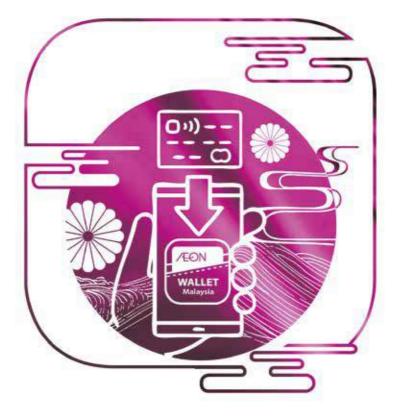


ANNUAL REPORT 2019



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ANNUAL REPORT 2019







ELEMENTS OF SUCCESS

The stylised cloud motifs in the quadrants of the design capture the energy of the skies, representing the Wind element. It is a reflection of the improved performance in all directions or areas of AEON.

In the background, there is a subtle yet mighty wave. Water is symbolic of the movement and fluidity of the Group in adopting digital technology for efficiency and the convenience of its customers. The chrysanthemums, also categorised under Water, are a cherished symbol of the Japanese identity and high standards.

Success for AEON comes from putting the customer first.



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AEON BASIC PRINCIPLES AND CODE OF CONDUCT

AEON's most basic and abiding principles are the pursuit of peace, respect for humanity, and contribution to local communities through customer-centred 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.

The AEON Code of Conduct Commitment

- AEON people are always grateful to the many other individuals who provide support and help, never forgetting to act with humility.
- AEON people value the trust of others more than anything else, always acting with integrity and sincerity in all situations.
- 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.
- AEON people support local community growth, acting as good corporate citizens in serving society.



AEON Basic Principles

At AEON, we are abide by the AEON Basic Principles which consists of Peace, People and Community, with focus on the customer at the code.

PEACE

AEON is a corporate group whose operations are dedicated to the pursuit of peace through prosperity.

PEOPLE

AEON is a corporate group that respects human dignity and values personal relationships.

COMMUNITY

AEON is a corporate group rooted in local community life and dedicated to making a continuing contribution to the community.

Basic Principle on Personnel

AEON Group's basic principle on personnel revolves around making the most of what employees have to offer by listening to employees' aspirations and understanding employees' feelings, based on the guiding philosophy of ensuring that all AEON staff lead a work life balance at work, home and in the community.

Basic Approach to Personnel

Creating a corporate environment in which human resources can be delevoped in a long term working relationship. Dealing with personnel based on ability and achievement not nationality, age, gender or status.

AEON HUMAN RESOURCE PRINCIPLES

AEON Credit Service (M) Berhad implements its mentoring programme based on the following AEON Human Resource principles :



CORPORATE INFORMATION

BOARD OF DIRECTORS

NG ENG KIAT

Chairman

Non-Independent Non-Executive Director

KENJI FUJITA

Managing Director

S. SUNTHARA MOORTHY A/L S. SUBRAMANIAM

Independent Non-Executive Director

YBHG. DATUK ADINAN BIN MANING

Senior Independent Non-Executive Director

DATO' MD KAMAL BIN ISMAUN

Non-Independent Non-Executive Director

TOMOKATSU YOSHITOSHI

Independent Non-Executive Director

DATIN KHOO PEK LING

Independent Non-Executive Director

DATIN YASMIN AHMAD MERICAN

Independent Non-Executive Director

RASHIDAH BINTI ABU BAKAR

Independent Non-Executive Director

TETSURO TAKANO

Non-Independent Non-Executive Director

LEE TYAN JEN

Executive Director

SECRETARIES

Tai Yit Chan (MAICSA 7009143) Choong Lee Wah (MAICSA 7019418)

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 18, UOA Corporate Tower Avenue 10, The Vertical Bangsar South City No. 8 Jalan Kerinchi 59200 Kuala Lumpur T: +603-2772 9000 F: +603-2711 4110

AUDITORS

Deloitte PLT (LLP0010145-LCA) (AF0080) Chartered Accountants Level 16, Menara LGB 1, Jalan Wan Kadir Taman Tun Dr Ismail 60000 Kuala Lumpur T: +603-7610 8888 F: +603-7726 8986

REGISTRAR

Boardroom Share Registrars Sdn. Bhd. (formerly known as Symphony Share Registrars Sdn. Bhd.) Level 6, Symphony House Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor Darul Ehsan

T: +603-7841 8000 F: +603-7841 8008

WEBPAGE

www.aeoncredit.com.my

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

PRINCIPLE BANKERS

Affin Islamic Bank Berhad
CIMB Bank Berhad
Citibank Berhad
Deutsche Bank (Malaysia) Berhad
Maybank Islamic Berhad
Mizuho Bank (Malaysia) Berhad
Mizuho Bank (Malaysia) Berhad

MUFG Bank (Malaysia) Berhad

MUFG Bank (Malaysia) Berhad

MUFG Bank (Malaysia) Berhad

MUFG Bank (Malaysia) Berhad

Standard Chartered Saadiq Berhad

Sumitomo Mitsui Banking

Corporation Malaysia Berhad

CORPORATE CALENDAR

23 May 2018
21 June 2018
Book Closure 18 October 2018 Payment 8 November 2018
Book Closure 4 July 2019 Payment 18 July 2019
28 June 2018
4 October 2018
20 December 2018
25 April 2019

CORPORATE PHILOSOPHY

OUR CORPORATE
PHILOSOPHY is to support
customers lifestyle and enable
each individual to maximise
future opportunities through
effective use of credit.

MISSION

As a reflection of this philosophy, **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.

AEON CREDIT SERVICE (M) BERHAD CORPORATE MILESTONE

1996

Incorporated on 6 December 1996.

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 (MEP) 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 SO 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 SO 27001:2005 for information security management system.

Established 3 service centres in JUSCO 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 JUSCO Shopping Centres.

2009

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

Established one service centre at AEON Bandaraya Melaka Shopping Centre and 6 marketing offices in Sandakan, Sibu, Segamat, Sitiawan, Taiping and Sungai Petani.

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. motorcycle.

2011

Established one new service centre.

Launched RM200 million single investor medium term 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 Company 2012".

2013

Launched AEON BiG Customer Loyalty programme.

Established 12 branches and service centres nationwide.

Launched RM400 million Perpetual Sukuk Programme and RM400 million Perpetual Private Debt Securities Programme.

2014

Additional 5 branches established nationwide.

Issued perpetual notes and perpetual sukuk amounting to RM146 million and RM130 million.

2015

Launched AEON BiG co-brand credit card with Visa payWave function.

Won awards for "Most Profitable Company" and "Highest Profit Growth Company" at The Edge Billion Ringgit Club Corporate Awards 2015 under the Financial Services sector (Below RM10 billion market capitalisation) category.

60th branch opened in Sibu, Sarawak.

2016

Won awards for "Highest Return on Equity over three years" and "Highest Growth in Profit Before Tax over three years" at The Edge Billion Ringgit Club Corporate Awards 2016 under the Financial Services sector (Below RM10 billion market capitalisation) category.

2017

Won award for "Highest Return on Equity over three years" at the Edge Billion Ringgit Club Corporate Awards 2017 under the Financial Services sector (Below RM10 billion market capitalisation) category.

2018

Launched AEON Platinum credit card (Visa and MasterCard).

Introduced new Personal Financing scheme with risk-based pricing for middle income customer segment.

Launched the AEON Member Plus Visa card and AEON Wallet, a mobile e-wallet application.

Launched the Financial Literacy programme as part of AEON Credit's CSR initiatives.

Named as one of 46 Malaysian companies and recognised as the "Best companies to work for in Asia" by HR Asia Awards Malaysia 2018.

Won 3 awards for "Highest Return on Equity over three years", "Highest Growth in Profit After Tax over three years" and "Highest Returns to Shareholders over three years" at The Edge Billion Ringgit Club Corporate Awards 2018 under the Financial Services sector (Below RM10 billion market capitalisation) category.



