposure to interest rate risk*

The interest rate profile of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	20.2.2013 RM'000	20.2.2012 RM'000	21.2.2011 RM'000
<b>Fixed rate instruments</b>			
Financial liabilities	1,208,689	721,740	695,303
<b>Floating rate instruments</b>			
Financial liabilities	653,744	384,454	137,741

*Interest rate risk sensitivity analysis**(a) Fair value sensitivity analysis for fixed rate instruments*

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Company does not designate derivatives as hedging instruments under a fair value hedged accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

*(b) Cash flow sensitivity analysis for variable rate instruments*

A change of 100 basis points (bp) in interest rates at the end of the reporting period would have increased/ (decreased) equity and post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	Profit or loss	
	100 bp increase RM'000	100 bp decrease RM'000
<b>2013</b>		
Floating rate instruments	(4,903)	4,903
<b>2012</b>		
Floating rate instruments	(2,883)	2,883

**23. FINANCIAL INSTRUMENTS (CONTINUED)****23.7 Hedging activities****Cash flow hedge**

The Company has entered into forward exchange contract and cross currency interest rate swaps to hedge the cash flow risk in relation to the foreign currency denominated borrowings of RM655,349,450 (2012: RM523,537,250). The forward exchange contract and cross currency interest rate swap has the same nominal value of RM655,349,450 (2012: RM523,537,250) and is to be settled in full upon maturity.

The following table indicates the periods in which the cash flows associated with the forward exchange contract and cross currency interest rate swaps with carrying amount of RM18,130,000 (2012: RM24,666,000) that are expected to occur and affect profit or loss:

	Expected cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000
<b>20 February 2013</b>				
Forward exchange contract and cross currency interest rate swaps (gross settled):				
Outflow	(743,786)	(67,103)	(100,327)	(576,356)
Inflow	684,595	49,530	82,807	552,258
	(59,191)	(17,573)	(17,520)	(24,098)
<b>20 February 2012</b>				
Forward exchange contract and cross currency interest rate swaps (gross settled):				
Outflow	(588,804)	(122,351)	(47,008)	(419,445)
Inflow	537,797	108,651	35,431	393,715
	(51,007)	(13,700)	(11,577)	(25,730)
<b>21 February 2011</b>				
Cross currency interest rate swaps (gross settled):				
Outflow	(150,208)	(48,247)	(37,106)	(64,855)
Inflow	140,332	47,791	34,334	58,207
	(9,876)	(456)	(2,772)	(6,648)

During the year, a loss of RM2,818,000 (2012: RM7,250,000) was recognised in other comprehensive income.

**23.8 Fair value of financial instruments**

The carrying amounts of cash and bank balances, short term receivables and payables including derivatives and short term borrowings approximate fair values due to the relatively short term nature of these financial instruments.

The fair value of cross currency interest rate swaps is based on broker quotes. Where such prices are not available, reference is based on discounted cash flow analysis using applicable yield curve for the duration of the instruments.

The fair values of financing receivables have been determined by discounting the relevant cash flows using market rates at the end of reporting period. Based on management's assessment as at 20 February 2013 and 2012, the estimated fair value of financing receivables approximate their carrying amount.

**23. FINANCIAL INSTRUMENTS (CONTINUED)****23.8 Fair value of financial instruments (continued)**

The fair values of other financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	<b>20.2.2013</b>		<b>20.2.2012</b>		<b>21.2.2011</b>	
	<b>Carrying amount RM'000</b>	<b>Fair value RM'000</b>	<b>Carrying amount RM'000</b>	<b>Fair value RM'000</b>	<b>Carrying amount RM'000</b>	<b>Fair value RM'000</b>
<b>Financial assets (non-current)</b>						
Investments	5,542	5,038	1,283	788	1,797	2,270
Receivables	1,189,825	1,189,825	568,276	568,276	407,377	407,377
<b>Financial liabilities (non-current)</b>						
Term loans/financing (unsecured)	891,934	883,646	507,607	506,884	219,802	216,561
Medium term notes (unsecured)	200,000	201,580	219,996	221,550	274,940	274,646
Asset backed medium term notes (secured)	100,000	99,022	150,000	146,963	100,000	99,352

The following summarises the methods used in determining the fair value of financial instruments reflected in the above table.

*Financial assets*

For investment, the fair value of the unquoted shares is determined with reference made to the Net Asset of the investee companies.

*Financial liabilities*

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

*Interest rates used to determine fair value*

The interest rates used to discount estimated cash flows, when applicable, are as follows:

	<b>20.2.2013</b>	<b>20.2.2012</b>	<b>21.2.2011</b>
Derivatives	4.89%	4.80%	4.33% - 5.43%
Borrowings	3.85% - 4.89%	3.91% - 4.80%	4.07% - 5.20%

**23.8.1 Fair value hierarchy**

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**23. FINANCIAL INSTRUMENTS (CONTINUED)****23.8 Fair value of financial instruments (continued)****23.8.1 Fair value hierarchy (continued)**

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>20 February 2013</b>				
<b>Financial assets</b>				
<i>Non-current</i>				
Investments	-	-	5,542	5,542
	-	-	5,542	5,542
<b>Financial liabilities</b>				
<i>Current</i>				
Derivatives designated as hedging instrument	-	18,130	-	18,130
	-	18,130	-	18,130
<b>20 February 2012</b>				
<b>Financial assets</b>				
<i>Non-current</i>				
Investments	-	-	1,283	1,283
	-	-	1,283	1,283
<b>Financial liabilities</b>				
<i>Current</i>				
Derivatives designated as hedging instrument	-	24,666	-	24,666
	-	24,666	-	24,666
<b>21 February 2011</b>				
<b>Financial assets</b>				
<i>Non-current</i>				
Investments	-	-	1,797	1,797
	-	-	1,797	1,797
<b>Financial liabilities</b>				
<i>Current</i>				
Derivatives designated as hedging instrument	-	1,445	-	1,445
	-	1,445	-	1,445

**24. CAPITAL MANAGEMENT**

The Company's objectives when managing capital is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and determine to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

During 2013, the Company's strategy, which remains unchanged, was to maintain the debt-to-equity ratio between 3:1 and 5:1. The debt-to-equity ratios at 20 February 2013, 20 February 2012 and 21 February 2011 were as follows:

	20.2.2013 RM'000	20.2.2012 RM'000	21.2.2011 RM'000
Total borrowings (Note 9)	1,862,433	1,106,194	833,044
Less: Cash and bank balances (Note 7)	(6,404)	(4,416)	(5,649)
Net debt	1,856,029	1,101,778	827,395
Total equity	429,207	341,234	282,217
Debt-to-equity ratios	4.324	3.229	2.932

There were no changes in the Company's approach to capital management during the financial year.

**25. EXPLANATION OF TRANSITION TO MFRSs**

As stated in note 1(a), these are the first financial statements of the Company prepared in accordance with MFRSs.

The accounting policies set out in Note 2 have been applied in preparing the financial statements of the Company for the financial year ended 20 February 2013, the comparative information presented in these financial statements for the financial year ended 20 February 2012 and in the preparation of the opening MFRS statement of financial position at 21 February 2011 (the Company's date of transition to MFRSs).

The transition to MFRSs does not have a material financial impact to the financial statements of the Company.



**26. SUPPLEMENTARY FINANCIAL INFORMATION ON THE BREAKDOWN OF REALISED AND UNREALISED PROFIT OR LOSSES**

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, the Malaysian Institute of Accountants further issued another directive on the disclosure and prescribed format of presentation.

The breakdown of retained earnings of the Company as at the end of reporting period, into realised and unrealised earnings, pursuant to the directive are as follows:

	<b>2013 RM'000</b>	<b>2012 RM'000</b>
Total retained earnings of the Company:		
- Realised	318,849	228,852
- Unrealised	5,057	4,128
Total retained earnings as per Statement of Changes in Equity	323,906	232,980

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

# STATEMENT BY DIRECTORS

## pursuant to Section 169(15) of the Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 49 to 87 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as at 20 February 2013 and of its financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out in Note 26 on page 88 to the financial statements has been compiled in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

**Dato' Abdullah bin Mohd Yusof**

**Yasuhiro Kasai**

Kuala Lumpur,

Date: 9 May 2013

# STATUTORY DECLARATION

## pursuant to Section 169(16) of the Companies Act, 1965

I, **Krishnappan A/L S.P.S. Singaram**, the Director primarily responsible for the financial management of AEON Credit Service (M) Berhad, do solemnly and sincerely declare that the financial statements set out on pages 49 to 88 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named in Kuala Lumpur on 9 May 2013.

**Krishnappan A/L S.P.S. Singaram**

Before me:

**Lee Chin Hin**  
**No. W493**

Commissioner for Oaths  
Kuala Lumpur

# INDEPENDENT AUDITORS' REPORT

## to the members of AEON Credit Service (M) Berhad

(Company No. 412767-V) (Incorporated in Malaysia)

### Report on the Financial Statements

We have audited the financial statements of AEON Credit Service (M) Berhad, which comprise the statement of financial position as at 20 February 2013, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 49 to 87.