2019

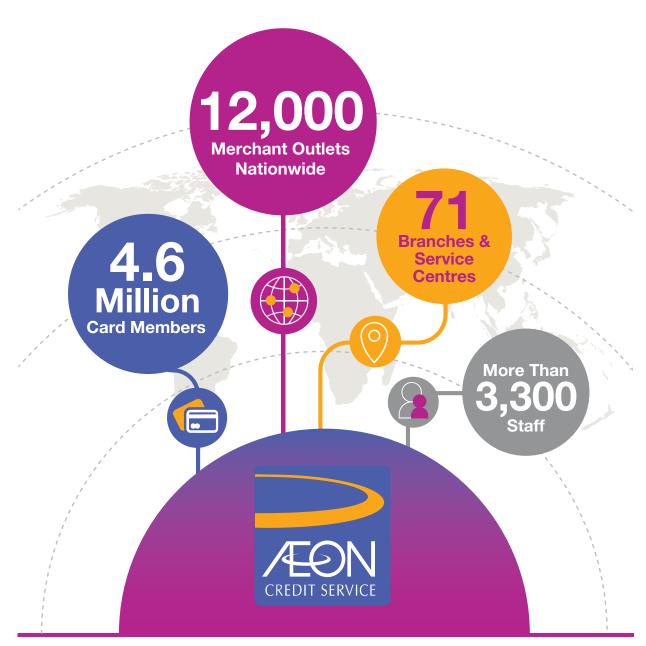
Obtained a moneylending license under the Moneylenders Act 1951 and Moneylenders (Control and Licensing) Regulations 2003.

AN INTRODUCTION TO AEON CREDIT SERVICE (M) BERHAD

AEON Credit Service (M) Berhad (AEON Credit or the Company) was incorporated on 6 December 1996, converted into a public limited on 9 February 2007 and listed on the Main Market at 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 and hire

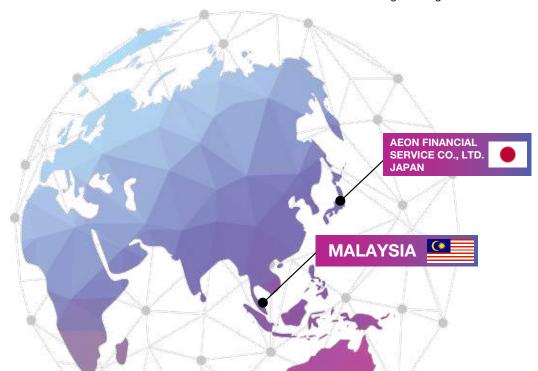
purchase financing for motor vehicles, Personal Financing schemes, insurance sales business and other services. The Company currently has six Regional Offices, 71 branches and Service Centres located in major shopping centres and towns, and a network of more than 12,000 participating merchant outlets 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 4.6 million card members for various products and more than 3,300 staff working with the Company.



AEON FINANCIAL SERVICE GLOBAL NETWORK

AEON Credit is a subsidiary of AEON Financial Service Co., Ltd., Japan (AFSJ), 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 25.25 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 300 subsidiaries and affiliated companies. AEON Group operates not only in Japan but also in Southeast Asia, China and India. At AEON, our eternal mission as a corporate group is to benefit our customers and our operations are thus customer-focused to the highest degree.



Hong Kong

AEON FINANCIAL SERVICE (HONG KONG) CO., LTD. AEON CREDIT SERVICE (ASIA) CO., LTD. AEON INSURANCE BROKERS (HK) LIMITED

Thailand

AEON THANA SINSAP (THAILAND) PLC. AEON INSURANCE SERVICE (THAILAND) CO., LTD. ACS CAPITAL CORPORATION LTD. ACS SERVICING (THAILAND) CO., LTD.

Malaysia

AEON CREDIT SERVICE (M) BERHAD

Taiwan

AEON CREDIT CARD (TAIWAN) CO., LTD.

China

AEON INFORMATION SERVICE (SHENZHEN) CO., LTD. AEON MICRO FINANCE(SHENYANG) CO., LTD. AEON MICRO FINANCE (TIANJIN) CO., LTD. AEON MICRO FINANCE (SHENZHEN) CO., LTD.

Philippines

AEON CREDIT SERVICE SYSTEMS (PHILIPPINES) INC. AEON CREDIT SERVICE (PHILIPPINES) INC.

Vietnam

ACS TRADING VIETNAM CO., LTD.

India

AEON CREDIT SERVICE INDIA PRIVATE LIMITED

Cambodia

AEON SPECIALIZED BANK (CAMBODIA) PLC.

Myanmar

AEON MICROFINANCE (MYANMAR) CO., LTD.

Laos

AEON LEASING Service (LAO) COMPANY LIMITED

AEON CREDIT BRANCH / COUNTER NETWORK



AEON E-MONEY KIOSK NETWORK

The AEON Member Plus Card was launched in November 2018 by the AEON Group of Companies. It is a prepaid Visa card that requires cardholders to top-up money into the card allowing them to earn up to double reward points when they spend at participating AEON Group retail outlets. The card also functions as a Visa prepaid card for cashless payment in-store and online. Supplementing the functionality of the AEON Member Plus Visa Card is the AEON Wallet.

There are currently a total of 43 kiosks in Malaysia.



Central Region

AEON BiG Ampang

AEON Mall AU2 (Setiawangsa)

AEON Taman Equine Shopping Centre

AEON BiG Tropicana City Mall

AEON BiG Midvalley

AEON CO. Midvalley

AEON BiG Puchong Utama

AEON Mall Rawang Anggun

AEON Mall Bukit Tinggi

AEON Mall Seremban 2

AEON Mall Nilai

AEON BiG Bandar Tun Hussein Onn

AEON Mall Cheras Selatan

AEON BiG Putrajaya

AEON BiG Seri Petaling

AEON BiG Jalan Kapar

AEON BiG Wangsa Maju

Alpha Angle Shopping Centre

AEON BiG Kepong

Member Counter AEON BiG Subang Jaya

AEON Mall Shah Alam

AEON Taman Maluri Shopping Centre

AEON BiG Danau Kota

AEON BiG Bukit Rimau

Southern Region

AEON Mall Ayer Keroh

AEON Mall Tebrau City

AEON Mall Permas Jaya

Shopping Centre

AEON BiG Sutera Mall

AEON Mall Bukit Indah

AEON BiG Kluang

AEON Mall Taman Universiti

AEON Mall Kulaijaya

AEON Mall Bandar Dato' Onn

Eastern Region

AEON Mall Kota Bharu AEON BiG Kuantan

Northern Region

AEON BiG Bukit Minyak

AEON BIG Prai

AEON Mall Bukit Mertajam

AEON BiG Alor Setar

AEON Mall Taiping

AEON Mall Ipoh Klebang

AEON Mall Kinta City

AEON BiG Falim





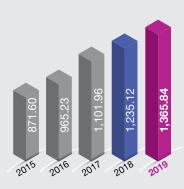
5 YEAR FINANCIAL HIGHLIGHTS

	FYE 2019 RM'000	FYE 2018 RM'000	FYE 2017 RM'000	FYE 2016 RM'000	FYE 2015 RM'000
STATEMENT OF PROFIT OR LOSS Revenue Profit before tax Profit after tax	1,365,843 472,191 354,624	1,235,122 398,335 300,057	1,101,955 351,162 265,027	965,234 301,591 228,222	871,600 289,269 215,726
STATEMENT OF FINANCIAL POSITION Assets Plant and equipment Investments Deferred tax assets Receivables	118,676 70,604 153,916 6,003,628	92,274 18,370 51,813 5,030,204	62,233 19,045 49,070 4,480,990	52,076 24,239 39,043 3,630,038	45,234 18,555 24,693 2,811,030
Total Non-current Assets	6,346,824	5,192,661	4,611,338	3,745,396	2,899,512
Receivables, deposits, prepayments, amount owing by related companies and derivative financial assets Cash, bank balances and deposits	2,216,501 92,429	2,429,343 83,681	2,593,355 73,667	2,284,861 67,250	1,975,119 48,668
Total Current Assets	2,308,930	2,513,024	2,667,022	2,352,111	2,023,787
Total Assets	8,655,754	7,705,685	7,278,360	6,097,507	4,923,299
Equity Share capital Share premium ICULS equity Reserves	534,907 - 43,800 920,274	508,629 - 68,306 1,004,568	116,012 - - 838,975	72,000 44,012 - 668,806	72,000 44,012 - 563,700
Equity attributable to ordinary equity holders of the Company Perpetual notes and sukuk	1,498,981 376,000	1,581,503 276,000	954,987 276,000	784,818 276,000	679,712 276,000
Total Equity	1,874,981	1,857,503	1,230,987	1,060,818	955,712
Liabilities Borrowings ICULS liabilities	5,616,006 1,595	3,257,145 4,717	4,898,808	4,214,649 -	2,965,526
Total Non-current Liabilities	5,617,601	3,261,862	4,898,808	4,214,649	2,965,526
Borrowings Payables, accruals, amount owing to immediate holding company and related companies and derivative financial liabilities ICULS liabilities Tax liabilities	814,006	2,296,974	973,417	693,528	856,141
	314,168 1,635 33,363	259,852 2,650 26,844	147,866 - 27,282	113,584 - 14,928	118,709 - 27,211
Total Current Liabilities	1,163,172	2,586,320	1,148,565	822,040	1,002,061
Total Liabilities	6,780,773	5,848,182	6,047,373	5,036,689	3,967,587
Total Equity and Liabilities	8,655,754	7,705,685	7,278,360	6,097,507	4,923,299
STATISTICS Earnings per share (sen) * Net dividends per ordinary share (sen) Net assets per share (RM) **	133.55 42.25 5.98	139.23 53.63 6.37	101.17 60.10 6.63	149.02 59.45 5.45	145.64 57.00 4.72

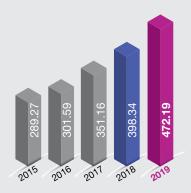
Note:

^{*} Earnings per share has been calculated based on weighted average number of ordinary shares outstanding in the respective year. FYE 2017 earnings per share has been restated to reflect the bonus issue and the latest conversion of 3-year, Irredeemable Convertible Unsecured Loan Stocks to Ordinary Shares

^{**} Net assets per share has been calculated with exclusion of perpetual notes.



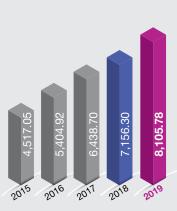
Revenue (RM Million)



Profit Before Tax (RM Million)



Profit After Tax
(RM Million)



Financing Receivables (RM Million)



Total Assets (RM Million)



Total Equity
(RM Million)



Return on Equity



Return on Assets



Capital Adequacy Ratio

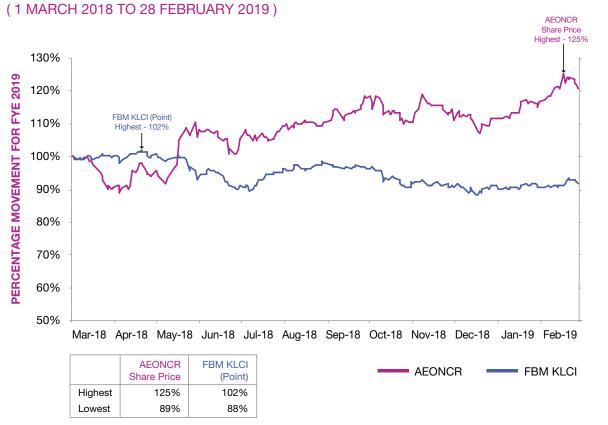
SHARE PRICE

AEON CREDIT (AEONCR) SHARE PRICE VS. FBM KLCI

(1 MARCH 2018 TO 28 FEBRUARY 2019)



AEON CREDIT (AEONCR) SHARE PRICE MOVEMENT VS. FBM KLCI MOVEMENT







CHAIRMAN'S STATEMENT



We are indeed proud with the Company's growth from having only three branches in 2001 to 71 branches and service centres nationwide, with a staff strength of more than 3,300 to date. A significant milestone in the Financial Year took place on 8 November 2018 when we successfully launched our digital wallet; the AEON Wallet and AEON Member Plus Card. We are pleased to report that we have achieved key successes on several fronts. On behalf of the Board of Directors, I am pleased to present the AEON Credit Service (M) Berhad Annual Report and Audited Financial Statements for the financial year ended 28 February 2019 ("FYE 2019").

DELIVERING VALUE TO SHAREHOLDERS

The Board with the help of our outstanding management team supported by our driven and committed staff have indeed worked hard in delivering value to our shareholders. AEON Credit has successfully expanded its' merchant network to 12,000 outlets nationwide and 4.6 million card members through its various consumer financing schemes at the end of the financial year 2019.

The Board recognises the dedication of our team and records its appreciation to them as they serve as the springboard towards achieving our vision of being one of the leading non-bank financial services provider in Malaysia.

During the last financial year, the Company has embarked on a number of new and value-driven initiatives to better meet the needs of our customers through the introduction of a new Personal Financing Scheme with a risk based pricing model and the AEON Platinum Credit Card catering specifically for the middle income customer segment. With the launch of our e-wallet, we have enhanced our customer service offerings and enriched customer experience in an innovative way. All of these combined in making AEON

Credit an even more appealing true convenience one-stop financial services provider for our highly valued customers.

With our strong foundations in management, inventive product mix and an extensive branch network, the Board is delighted to report a strong financial performance by the Company for the year, with sales and profits both reaching record levels.

DIVIDEND

The Board has recommended a final dividend payment of 22.35 sen per share, estimated at RM56.06 million. This represents a total dividend payout ratio of approximately 31.5% of the net profit for FYE 2019. The total dividend payout amount is estimated to be 9.5% higher than the preceding year.

CHAIRMAN'S STATEMENT

FINANCIAL PERFORMANCE

Despite the challenging financial services industry and an unpredictable local and world economy, the Company's performance in the year under review is commendable, benefitting from a positive domestic demand arising from higher wages growth.

The Company recorded an impressive profit before tax of RM472.19 million with a growth of 18.5% over the previous financial year. This was mainly achieved through a number of factors which all combined to deliver this strong result; from the increase in net financing receivables in the categories of vehicle financing to personal financing. In summary, the higher sales, improved gross profit margins and effective cost controls were the keys to our success.

Notwithstanding the higher profit before tax, the Company's basic earnings per share declined slightly, standing at 133.55 sen compared with 139.23 sen in the previous financial year as a result of a higher capital base occasioned by of the conversion of ICULS.

Details of the Company's performance are set out in the Management Discussion and Analysis by our Managing Director, Mr Kenji Fujita in the following pages.

SERVING THE COMMUNITIES THROUGH SUSTAINABILITY

Corporate sustainability has always been a key thrust in our operations. Sustainability has thus featured prominently beyond the mere requirements of compliance.

AEON Credit's sustainability programmes have always been the key ingredients to both the Company's long-term performance and the wellbeing for the promotion of the communities in which AEON Group operates.

The Company continued to make progress under the categories of responsible business, employee wellbeing, environmental stewardship and benefiting the community. These details are set out in the Sustainability Statement in this Annual Report.

The Board of Directors, which provides the leadership for our sustainability policies and its implementation, is pleased at the progress made by both Management and Staff, who have collectively made the difference in our operations and in the well-being of the communities where we carried out our projects.

NEW INITIATIVES

I am also pleased to share that in the current year, AEON Credit will roll out the Robotic Process Automation and Biometric Identification which will benefit the Company in our operations and offer greater convenience to our customers. We are also in the midst of enhancing the features on our AEON Wallet in which the mobile app was launched last year.

PROSPECTS

Despite the challenging headwinds in the economy, I am confident about the future growth prospects for AEON Credit as we are determined to hold onto our market leadership with new and improved products and services.

I believe our management team has put in place the requisite strategies and the necessary impetus for us to execute and deliver on our growth targets to take our business forward in the years ahead.

These efforts were recently acknowledged in December 2018 when AEON Credit bagged three awards at The Edge Billion Ringgit Club Corporate Awards 2018 under the Financial Services Sector (Below RM10 billion market capitalisation) – Highest Return on Equity Over Three Years, Highest Growth in Profit After Tax Over Three Years and Highest Returns to Shareholders Over Three Years.

MOVING FORWARD

While the Malaysian economy may be expected to grow at a slower rate with the Government reprioritising its expenditure, AEON Credit sees domestic demand at the heart of any growth.

The Company has entered into new market segments in the previous year and will nurture its growth in these areas. AEON Credit will emphasise on attracting customers with lower risk profiles and will seek to optimise the value inherent in the AEON Group customer database in Malaysia. We will support merchants who provide the Company's financing schemes, and enhance our business processes and service delivery.

The Board believes that the Company's strategy and measures will help widen AEON Credit's income profile and ensure performance and growth over the long-term.

CHAIRMAN'S STATEMENT

ACKOWLEDGEMENT

On behalf of the Board, I wish to thank my fellow Board members, the Management and all employees of the Company for their dedication and tireless efforts in taking AEON Credit through another year of good performance. We continue to receive strong and valuable support from AEON Financial Service Co., Ltd. of Japan for which we are grateful.

My sincere thanks to all of our customers, shareholders, business partners and regulators for their continuous support over the years.

In closing, it is my pleasure to extend a warm welcome to YBhg. Datuk Adinan bin Maning, Datin Khoo Pek Ling, Datin Yasmin Ahmad Merican and Ms Rashidah binti Abu Bakar to the Board. With their professional background and credentials, I am positive that the Board will be further strengthened and enriched.

Thank you.

Yours sincerely,

Ng Eng Kiat Chairman





OVERVIEW

AEON Credit Service (M) Berhad ("AEON Credit" or the "Company"), listed on the Main Market of Bursa Malaysia Securities Berhad, is primarily engaged in the provision of consumer financing through easy payment and hire purchase schemes for consumer durables and motor vehicles as well as personal financing and credit cards.