#### *Directors' Responsibility for the Financial Statements*

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 20 February 2013 and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

### Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

### Other Reporting Responsibilities

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information set out in Note 26 on page 88 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements and is not required by the Malaysian Financial Reporting Standards or International Financial Reporting Standards. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

### Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

#### **KPMG**

Firm Number: AF 0758  
Chartered Accountants

#### **Ow Peng Li**

Approval Number: 2666/09/13(J)  
Chartered Accountant

Petaling Jaya,  
Date: 9 May 2013

# ANALYSIS OF SHAREHOLDINGS

## as at 29 April 2013

Authorised Share Capital : RM100,000,000  
 Paid-up Share Capital : RM72,000,000  
 Class of Shares : Ordinary Shares of RM0.50 each  
 Voting Rights : One vote per Ordinary Share

Catagory	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
1 - 99	110	4.83	2,515	0.00
100 - 1000	577	25.35	306,809	0.21
1,001 - 10,000	1,157	50.84	3,677,817	2.56
10,001 - 100,000	337	14.81	9,429,878	6.55
100,001 - 7,199,999 (*)	94	4.13	44,614,981	30.98
7,200,000 And Above (**)	1	0.04	85,968,000	59.70
<b>Total</b>	<b>2,276</b>	<b>100.00</b>	<b>144,000,000</b>	<b>100.00</b>

### Notes:

\* - Less than 5 % of issued holdings

\*\* - 5 % and above of issued holdings

### SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 29 APRIL 2013

No. Name	Number of Shares			
	Direct Interest	%	Indirect Interest	%
1 AEON Financial Service Co., Ltd. Japan (AFSJ), [formerly known as AEON Credit Service Co., Ltd.]	85,968,000	59.70	-	-
2 AEON Co., Ltd	-	-	89,064,000*	61.85
3 Mitsubishi UFJ Financial Group, Inc	-	-	8,958,061**	6.22
4 Aberdeen Asset Management PLC and its subsidiaries	8,958,061	6.22	-	-

### Notes:

\* Indirect interest by virtue of its interest in AEON Financial Service Co., Ltd. and AEON CO. (M) BHD. pursuant to Section 6A of the Companies Act, 1965

\*\* Mitsubishi UFJ Financial Group, Inc is deemed interested in the shares by virtue of Mitsubishi UFJ Financial Group, Inc's wholly owned subsidiary, Mitsubishi UFJ Trust & Banking Corp, holding more than 15% in Aberdeen Asset Management PLC.

### DIRECTORS' INTEREST AS PER REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 29 APRIL 2013

No. Name	Number of Shares			
	Direct Interest	%	Indirect Interest	%
1 Dato' Abdullah bin Mohd Yusof	271,080	0.19	102,000*	0.07
2 Yasuhiro Kasai	108,000	0.08	-	-
3 Dato' Ramli bin Ibrahim	162,000	0.11	-	-
4 Dato' Md Kamal bin Ismaun	6,000	0	-	-
5 Ng Eng Kiat	12,000	0.01	-	-
6 Krishnappan a/l S.P.S Singaram	108,000	0.08	-	-
7 Clarence Chai	22,000	0.02	-	-
8 Jun Suzuki	0	0	-	-
9 Masao Mizuno	0	0	-	-
10 Tomoaki Saito (resigned on 9 May 2013)	12,000	0.01	-	-