With a history spanning more than 20 years in Malaysia, AEON Credit is one of the leading non-bank financial services provider that not only provides financial services, but also complement these services with a retail experience to our customers.

To ensure optimum customer service and outreach, the Company has five regional offices as well as 71 branches and service centres nationwide together with a network of more than 12,000 participating merchant outlets for its product financing and credit card operations.

To date, AEON Credit has more than 4.6 million card members through its various consumer financing schemes and a staff strength of more than 3,300 nationwide.

FINANCIAL PERFORMANCE

For the financial year ended 28 February 2019, the Company recorded total revenue of RM1.37 billion, which represented an increase of 10.6% as compared with the previous corresponding year of RM1.24 billion mainly due to increased contributions from vehicle easy payment and personal financing. Total transaction and financing volume for the year improved 31.8% from RM4.05 billion to

RM5.34 billion. Profit before tax ("PBT") was recorded at RM472.19 million, 18.5% higher compared to the previous financial year.

On-going marketing campaigns together with product innovation, promotion strategies and quality customer service helped to drive growth in the total transaction and financing volume.

Despite the challenging environment, the Company was able to maintain a stable net interest margin over the course of the year.

Other income increased by 21.5% to RM153.71 million compared to the previous corresponding period on the back of improved bad debt recoveries, commission income from sale of insurance products and loyalty programme processing fees.

Total operating costs increased by 8.0% at RM794.48 million as compared to RM735.96 million posted for FYE 2018.

Both PBT and profit after tax ("PAT") was 18.5% and 18.2% higher at RM472.19 million and RM354.62 million for the year under review compared to FYE 2018 of RM398.34 million and RM300.06 million respectively.

PBT margin against revenue for FYE 2019 stood at 34.6% compared to the 32.3% registered in the previous financial year while total finance cost reported at RM252.88 million for FYE 2019, due to higher borrowings in tandem with the growth in transaction and financing volume.



Statement of Financial Position

The Company's financial position remains healthy with total equity increasing to RM1.88 billion despite an opening downward adjustment to retained earnings of RM344.53 million occasioned by the mandatory adoption of Malaysian Financial Reporting Standard 9 (MFRS 9).

The reduction in net asset value per share from RM6.37 to RM5.98 is mainly due to the adjustments arising from the adoption of MFRS 9 and a higher capital base from ICULS conversion. Similarly, earnings per share were accordingly impacted notwithstanding a recorded increase in earnings for the year.

The net financing receivables amounted to RM8.11 billion as at 28 February 2019, representing a 13.3% growth compared to the previous financial year.



The Company's overall asset quality improved with lower NPL at 2.04% as at February 2019 compared to 2.33% as at February 2018.

The net credit cost ("NCC") ratio recorded lower at 2.16% as at February 2019 compared to 3.27% as at February 2018.

OPERATIONAL REVIEW

Easy Payment Schemes and Personal Financing Business

Easy Payment continues to be the major contributor to the profit growth of the Company. During the year, AEON Credit focused on strategic marketing efforts in a challenging market environment through merchant development, promotions and campaigns, via online and other outreach platforms.

The Easy Payment and Personal Financing schemes registered RM3.73 billion in financing volume for FYE 2019 reflecting growing participation in our product financing schemes from merchants as well as consumers. At the granular level, the motorcycle portfolio continues to be an important contributor for motor vehicle financing, with transactions increasing by 41.0% and receivables by 24.1% compared to the previous corresponding period.

However, new car financing for FYE 2019 recorded a lower volume after the Company revised its product strategy and tightened policies related to such financing following a portfolio performance review in FYE 2018. The review was made to ensure a better balanced asset quality base following a review of operational issues over the years.

A comprehensive and expanding branch and merchant network remains an important lever for the Company to capitalise on opportunities in terms of new financing and customer reach.

Card Business

The market environment has been challenging as card issuers compete to increase their card base. During the first Q3 of the financial year, growth in credit cards in circulation was achieved through various marketing promotion activities and the introduction of the AEON Platinum Credit Card in 2018.

AEON Platinum Credit Card offers exclusive benefits and privileges to card members which include 5% Cash Back at AEON and AEON BiG, a movie ticket rebate on selected days, 4X points rewards, 2% Cash Back on Utility Bill Payment and complimentary 6X access to Plaza Lounge for Principal Cardholder. The annual fee is also waived for the first year.

As at end of the financial year, the total principal credit cards in circulation is close to 280,000. Our focus will be on expansion of our card volume transactions and new service offerings to AEON Group customer base.

PROSPECTS

Moving forward AEON Credit will be looking at various strategies to strengthen Customer Loyalty, improve on its' profitability, exploring new IT Infrastructure & Fintech Solutions and to promote Sustainability aspects of its business.

The Company continues to move ahead in its digitalisation of operations and offering new digital services to customers as a key strategy in improving performance. AEON Credit has already introduced its e-Wallet in November 2018 as a more convenient way of making payments by consumers who are familiar with this concept.

The Platinum Card was launched last year offering higher lines for higher income customers, supporting them in their lifestyle choices. e-Money is another convenience that has been offered, giving consumers yet another mode to complete their transactions.

These initiatives are also investments that will help the Company widen its customer base and remain competitive amidst the changes in the financial services sector.

Strengthen Customer Loyalty

AEON Credit is working to strengthen its customers' loyalty through the continuous introduction of new loyalty programmes and benefits. This will enable the Company to market its products and services to a wider group of consumers. With the use of wallets, AEON Credit will enhance interactive engagement with customers.



NEW IT INFRASTRUCTURE & FINTECH SOLUTION

Moving forward, AEON Credit will be introducing the digital technology advancement in our service to customers. With the requisite tools in place, the Company aims to provide further convenience to our customers and business partners.

Pursuit of Sustainability

The Company ensures that sustainability policies and governance are reviewed annually. Moving forward, the Company plans to integrate sustainability initiatives and business strategies into one. At the same time, our customer-centric policy and our outreach programmes ensure that we remain as an integral part of the communities we serve.

These initiatives will ensure that the Company is able to widen its customer base and at the same time remain competitive in the face of changing consumer and retail trends.

In terms of Governance, the Board Risk Committee was established on 23 January 2019. Additionally, the Company has also fully complied with the gender diversity initiatives in Board Composition as outlined in Malaysian Code of Corporate Governance 2017 (MCCG).

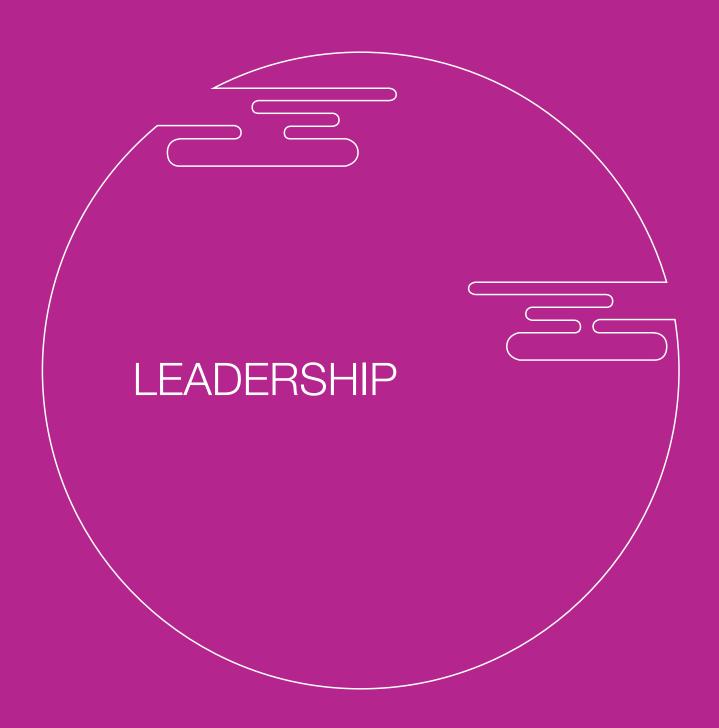
ACKNOWLEDGEMENT

People are at the heart of our business and that includes our customers, business partners and shareholders. I would like to thank all of them for their continued support and confidence in the Company.

My appreciation goes to the Board of Directors for their counsel and guidance and to the Management as well as staff for their hard work and dedication, without which the Company would not achieve its continuous growth over the year.

Yours sincerely,

Kenji Fujita Managing Director



NG ENG KIAT

Chairman Non-Independent Non-Executive Director (66, Malaysian, Male)

Ng Eng Kiat was appointed as the Chairman of AEON Credit Service (M) Berhad on 8 May 2018. Prior to this appointment, he was an Independent Non-Executive Director of AEON Credit since 7 August 2007, and redesignated as a Non-Independent Non-Executive Director on 23 January 2019. He is a member of the Malaysian Institute of Accountants (MIA), Malaysian Institute of Certified Public Accountants (MICPA) and fellow member of the Chartered Tax Institute of Malaysia.