### Notes:

\* Indirect interest pursuant to Section 134(12)(c) of the Companies Act, 1965



# ANALYSIS OF SHAREHOLDINGS (cont'd)

as at 29 April 2013

## LIST OF THIRTY LARGEST SHAREHOLDERS AS AT 29 APRIL 2013

No.	Names	No of Shares	% of Shares held
1	AEON CREDIT SERVICE CO., LTD.	85,968,000	59.70%
2	AEON CO. (M) BHD.	3,096,000	2.15%
3	HSBC NOMINEES (ASING) SDN BHD	2,900,200	2.01%
4	BNP PARIBAS SECS SVS PARIS FOR ABERDEEN ASIAN SMALLER COMPANIES INVESTMENT TRUST PLC PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KONG GOON KHING (E-BTR)	2,727,600	1.89%
5	SIA TONG HOCK	2,222,000	1.54%
6	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ABERDEEN)	2,205,100	1.53%
7	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (ABERDEEN)	2,038,300	1.42%
8	HSBC NOMINEES (ASING) SDN BHD TNTC FOR CC ASIAN EVOLUTION FUND	1,903,280	1.32%
9	HSBC NOMINEES (ASING) SDN BHD HSBC-FS I FOR APOLLO ASIA FUND LTD	1,493,960	1.04%
10	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR THE BANK OF NEW YORK MELLON (MELLON ACCT)	1,430,520	0.99%
11	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR BANK SARASIN AND CIE AG, SINGAPORE BRANCH (BSCSG) (AC CLIENT FRGN)	1,000,000	0.69%
12	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (U.K.)	960,000	0.67%
13	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (CIMB PRIN)	851,000	0.59%
14	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAU HOW SIONG	746,760	0.52%
15	MAYBANK NOMINEES (ASING) SDN BHD DBS BANK FOR ONE NORTH CAPITAL - ASIA VALUE MASTER FUND (290017)	700,000	0.49%
16	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR BNP PARIBAS SECURITIES SERVICES (SINGAPORE - SGD)	691,361	0.48%
17	AMSEC NOMINEES (TEMPATAN) SDN BHD ABERDEEN ASSET MGMT. SDN BHD FOR TENAGA NASIONAL BHD RETIREMENT BENEFIT TRUST FUND (FM-ABERDEEN)	672,100	0.47%
18	NARUHITO KURODA	636,000	0.44%
19	WONG CHEE LING	621,600	0.43%
20	HDM NOMINEES (ASING) SDN BHD DBS VICKERS SECS (S) PTE LTD FOR SERENDIP INVESTMENTS LIMITED	576,000	0.40%
21	MOTOYA OKADA	576,000	0.40%
22	YOSHIKI MORI	576,000	0.40%
23	LEONG LI NAR	516,000	0.36%
24	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR HWANG SELECT OPPORTUNITY FUND (3969)	510,520	0.35%
25	MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD (EPF)	482,540	0.34%
26	UNIVERSAL TRUSTEE (MALAYSIA) BHD CIMB-PRINCIPAL EQUITY FUND	452,900	0.31%
27	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BHD FOR CIMB-PRINCIPAL SMALL CAP FUND (240218)	441,520	0.31%
28	LEONG SOO KENG CIMB-PRINCIPAL EQUITY FUND 2	440,400	0.31%
29	UNIVERSAL TRUSTEE (MALAYSIA) BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (CIMB EQUITIES)	431,200	0.30%
30	CITIGROUP NOMINEES (TEMPATAN) SDN BHD	424,300	0.29%
<b>TOTAL</b>		<b>118,291,161</b>	<b>82.14%</b>



# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Sixteenth Annual General Meeting of AEON Credit Service (M) Berhad will be held at Istana Hotel Kuala Lumpur, 73 Jalan Raja Chulan, 50200 Kuala Lumpur on Tuesday, 18 June 2013 at 10.30 a.m.

## AGENDA

### As Ordinary Business

- |  |  |
|--|--|
| 1. To receive and adopt the Audited Financial Statements for the financial year ended 20 February 2013 together with the Reports of the Directors and Auditors thereon.                      | <b>Ordinary Resolution 1</b>                                 |
| 2. To declare a single tier final dividend of 19.50 sen per ordinary share of RM0.50 each for the financial year ended 20 February 2013.   | <b>Ordinary Resolution 2</b>                                 |
| 3. To approve the increase in Directors' Fees to RM446,000 for the financial year ended 20 February 2013 and payment thereof.  | <b>Ordinary Resolution 3</b>                                 |
| 4. To re-elect the following Directors retiring pursuant to Article 129 of the Articles of Association of the Company:<br>(i) Mr. Yasuhiro Kasai<br>(ii) Mr. Krishnappan A/L S.P.S. Singaram | <b>Ordinary Resolution 4</b><br><b>Ordinary Resolution 5</b> |
| 5. To re-elect the following Directors retiring pursuant to Article 134 of the Articles of Association of the Company:<br>(i) Mr. Masao Mizuno<br>(ii) Mr. Jun Suzuki                        | <b>Ordinary Resolution 6</b><br><b>Ordinary Resolution 7</b> |
| 6. To re-appoint Dato' Abdullah bin Mohd Yusof as Director pursuant to Section 129 (6) of the Companies Act, 1965.   | <b>Ordinary Resolution 8</b>                                 |
| 7. To re-appoint Datuk Ramli bin Ibrahim as Director pursuant to Section 129 (6) of the Companies Act, 1965.   | <b>Ordinary Resolution 9</b>                                 |
| 8. To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration.  | <b>Ordinary Resolution 10</b>                                |

### As Special Business

To consider and, if thought fit, to pass the following resolutions:-

9. **Proposed Renewal of Authority under Section 132D of the Companies Act, 1965 for the Directors to allot and issue shares**

"That pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued share capital of the Company for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issue."