He has more than 40 years of experience in the field of audit, accountancy, corporate services and taxation. He had previously served as a member on a number of working groups of the Malaysian Accounting Standards Board, a coopted member on a number of committees of the MICPA and an examiner for the final professional examination of the MICPA. Presently, he is the Senior Partner/Advisor of the merged firm of Azman, Wong, Salleh & Co and Folks DFK & Co.

He is currently a member of the audit license interview panel representing MIA. He also sits on the Board of Directors of several private limited companies.

He is a member of the Remuneration Committee of the Company. He does not hold directorship in any other public or public listed company.

Ng has attended all thirteen (13) Board meetings held during the year ended 28 February 2019 and holds 21,321 ordinary shares directly in the Company.

Note:

All Directors disclosed on pages 28 to 33 do not have any family relationship with any Director and/or major shareholder of the Company, any conflict of interest with the Company, or any conviction for offences within the past 5 years, except for traffic offences, if any.







KENJI FUJITA Managing Director (50, Japanese, Male)

Kenji Fujita was appointed as an Executive Director of AEON Credit Service (M) Berhad on 19 June 2013 and as Managing Director of the Company on 23 June 2014. He obtained a Bachelor's Degree in Arts & Humanity from Yamaguchi University, Japan in 1992 and a Master of Business Administration (MBA) degree from International University of Japan in 2009. He began his career in AEON Co., Ltd., Japan in 1992 and was subsequently transferred to AEON CO. (M) BHD. in 1997. He served in the Business Development function, MD Office and Shopping Centre Development functions over the years before he was appointed as the General Manager of SC Development in 2005. From 2007 until early 2012, he was managing the Human Resource, Administration, Finance and Executive Office functions in AEON Co., Ltd., Japan and AEON Stores (Hong Kong) Co., Ltd., Hong Kong, In March 2012, he was transferred to AEON Financial Service Co., Ltd., Japan and was appointed as the Executive Director of AEON Financial Service (Hong Kong) Co., Ltd. in June 2012, prior to his transfer to the Company in June 2013. He does not hold any directorship in any other public or public listed company.

Fujita has attended all thirteen (13) Board meetings held during the year ended 28 February 2019. He does not hold any shares in the Company.

S. SUNTHARA MOORTHY A/L S. SUBRAMANIAM

Independent Non-Executive Director (57, Malaysian, Male)

S. Sunthara Moorthy A/L S. Subramaniam was appointed as an Independent Non-Executive Director of AEON Credit Service (M) Berhad on 1 March 2018. He is a Fellow Member of the Association of Chartered Certified Accountants (ACCA) and a Chartered Accountant with the Malaysian Institute of Accountants (MIA).

He has over 30 years of experience, mainly in general management, strategic business development, corporate finance, accountancy, tax and audit. Sunthara served as an audit senior in several accounting firms in London, United Kingdom from 1986 to 1995, prior to joining Faber Group Berhad (FGB) (now known as UEM Edgenta Berhad) in 1995, where he served for 16 years. He held a few key positions in FGB and prior to leaving FGB, he was the Chief Executive Officer of Faber Facilities Sdn Bhd, a wholly-owned subsidiary of FGB, while concurrently holding the position of the Director of Corporate Services of FGB. He was on the Board of Eversendai Corporation Berhad as Executive Director of Corporate Affairs from October 2011 until March 2017.

Currently, he is the Chairman of the Audit Committee of the Company. He does not hold any directorship in any other public or public listed company.

Sunthara has attended all thirteen (13) Board meetings held during the year ended 28 February 2019. He does not hold any shares in the Company.





YBHG. DATUK ADINAN BIN MANING

Senior Independent Non-Executive Director (62, Malaysian, Male)

YBhg. Datuk Adinan bin Maning was appointed as an Independent Non-Executive Director of AEON Credit Service (M) Berhad on 28 June 2018, and identified as the Senior Independent Director on the Board since 23 January 2019. He obtained the ICMA professional qualification awarded by the Institute of Cost and Management Accountants (now known as Chartered Institute of Management Accountants) in 1979.

He has over 28 years working experience in the banking industry, starting his career at Bank Bumiputra Malaysia Berhad (BBMB) in 1980, where he served for 18 years. He left to join Panji Timor Sdn Bhd as Group Chief Executive Officer in 1998, where he served until his appointment as Group Chief Executive Officer of Kuantan Flour Mills Berhad in 2005. Thereafter, he joined Prokhas Sdn Bhd as General Manager (Operations) in 2006. In 2007, he was appointed as the Chief Executive Officer for Bank Simpanan Nasional, where he was instrumental in the bank's transformation exercise during his tenure of service until 2017.

He was previously the Chairman of BSNC Corporation Berhad and held directorships at BSNC Corporation Berhad, Bank Simpanan National, Prudential BSN Takaful Berhad, Permodalan BSN Berhad and Gibraltar BSN Life Berhad. YBhg. Datuk Adinan had previously served as the President (Asia-Pacific) of the World Savings Bank Institute, where he was a Board Member for seven years.

He is the Chairman of the Board Risk Management Committee and a member of the Audit Committee of the Company. He does not hold any directorship in any other public or public listed company.

YBhg. Datuk Adinan has attended eight (8) Board meetings held during the year ended 28 February 2019. He does not hold any shares in the Company.

DATO' MD KAMAL BIN ISMAUN

Non-Independent Non-Executive Director (71, Malaysian, Male)

Dato' Md. Kamal bin Ismaun was appointed as a an Independent Non-Executive Director of AEON Credit Service (M) Berhad on 7 August 2007, and redesignated as a Non-Independent Non-Executive Director on 23 January 2019. He obtained a Bachelor's Degree in Arts with Honours majoring in History and International Relations 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 Nominating Committee of the Company. He does not hold any directorship in any other public or public listed company.

Dato' Kamal has attended all thirteen (13) Board meetings held during the year ended 28 February 2019 and holds 9,000 ordinary shares directly and 18,000 ICULS in the company.





TOMOKATSU YOSHITOSHI Independent Non-Executive Director

(67, Japanese, Male)

Tomokatsu Yoshitoshi was appointed as an Independent Non-Executive Director of AEON Credit Service (M) Berhad on 30 June 2016. He obtained a Bachelor's Degree in Law (Political Science) from Keio University, Japan in 1975. He received his post graduate degree from the Graduate School of Business Administration at Indiana University, United States of America in 1981.

He was seconded from the Long-Term Credit Bank of Japan Co., Ltd., Japan to serve as General Manager of Finance at the Dai-Ichi Hotel, Ltd., Japan from 1998 to 1999. He then joined as General Manager at LDA Commercial Division in 1999 and joined ING Life Insurance Co., Ltd. as General Manager in the Investment Trust Services Division in 2000. He was appointed as President at ING Mutual Fund Management Co., Ltd. from 2002 to 2003.

From 2003 to 2009, he served as General Manager in Bank Distribution Business Development, at ING Life Insurance Co., Ltd. In 2011 he served as Audit & Supervisory Board Member at the Financial Products Group Co., Ltd. In 2015, he was appointed as an Independent Non-Executive Director at AEON Bank Ltd. and as an Audit & Supervisory Board Member at FPG Trust Co., Ltd. He does not hold any directorship in any other public or public listed company.

He is currently the Chairman of the Nominating and Remuneration Committees in the Company.

Yoshitoshi has attended all thirteen (13) Board meetings held during the year ended 28 February 2019. He does not hold any shares in the Company.

DATIN KHOO PEK LING

Independent Non-Executive Director (67, Malaysian, Female)

Datin Khoo Pek Ling was appointed as an Independent Non-Executive Director of AEON Credit Service (M) Berhad on 28 June 2018. She qualified as a Chartered Accountant of England & Wales in 1977; and is a Fellow of the Institute of Chartered Accountants England & Wales, a member of the Malaysian Institute of Certified Public Accountants, a member of the Malaysian Institute of Accountants (MIA) and a member of the Chartered Tax Institute of Malaysia.

She started her career in Malaysia with Turquand Young (now Ernst & Young) in 1977 before taking up role as the Group Financial Controller of a major public listed group for five years. In 1984, she started her own public practice and after several audit firm mergers, she became a senior partner of Folks DFK & Co and Azman Wong Salleh & Co.

She was on the Board of DFK International, an international association of independent accounting firms from 1992 to 1994. In January 2018, she retired from Folks DFK & Co and Azman Wong Salleh & Co after 35 years of professional practice in audit, taxation and insolvency services. She currently serves on the committee of a Non-Governmental Organisation and she also sits on the Board of Directors of several private limited companies.