**Ordinary Resolution 11**

**10. Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature and New Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")**

"THAT, subject to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company to enter into the recurrent transactions of a revenue or trading nature as set out in Section 2.2 of the Circular to Shareholders dated 27 May 2013 ("Circular") with the related parties mentioned therein which are necessary for the Company's day-to-day operations.

THAT the Company be and is hereby authorised to enter into the recurrent transactions with the related parties mentioned therein provided that:-

- a) the transactions are in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company; and
- b) the disclosure will be made in the Annual Report of the breakdown of the aggregate value of the Recurrent Related Party Transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year on the type of Recurrent Related Party Transactions made, the names of the related parties involved in each type of Recurrent Related Party Transactions and their relationships with the Company.

THAT the authority conferred shall continue to be in force until:

- i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the forthcoming AGM at which the Proposed Shareholders' Mandate is approved, at which time it will lapse, unless by a resolution passed at the AGM, the mandate is again renewed;
- ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate."

**Ordinary Resolution 12**

**11. Authority for Dato' Abdullah bin Mohd Yusof to continue office as Independent Non-Executive Director**

"THAT authority be and is hereby given for Dato' Abdullah bin Mohd Yusof who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance with Malaysian Code of Corporate Governance 2012."

**Ordinary Resolution 13**

**12. Authority for Datuk Ramli bin Ibrahim to continue office as Independent Non-Executive Director**

"THAT authority be and is hereby given for Datuk Ramli bin Ibrahim who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance with Malaysian Code of Corporate Governance 2012."

**Ordinary Resolution 14**

### NOTICE OF DIVIDEND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT, subject to the approval of the shareholders at the Sixteenth Annual General Meeting, a single tier final dividend of 19.50 sen per ordinary shares of RM0.50 each for the financial year ended 20 February 2013 will be paid to shareholders on 16th July 2013. The entitlement date for the said dividend shall be 2nd July 2013.

A Depositor shall qualify for entitlement to the Dividend only in respect of:-

- (a) Shares transferred to the Depositor's securities account before 4.00 p.m. on 2nd July 2013 in respect of transfers.
- (b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA 7009143)  
CHOONG LEE WAH (MAICSA 7019418)  
Company Secretaries

Selangor Darul Ehsan  
Date: 27 May 2013

### NOTES:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149(1) (b) of the Companies Act, 1965 shall not apply.
2. A member is entitled to appoint up to two (2) proxies to attend and vote in his place, at the same meeting.
3. Where a member appoints up to two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
4. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy or (in the case of a power of attorney appointing an attorney to or to (inter alia) attend and vote at meetings or polls) such power of attorney or a notarially certified copy of such power or authority and (if required by any Director) any authority under which such proxy or power of attorney is executed or a copy of such authority certified notarially or in some other way approved by the Directors shall be deposited at the Company's Share Registrar Office at Level 6, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time set for holding the meeting or any adjournment thereof.
6. In respect of deposited securities, only members whose names appear on the Record of Depositors on 12 June 2013 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

**EXPLANATORY NOTES ON SPECIAL BUSINESS****(ii) Ordinary Resolution 11 – Proposed Renewal of Authority under Section 132D of the Companies Act, 1965 for the Directors to issue shares**

The Company had, during its Fifteenth Annual General Meeting ("AGM") held on 19 June 2012, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Section 132D of the Companies Act, 1965 ("the Act"). As at the date of this notice, the Company did not issue any shares pursuant to this mandate obtained.

Ordinary Resolution 11 proposed under item 9 of the Agenda is a renewal of the general mandate for issuance of shares by the Company under Section 132D of the Act. The mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares speedily in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

The authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding investment project(s), working capital and/or acquisitions.

**(iii) Ordinary Resolution 12 – Proposed Shareholders' Mandate**

Resolution 12 proposed, if passed, will allow the Company and its subsidiaries to enter into recurrent related party transactions in accordance with paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such recurrent related party transactions occur would not arise. This would reduce substantial administrative time and expenses associated with the convening of such meetings without compromising the corporate objectives of the Group or affecting the business opportunities available to the Group. The proposed shareholders' mandate is subject to renewal on an annual basis.