She is a member of the Audit and Board Risk Committees of the Company. She does not hold any directorship in any other public or public listed company.

Datin Khoo has attended seven (7) Board meetings held during the year ended 28 February 2019. She does not hold any shares in the Company.





DATIN YASMIN AHMAD MERICAN Independent Non-Executive Director

(68, Malaysian, Female)

Datin Yasmin Ahmad Merican was appointed as an Independent Non-Executive Director of AEON Credit Service (M) Berhad on 23 January 2019. A marketing and business transformation practitioner, she holds an MBA in Strategic Marketing (Distinction) from the University of Hull, United Kingdom.

As a former partner of Ernst & Young in Malaysia and EY Global Client Consulting, she led the development of the knowledge and customer management solutions in the Asia Pacific region from the mid to the end of the 1990s. In 2000, she founded the country's first brand strategy firm, Trax Associates, and until 2018 supported organisational competencies in the brandbuilding and marketing of numerous products and services at some of Malaysia's largest institutions and companies.

She currently sits on the Board of AEON Fantasy Sdn. Bhd. and HelloGold Sdn. Bhd., and also serves as advisor to intercultural learning programme Antarabudaya Malaysia. Between 2008 to 2012, she served on the board of Malaysia's Productivity Corporation (MPC) and on the industry panel at the School of Information Technology, Monash University (Malaysia).

She is a member of the Nominating and Remuneration Committees of the Company. She does not hold any directorship in any other public or public listed company.

Datin Yasmin has attended two (2) Board meetings held during the year ended 28 February 2019. She holds 20,000 ordinary shares directly in the Company.

RASHIDAH BINTI ABU BAKAR

Independent Non-Executive Director (63, Malaysian, Female)

Rashidah binti Abu Bakar was appointed as Independent Non-Executive Director of AEON Credit Service (M) Bhd on 23 January 2019. She graduated from University Malaysia in 1979 with an LLB (Hons). She commenced work in Bank Negara Malaysia (BNM) on 1 April 1979 at the Investment Department. Rashidah was admitted as an Advocate and Solicitor of the High Court in Malaya in September 1981 upon her completion of legal professional qualifications.

She returned to BNM after being admitted to the Malaysian Bar and continued her service at BNM. In 1993, she was transferred to the Legal Department in BNM.

Rashidah resigned from BNM in 1995 and joined private legal practice. Her area of practice was in conveyancing. She attended to financing documentation based on conventional as well as Shariah principles. She has gained experience in syndicated loans, private debt securities, sukuk documentation and highway financing.

She has also been appointed as a President of the Consumer Tribunal constituted under the Ministry of Domestic Trade and Consumer Affairs with effect from 15 April 2018.

She does not hold any directorship in any other public or public listed company. She is currently a member of the Board Risk Committee of the Company.

Rashidah has attended two (2) Board meetings held during the year ended 28 February 2019 and does not hold any shares in the Company.





TETSURO TAKANO
Non-Independent Non-Executive Director

(57, Japanese, Male)

Tetsuro Takano was appointed as a Non-Independent Non-Executive Director of AEON Credit Service (M) Berhad on 4 July 2017. He obtained his Bachelor's Degree in Commerce from Keio University, Japan in 1985. In 2003, he was appointed as the Associate Director of the Credit Planning Department at Mizuho Financial Group, Inc. In 2004, he was appointed as the Assistant Manager of the Sales Department at Nihonbashi branch of Mizuho Corporate Bank, Ltd. In 2010, he was promoted to be the General Manager of the Finance Group of Mizuho Financial Group, Inc. Later in 2012, he was appointed as the Assistant General Manager of the Credit Planning

Manager of the Global Credit Planning Department in AEON Financial Service Co., Ltd., Japan where he serves presently. He does not hold any directorship in any other public or public listed company.

Takano has attended twelve (12) Board meetings held

during the year ended 28 February 2019. He does not hold

Department at Mizuho Financial Group Inc and Mizuho Bank Ltd, and subsequently promoted to be the General

Manager in 2013. In 2015, he was appointed as the General

LEE TYAN JEN Executive Director (45, Malaysian, Female)

Lee Tyan Jen was appointed as an Executive Director of AEON Credit Service (M) Berhad on 1 July 2013. She obtained a Bachelor's Degree in Business Administration from University of South Alabama, USA in 1996.

She joined AEON Credit in 1998 as an Officer in the Credit Assessment Department. Subsequently, she was promoted to various positions in the Credit Assessment Department and was appointed as the Assistant General Manager in 2006. In 2008, she was promoted as General Manager and served as the Head of Credit Assessment Group before assuming the position as Head of Business Operations Division in April 2015. Since April 2016, She has been designated as the Chief Operating Officer of the Company and concurrently as Head of the IT Division. She does not hold any directorship in any other public or public listed company.

Lee has attended all thirteen (13) Board meetings held during the year ended 28 February 2019 and she holds 35,661 ordinary shares directly and 72,500 ICULS in the company.

any shares in the Company.



TOP MANAGEMENT



01 KENJI FUJITA

Managing Director (50, Japanese, Male) His profile is disclosed in the Director's Profiles on page 29 of this Annual Report.

02 LEE TYAN JEN

Executive Director / Chief Operating Officer (45, Malaysian, Female)
Her profile is disclosed in the Director's Profiles on page 33 of this Annual Report.

LEE KIT SEONG

Chief Financial Officer Corporate Management Division (50, Malaysian, Male)

Date of Appointment: 18 April 2013

Academic/Professional Qualification:

ACCA, Malaysian Institute of Accountants (MIA) Relevant Experience:

- 1996 Kassim Chan & Co (now known as Deloitte PLT)
- 1997 Accountant Rashid Hussain Securities Sdn Bhd
- 2000 Senior Manager, Finance & Accounts Affin Hwang Inverstment Bank Berhad
- 2006 Senior Vice President, Finance Group Finance Group, OSK Investment Bank
- 2012 Assistant General Manager Finance & Admin Group of AEON Credit
- 2013 Chief Financial Officer of AEON Credit

Directorship/Relevant Appoinments:

He does not hold any directorship in any other public or public listed company.

04 AJITH A/L JAYARAM

Chief Strategy Officer & Chief Sales Officer Corporate Strategy Division & Sales Division (39, Malaysian, Male)

Date of Appointment: 4 July 2017 Academic/Professional Qualification: Master of Management

Relevant Experience:

 Has over 18 years of experience in Collection, Sales and Corporate Strategy

Directorship/Relevant Appoinments:

He does not hold any directorship in any other public or public listed company.

SHIRO ISHIDA

Chief Marketing Officer Marketing & Customer Service Division & Product Finance Division (47, Japanese, Male)

Date of Appointment: 2 August 2018 **Academic/Professional Qualification:**

Associate of General Studies Degree

Relevant Experience:

- 1994 Joined AEON Credit Service Co., Ltd, Nagoya Branch, Japan
- Has more than 20 years of marketing experience throughout Asia and South East Asia

Directorship/Relevant Appoinments:

He does not hold any directorship in any other public or public listed company.

Note:

All Top Management personnel as disclosed above do not have any family relationship with any Director and/or major shareholder of the Company, any conflict of interest with the Company, or any conviction for offences within the past 5 years, except for traffic offences, if any.



02

SENIOR MANAGEMENT

NRISHNAPPAN S.P.S SINGARAM Senior General Manager

Regulatory Affairs Office (52, Malaysian, Male) Date of Appointment: 3 July 2000 Academic/Professional Qualification: Malaysian Institute of Certified Public Accountants (MICPA)

TAN KEAN WOOI General Manager

Credit Operation Division (43, Malaysian, Male) Date of Appointment: 1 March 1999 Academic/Professional Qualification: Bachelor of Economics CHEN HENG GUAN
Senior General Manager

Corporate Strategy Division (46, Malaysian, Male) Date of Appointment: 11 August 2003 Academic/Professional Qualification: Master of Business Administration

JAYABALAN
RAMAKRISHNAN
Senior General Manager

Payment System Group (46, Malaysian, Male) Date of Appointment: 21 August 2013 Academic/Professional Qualification: Bachelor of Economics & Management 05 ALINA TEOH General Manager

Human Resource Management Group (44, Malaysian, Female) Date of Appointment: 7January 2016 Academic/Professional Qualification: Master of Information Technology



SENIOR MANAGEMENT

06 KIYOSHI WADA Senior General Manager

> Human Resource Management Division (59, Japanese, Male) **Date of Appointment:** 10 July 2017 **Academic/Professional Qualification:** Bachelor of Economics

AZAREENA ABDULLAH General Manager

Corporate Governance Group (43, Malaysian, Female) Date of Appointment: 1 December 2014 Academic/Professional Qualification: Masters of Business Administration (Strategic Management) POON KAI CHONG General Manager

Credit Assessment Group (48, Malaysian, Male) Date of Appointment: 2 June 2014 Academic/Professional Qualification: Master of Business Administration

TOSHIMITSU KURE General Manager

IT Planning Department (45, Japanese, Male) Date of Appointment: 3 November 2008 Academic/Professional Qualification: Bachelor of Business Administration & Information System 10 KEN TANAKA General Manager

Business Development Group (57, Japanese, Male) Date of Appointment: 11 April 2016 Academic/Professional Qualification: Bachelor of Economics



SENIOR MANAGEMENT

ANDREW OOI KEAT CHOON General Manager

Product Finance Group (43, Malaysian, Male)

Date of Appointment: 1 December 2014 Academic/Professional Qualification: Bachelor of Development Science

FAIZUL BIN HAMZAH General Manager

Public Relations Department (42, Malaysian, Male) **Date of Appointment:** 21 September 2001 **Academic/Professional Qualification:** Bachelor of Business Administration

PHANG CHEE CHONG General Manager

Internal Audit Group (52, Malaysian, Male)

Date of Appointment: 25 February 2015 Academic/Professional Qualification: Master of Business Administration & Chartered Member of the Institute of Internal Auditors Malaysia (CMIIA)

HO WAI KUAN General Manager

Customer Service Group (48, Malaysian, Female) Date of Appointment: 14 November 2016 Academic/Professional Qualification:

15 MICHELLE LEONG MUN WAI General Manager

Payment System Planning Department (41, Malaysian, Female) Date of Appointment: 13 Augus

Date of Appointment: 13 August 2018 Academic/Professional Qualification: Bachelor of Commerce Economics and Marketing



SENIOR MANAGEMENT

TAN PHAIK TIAN General Manager

Information Technology Group (47, Malaysian, Female) Date of Appointment: 16 April 2018 Academic/Professional Qualification: Bachelor of Science

17 G.KUMARADEVAN GUNARATNAM General Manager

Regional Sales Group (41, Malaysian, Male) Date of Appointment: 30 June 2008 Academic/Professional Qualification: Bachelor of Economics

18 KATSUSHI IWAMOTO General Manager

Personal Finance Group (45, Japanese, Male) Date of Appointment: 21 July 2014 Academic/Professional Qualification: Bachelor of Business Administration

19 WONG HOOI THENG General Manager

Credit Management Group (42, Malaysian, Female) **Date of Appointment:** 2 December 2013 **Academic/Professional Qualification:** Bachelor of Accountancy & Finance

20 NAOTO NOMURA General Manager

Marketing Division

(47, Japanese, Male)

Date of Appointment: 9 January 2017

Academic/Professional Qualification:

Master of Financial Engineering





CORPORATE EVENTS





AEON Credit's 21st Annual General Meeting 21 June 2018 I Intercontinental Hotel Kuala Lumpur



The Launch of AEON Member Plus Visa Card and AEON Wallet 8 November 2018 I AEON Mall Shah Alam



Q3 Results Announcement 2018 20 December 2018 I Pinnacle at Nexus



AEON Group supports Ministry of Housing and Local Government at the 'National Community Policy' Announcement. 17 February 2019 I Puchong

SPECIAL EVENT



TRIBUTE DINNER FOR LATE CHAIRMAN "THE TRIBUTE, THE ACHIEVEMENT AND THE JOURNEY"

In memory of the former AEON Credit Service (M) Berhad Chairman, Allahyarham Dato' Abdullah bin Mohd. Yusof, AEON Credit organised a tribute dinner to commemorate the contributions and achievements of a legend at the Four Seasons Hotel, Kuala Lumpur on 24 September 2018.

The event was attended by HRH Sultan Nazrin Shah, Sultan of Perak, YB. Datuk Seri Saifuddin Nasution Ismail, Minister of Domestic Trade and Consumer Affairs, His Excellency Dr Makio Miyagawa, Ambassador of Japan to Malaysia, senior government representatives, Datin Yasmin Ahmad Merican, wife of Allahyarham Dato' Abdullah bin Mohd Yusof, YBhg. Datuk Iskandar bin Sarudin, Chairman of of AEON CO. (M) BHD., Ng Eng Kiat, Chairman of AEON Credit Service (M) Berhad, past and present Board members, Managing Directors, Senior Management, business partners of the AEON Group of Companies from Malaysia and Japan.

YAB Tun Dr. Mahathir Mohamad, through a recorded video message honoured Chairman Takuya Okada and Dato' Abdullah bin Mohd Yusof as the pioneers who had nurtured AEON Malaysia to becoming the success it is today. He attributed AEON's contributions to the modernisation of the country's retail industry to the dedication, commitment and efforts between the two gentlemen from Japan and Malaysia.

Honorary Chairman and Advisor, AEON Co., Ltd., Takuya Okada paid tribute to his Malaysian colleague and friend attributing AEON's glorious history in Malaysia to the personality, leadership and contributions of Dato' Abdullah through a personal note to Datin Yasmin Ahmad Merican.





CORPORATE SOCIAL RESPONSIBILITY PROGRAMMES

AEON GROUP SUPPORTS MINISTRY OF DOMESTIC TRADE AND CONSUMER AFFAIRS ON 'BACK TO SCHOOL PROGRAMME'

AEON Back-to-School Programme is an annual collaborative effort between AEON Group of Companies Malaysia and Ministry of Domestic Trade and Consumer Affairs.

On 15 December 2018 at AEON Mall Bukit Mertajam, a total of 200 underprivileged school children from Kulim and Bandar Bharu area (Kedah) as well Bayan Baru and Relau area (Pahang) each received a Back-to-School kit, which contained school supplies such as uniforms and stationeries from AEON CO. (M) BHD. while AEON Credit contributed coin banks and school bags for the recipients.

The Guest of Honour, YB. Datuk Seri Saifuddin Nasution bin Ismail, Minister of Domestic Trade and Consumer Affairs was present to officiate the event. Other guests present at the event were Datuk Iskandar bin Sarudin, Chairman of AEON CO. (M) BHD., Shinobu Washizawa, Managing Director of AEON CO. (M) BHD., and Faizul bin Hamzah, General Manager, Public Relations of AEON Credit Service (M) Berhad.

YB. Datuk Seri Saifuddin Nasution bin Ismail, from the Ministry of Domestic Trade and Consumer Affairs said: "The Ministry is pleased to recognise the initiative and effort AEON is rolling out as part of its corporate social responsibility through this annual programme. As a leading household brand in Malaysia, AEON continues to shape lives for the better by providing support to the communities and leads the way to a better growth of the country." He also praised the good values that AEON Credit instilled upon the recipients where the coin banks contributed serve to create awareness on savings. He added that through savings a person can help themselves better rather than relying on Government aid and today the value instilled by AEON is a good awareness for the kids at young stage.



CORPORATE SOCIAL RESPONSIBILITY PROGRAMMES

AEON CREDIT SUPPORTS ROAD SAFETY CAMPAIGN DURING FESTIVE PERIOD

In our effort to promote safety on the road and good riding habits, AEON Credit collaborated with motorcycle merchants together with the Ministry of Transportation and Road Safety Department. Free motorcycle inspections and free oil-change activities were held on-site. AEON Credit distributed SIRIM certified motorcycles helmets with reflective safety stickers to motorcyclist during the event to ensure that motorcyclists have a safe and comfortable journey back to their hometown during the festivities.









YOUNG FINANCIAL SAVVY PROGRAMME



As a socially responsible financial institution, AEON Credit initiated the Young Financial Savvy Programme whereby participants comprising young children were taught on practical tips and knowledge pertaining to skills aimed at instilling good financial habits such as savings and prudent spending.

The programme was first held for the Orang Asli community in Kampung Ulu Semul, Raub, Pahang where the young participants were exposed to learning about numbers, the forms of currencies in Malaysia, as well as the fundamentals of financial literacy. As an extension to the financial literacy programme, AEON Credit contributed 200 coin banks to under-privileged children at its AEON 'Back to School' programme with the Ministry of Domestic Trade and Consumer Affairs on 15 December 2018 at AEON Mall Bukit Mertajam, Pulau Pinang.

The programme will be a continuous affair for AEON Credit with the objective of heightening awareness on good financial habits and to improve the state of financial literacy among young Malaysians.





ENVIRONMENT RELATED CSR PROGRAMMES

In our bid to increase awareness on the importance of efficient use of resources among the public and AEON Credit employees, various clean-up activities were carried out alongside recycling awareness campaign.