**(iii) Ordinary Resolutions 13 & 14 – Retention of Independent Directors****(a) Dato' Abdullah bin Mohd Yusof**

Dato' Abdullah bin Mohd Yusof ("Dato' Abdullah") was appointed as an Independent Director on 23 July 1997. Dato' Abdullah has served the Company for more than ten (10) years as at the date of the notice of AGM. The Board of Directors ("Board") has via the Nomination Committee conducted an annual performance evaluation and assessment of Dato' Abdullah and recommended that he continues to act as an Independent Non-Executive Director of the Company based on the following reasons:-

- (i) he has fulfilled the criteria under the definition on Independent Director as stated in the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), and is able to bring independent and objective judgement to the Board;
- (ii) his knowledge of the MMLR of Bursa Securities and experience in financial and legal services has enabled him to provide the Board with a diverse set of experience, expertise, skills and competence;
- (iii) he understands the Company's business operations well and contributes actively during deliberations or discussions at Committee and Board meetings;
- (iv) he has contributed sufficient time and effort and had attended all the Committee and Board meetings to ensure informed and balanced decision making; and
- (v) he has exercised due care during his tenure as an Independent Non-Executive Director of the Company and has always discharged his professional and fiduciary duties in the best interest of the Company and stakeholders.

**(iii) Ordinary Resolutions 13 & 14 - Retention of Independent Directors (con'd)**

**(b) Datuk Ramli bin Ibrahim**

Datuk Ramli bin Ibrahim ("Datuk Ramli") was appointed as an Independent Director on 23 July 1997. Datuk Ramli has served the Company for more than ten (10) years as at the date of the notice of AGM. The Board of Directors ("Board") has via the Nomination Committee conducted an annual performance evaluation and assessment of Datuk Ramli and recommended that he continues to act as an Independent Non-Executive Director of the Company based on the following reasons:-

- (i) he has fulfilled the criteria under the definition on Independent Director as stated in the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and is able to bring independent and objective judgment to the Board;
- (ii) his experience in the accountancy profession, financial services and knowledge of the MMLR of Bursa Securities has enabled him to provide the Board with a diverse set of experience, expertise, skills and competence;
- (iii) he understands the Company's business operations well and contributes actively during deliberations or discussions at Committee and Board meetings;
- (iv) he has contributed sufficient time and effort and had attended all the Committee and Board meetings to ensure informed and balanced decision making; and
- (v) he has exercised due care during his tenure as an Independent Non-Executive Director of the Company and has always discharged his professional and fiduciary duties in the best interest of the Company and stakeholders.

# PROXY FORM

## AEON CREDIT SERVICE (M) BERHAD

(Company No. 412767-V)  
(Incorporated in Malaysia)

No. of Shares	
CDS account No.	

I/We, \_\_\_\_\_  
of \_\_\_\_\_

being a member(s) of AEON CREDIT SERVICE (M) BERHAD (412767-V) hereby appoint \_\_\_\_\_

\_\_\_\_\_ I/C No. \_\_\_\_\_

of \_\_\_\_\_

or failing him/her, \_\_\_\_\_

I/C No. \_\_\_\_\_ of \_\_\_\_\_

or failing him/her, \*the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Sixteenth Annual General Meeting of the Company to be held at Istana Hotel Kuala Lumpur, 73 Jalan Raja Chulan, 50200 Kuala Lumpur on Tuesday, 18 June 2013 at 10.30 a.m. and at any adjournment thereof in respect of my/our shareholding in the manner indicated below:

\* Please delete the words "the Chairman of the meeting" if you wish to appoint some other person to be your proxy.

No.	Resolution	For	Against
	<b>ORDINARY BUSINESS</b>		
Ordinary Resolution 1	Adoption of Audited Financial Statements and Reports for the financial year ended 20 February 2013 together with the Reports of the Directors and Auditors thereon.		
Ordinary Resolution 2	Declaration of a single tier final dividend of 19.50 sen per ordinary share of RM0.50 each for the financial year ended 20 February 2013.		
Ordinary Resolution 3	Approval of the increase in Directors' Fees to RM446,000 for the financial year ended 20 February 2013 and payment thereof.		
Ordinary Resolution 4	Re-election of Mr. Yasuhiro Kasai.		
Ordinary Resolution 5	Re-election of Mr. Krishnappan A/L S.P.S. Singaram.		
Ordinary Resolution 6	Re-election of Mr. Masao Mizuno.		
Ordinary Resolution 7	Re-election of Mr. Jun Suzuki.		
Ordinary Resolution 8	Re-appointment of Dato' Abdullah bin Mohd Yusof as Director pursuant to Section 129 (6) of the Companies Act, 1965.		
Ordinary Resolution 9	Re-appointment of Datuk Ramli bin Ibrahim as Director pursuant to Section 129 (6) of the Companies Act, 1965.		
Ordinary Resolution 10	Re-appointment of Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration.		
	<b>SPECIAL BUSINESS</b>		
Ordinary Resolution 11	Proposed Renewal of Authority under Section 132D of the Companies Act, 1965 for the Directors to allot and issue shares.		
Ordinary Resolution 12	Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature and New Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature.		
Ordinary Resolution 13	Authority for Dato' Abdullah bin Mohd Yusof to continue office as Independent Non-Executive Director.		
Ordinary Resolution 14	Authority for Datuk Ramli bin Ibrahim to continue office as Independent Non-Executive Director.		

[Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.]

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:		
	<b>Percentage</b>	
Proxy 1		%
Proxy 2		%
Total		100%

Signature: \_\_\_\_\_  
Shareholder or Common Seal

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

### NOTES:

- A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149(1) (b) of the Companies Act, 1965 shall not apply.
- A member is entitled to appoint up to two (2) proxies to attend and vote in his place, at the same meeting.
- Where a member appoints up to two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy or (in the case of a power of attorney appointing an attorney to or to (inter alia) attend and vote at meetings or polls) such power of attorney or a notarially certified copy of such power or authority and (if required by any Director) any authority under which such proxy or power of attorney is executed or a copy of such authority certified notarially or in some other way approved by the Directors shall be deposited at the Company's Share Registrar Office at Level 6, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time set for holding the meeting or any adjournment thereof.
- In respect of deposited securities, only members whose names appear on the Record of Depositors on 12 June 2013 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

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Postage  
Stamp

The Share Registrar  
**AEON CREDIT SERVICE (M) BERHAD** (Company No. 412767-V)  
C/O Symphony Share Registrars Sdn. Bhd.  
Level 6, Symphony House  
Block D13, Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301, Petaling Jaya  
Selangor Darul Ehsan

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# REGIONAL OFFICES, BRANCHES AND SERVICE CENTRES

## CENTRAL REGION

### MENARA OLYMPIA

Level 1, Menara Olympia,  
No.8, Jalan Raja Chulan,  
50200 Kuala Lumpur

### MID VALLEY

2nd Floor, Unit AT3, Mid Valley Megamall,  
Mid Valley City, Lingkaran Syed Putra,  
59200 Kuala Lumpur

### PUCHONG

G00A5, Ground Floor, IOI Mall,  
Batu 9, Jalan Puchong,  
47100 Bandar Puchong Jaya, Selangor.

### TAMAN EQUINE

AEON Taman Equine Shopping Centre  
Lot G27, Ground Floor,  
No. 2, Jalan Equine, Taman Equine,  
Bandar Putra Permai,  
43300 Seri Kembangan, Selangor

### SHAH ALAM

Lot LS21, Tingkat 4,  
Plaza Masalam Shah Alam,  
No. 2, Jln. Tengku Ampuan Zabedah,  
E/9E Seksyen 9,  
40100 Shah Alam, Selangor

### SUNWAY PYRAMID

AEON Sunway Pyramid Shopping Centre  
Lot LL1.111, Sunway Pyramid,  
No.3, Jalan PJS 11/15,  
Bandar Sunway,  
46150 Petaling Jaya, Selangor

### USJ TAIPAN

No. 11-1G, Jalan 11/1C,  
47620 Subang Jaya, Selangor

### SRI GOMBAK

No.14, Ground Floor,  
Jalan SG1/2, Sri Gombak,  
68100 Selangor

### RAWANG

AEON Rawang Anggun Shopping Centre  
No. 1, Persiaran Anggun,  
Taman Anggun,  
48100 Rawang, Selangor

### SETAPAK

A-01-03, Block A,  
Starparc Point, Jalan Genting Klang  
53300 Kuala Lumpur

### KAJANG

No.8-G, Jalan Metro Avenue 2,  
Metro Avenue Kajang,  
43000 Kajang, Selangor

### BUKIT TINGGI

AEON Bukit Tinggi Shopping Centre  
Lot S09, Second Floor,  
No.1,Persiaran Batu Nilam 1/KS 6,  
Bandar Bukit Tinggi 2,  
41200 Klang, Selangor

### SEREMBAN 2

AEON Seremban 2 Shopping Centre  
Lot F41, First Floor,  
No. 112, Persiaran S2 B1,  
70300 Seremban 2, Negeri Sembilan

### SEREMBAN

Lot. 525, Ground, 1st & 2nd Floor,  
Jalan Bandar Senawang 16,  
Pusat Bandar Senawang,  
70450 Senawang, Negeri Sembilan

## MELAKA

No. 1336A & 1336A-1,  
Plaza Merdeka,  
75100 Melaka

## AMPANG UTARA 2

AEON AU2 Shopping Centre  
Lot G19, Ground Floor,  
No. 6, Jalan Taman Setiawangsa (Jln 37/56),  
Ampang Utara 2, Bandar Baru Ampang,  
Mukim Ulu Kelang,  
54200 Kuala Lumpur

## BANDARAYA MELAKA

AEON Bandaraya Melaka,  
2nd Floor, No.2,  
Jalan Lagenda,  
Taman I-Lagenda,  
75400 Melaka

## ONE UTAMA

AEON 1 Utama Shopping Centre  
Lot S125, 2nd Floor,  
No.1, Lebuhr Bandar Utama,  
Bandar Utama City Centre, Bandar Utama,  
47800 Petaling Jaya, Selangor

## BANDAR BARU BANGI

No.21, Ground Floor,  
Jalan 9/9C, Section 9,  
43650 Bandar Baru Bangi, Selangor

## BANTING

No.354, Jalan Sultan Abdul Samad,  
42700 Banting, Selangor

## SOUTHERN REGION

### SOUTHERN REGIONAL OFFICE & JOHOR BAHRU BRANCH

Level 20, Johor Bahru City Square Office Tower  
106-108, Jalan Wong Ah Fook,  
8000 Johor Bahru

### BATU PAHAT

No.29, Jalan Kundang,  
Taman Bukit Pasir,  
83000 Batu Pahat, Johor

### BUKIT INDAH

AEON Bukit Indah Shopping Centre  
Lot S29, Second Floor,  
No. 8, Jalan Indah 15/2,  
Taman Bukit Indah,  
81200 Johor Bharu, Johor

### TEBRAU CITY

AEON Tebrau City Shopping Centre  
Lot S39, 2nd Floor, No.1 Jalan Desa Tebrau,  
Taman Desa Tebrau,  
81100 Johor Bahru, Johor

## EASTERN REGION

### EASTERN REGIONAL OFFICE & KUANTAN BRANCH

No. B-320 & B-322,  
Ground Floor and Mezzanine Floor,  
Jalan Berserah,  
25300 Kuantan, Pahang

### KOTA BHARU

Lot 497 & 498,  
Seksyen 12, Jalan Pengkalan Chepa,  
15400 Kota Bharu, Kelantan

## KUALA TERENGGANU

No. 42, Ground & Mezzanine Floor,  
Bangunan Dato Isaacs, Jalan Sultan Sulaiman,  
20000 Kuala Terengganu, Terengganu

## TEMERLOH

No.2, Ground Floor,  
Jalan Ahmad Shah,  
28000 Temerloh, Pahang

## NORTHERN REGION

### NORTHERN REGIONAL OFFICE

Tingkat 6, 10 & 11,  
Wisma UMNO SPU, Lorong Bagan Luar 2,  
12000 Butterworth, Pulau Pinang

### PENANG

37 Tingkat Kikik 7,  
Taman Inderawasih,  
13600 Prai, Pulau Pinang

### QUEENSBAY

AEON Queens Bay Mall  
2F-52, Persiaran Bayan Indah,  
Sungai Nibong,  
11900 Bayan Lepas, Pulau Pinang

### SEBERANG PRAI

AEON Seberang Prai City Shopping Centre  
Lot G16, Jalan Perda Timur,  
14000 Bukit Mertajam, Pulau Pinang

### IPOH

No.28, Persiaran Greentown 1,  
Greentown Business Centre,  
30450 Ipoh, Perak

### ALOR SETAR

No. 89 & 90,  
Kompleks Perniagaan Sultan Abdul Hamid,  
Persiaran Sultan Abdul Hamid,  
05050 Alor Setar, Kedah

### IPOH STATION 18

AEON Ipoh Station 18 Shopping Centre  
Lot. G01, Ground Floor  
No. 2,Susuran Stesen 18, Station 18  
31650 Ipoh, Perak

### SRI MANJUNG

AEON Sri Manjung Shopping Centre  
Lot G59, Pusat Perniagaan Manjung Point 3,  
32040 Seri Manjung, Perak

## EAST MALAYSIA REGION

### EAST M'SIA REGIONAL OFFICE & KUCHING BRANCH

Ground Floor, Lot 142 & 149,  
Bangunan W.S.K, Jalan Abell,  
93100 Kuching, Sarawak

### MIRI

Lot 1265 & 1266,  
Ground Floor,  
Centre Point,  
Jalan Melayu,  
98000 Miri, Sarawak

### KOTA KINABALU

CSU  
A-3-G, Block A, Times Square Signature Office,  
Off Coastal Highway,  
88100 Kota Kinabalu, Sabah



AEON CREDIT SERVICE (M) BERHAD (412767-V)  
Level 29, Menara Olympia, No 8, Jalan Raja Chulan,  
50200, Kuala Lumpur, Malaysia.  
Tel: +603 2772 9000 Fax: +603 2711 4110



**Planting Seeds of Growth**  
We are AEON