AEON Credit collected a total of 3.48 tonne of rubbish of which 2.80 tonne were recyclable wastes through numerous clean-up initiatives that were organised nationwide. AEON Credit collaborated with local authorities and local communities in our cause to ensure that the coastline in Malaysia is clean and devoid of rubbish.

Other than that, AEON Credit held various projects with the local authorities and communities within the vicinities of our Regional Offices to clean-up the surrounding areas. In line with our objective of promoting efficient use of resources, the rubbish collected from these activities were separated according to the labels 'recyclable waste' and 'non recyclable waste'.



AEON Mall Nilai Hometown Forest Programme on 10 November 2018. 1,300 plants and shrubs were planted from 10,000 saplings.











The Coastal Area Cleanup Programme in Johor, involving 600 Volunteers, saw a collection of 3.48 tonnes of rubbish, out of which, 2.83 tonnes were recyclable waste materials.





Mangrove area preservation effort with Sabah Wetlands Conservation Society which witnessed 30 volunteers planting 150 mangrove seeds and materials collecting 30kg of recyclable waste at the Kota Kinabalu Wetland Ramsar Site, Sabah.

COMMUNITY RELATED CSR PROGRAMMES

A series of blood donation drive campaign in collaboration with the local Government and private hospitals was held to ensure sustainable blood bank supply. We recorded a total of 206 successful donors from 4 locations at the Regional Offices as shown in the table below.

Date	Location	Total Number of Donors		
09 August 2018	KPJ Johor Bahru	69		
23 October 2018	Hospital Seberang Jaya	31		
06 January 2019	Hospital Pasir Gudang	68		
19 February 2019	Hospital Tengku Ampuan Afzan	38		

A total of 32 social engagement programmes were carried out with the underprivileged communities involving cleaning-up of the communal areas and the organising of fun-filled games and activites, as well as contributions of basic necessities which were aimed at getting AEON Credit employees acquainted with the surrounding communities.











To familiarise employees from our branch offices with the neighbouring stakeholders, we held several engagement programmes with the local authority, residential association and non-governmental organisations aimed at fostering a good rapport.



SPORTS RELATED CSR PROGRAMMES

As part of our sustainability goals to promote active and healthy lifestyle among Malaysians, we supported the Ampang Jaya Badminton Club (AJBC) in the 2018/2019 Edition of the Malaysia Purple League. 2018 World No.1 Singles, Kento Momota, alongside Chan Peng Soo, 2016 Rio Olympics Silver Medallist were roped in to strengthen the club. The 2018/2019 edition saw AJBC clinching 4th placing in the league. Six players playing in the senior team of the club are products of the AEON Credit-AJBC Junior Badminton Development Programme. The Junior Players retained the championship title for two consecutive years.









AWARDS, ACCOLADES AND CERTIFICATIONS

THE EDGE BILLION RINGGIT CLUB 2018

AEON Credit Service (M) Berhad bagged three awards in 3 categories at The Edge Billion Ringgit Club Corporate Awards 2018 under Financial Services Sector (market capitalisation below RM10 billion) category.

The awards are:

- * The Highest Growth in Profit After Tax Over Three Years
- * Highest Return on Equity Over Three Years
- ★ Highest Returns to Shareholders Over Three Years





HR ASIA AWARDS MALAYSIA 2018



Recognised as one of the best companies to work for in Asia!

AEON Credit was among the 46 Malaysian companies that were named the "Best Companies to Work for in Asia".



AEON Credit is committed to creating sustainable stakeholders' values by integrating economic, environmental and social sustainability concerns into its business strategies and performance management, through continuous balanced assessment and development of its operations.



This Sustainability Statement ("this statement") has been prepared in accordance with Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the Company's Sustainability Reporting Framework.

The Statement which was approved by the Board in May 2019 covers the business operations of the Company in Malaysia encompassing activities carried out at the Head Office in Kuala Lumpur, six Regional Offices and 71 branches throughout Malaysia. The Economic, Environmental and Social (EES) performance in the following pages cover data collected for the 12-month period from 1 March 2018 to 28 February 2019. Where available and relevant, historical data of the preceding year has been included for comparison.

The Company's progress, development and improvements relating to sustainability including sustainability governance, sustainable product development and environmental stewardship, development of human resource talent and the Company's partnership with the community for balanced development are set out in this Statement.

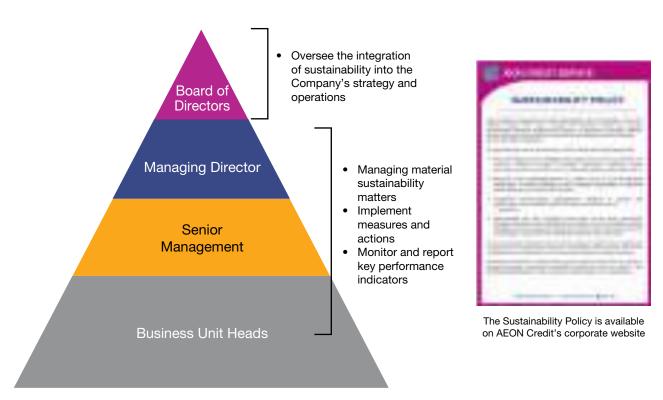
The Company is honoured to have been included as a constituent of FTSE4Good Bursa Malaysia Index since 2016, screened in accordance with the transparent and defined Environmental, Social and Governance ("ESG") criteria.

SUSTAINABILITY GOVERNANCE

The sustainability leadership of AEON Credit led by the Board recognises the importance of pursuing a business sustainability agenda and sets the tone to promote sustainability practices by balancing ESG aspects of the business in its decision-making. The Managing Director, Executive Officers and relevant members of the Senior Management are responsible for the management and drive the improvement and execution of the Company's overall sustainability framework, strategy and roadmap. The leadership team collectively plays an active role in ensuring that sustainability is part of AEON Credit's business approach and is embedded in the Company's daily operations.

In FYE 2019, the Company enhanced the Sustainability Framework and a Sustainability Policy which was approved by the Board of Directors and communicated to all employees through various awareness programmes. The said Framework and Policy were developed in line with AEON's Basic Principles of pursuing peace, respecting humanity and contributing to communities always with the interest of the customers at its core aligned with objective of realising a sustainable society.

Sustainability governance is further strengthened by annual review of the Company's business plans and external/internal environment, mid-term review of Company direction for the next 3-5 years as well as existing policies and management systems. AEON Credit intends to remain as a sustainable and valuable business entity guided by the Company's vision to be one of a leading non-bank financial services provider in Malaysia.



'Tone from the top' approach to sustainability

STAKEHOLDER ENGAGEMENT

In order to provide impactful contribution to society, the Company continually reviews and adapts to changing stakeholder expectations. Stakeholder engagement has been conducted through a range of formal and informal communication channels to widen AEON Credit reach to relevant stakeholders.

The Company places high emphasis on two-way communication with all stakeholders who are impacted by or have the ability to influence the business, and continuously engages with these stakeholders to address their needs and concerns on issues related to the business operations through various channels as listed.

CUSTOMERS



EMPLOYEES



Engagement mechanism

- Interactions
- Call center and complaints channel
- Customer advocate
- · Social media
- External dispute resolutions

Key topics raised

- Customer service
- · Feedback on products and services

Engagement mechanism

- Meetings
- Training programmes
- · Team meeting and exercises
- Employee Hotline

Key topics raised

- Culture, diversity and inclusion
- · Health, safety and wellbeing
- Employee grievances

GOVERNMENT & REGULATORS



SHAREHOLDER & INVESTOR



Engagement mechanism

- Briefings / Surveys
- Submission/proposals
- Enquiries
- Fianancial instituition associations / groups

Key topics raised

- Compliance
- · Innovation in financial services

Engagement mechanism

- Investor relations
- Annual General Meetings
- Quarterly reports, annual reports and media releases
- Surveys

Key topics raised

- Business strategy
- Financial performance
- ESG performance

LOCAL COMMUNITIES



INDUSTRY ASSOCIATIONS /



Engagement mechanism

- Community activities
- Sponsorship of events

Key topics raised

- Charitable donations
- Volunteering
- Social welfare

Engagement mechanism

- Conferences
- Events

Key topics raised

- Market development and customer segment issues
- Regulatory issues
- · Risk management issues

MEDIA



BUSINESS PARTNERS



Engagement mechanism

- Press releases / interviews
- Corporate events
- Digital and social channels

Key topics raised

- Business strategy
- Financial performance
- ESG performance
- Conduct and culture

Engagement mechanism

- Merchant service
- Support channels
- Meetings
- Business alliance events

Key topics raised

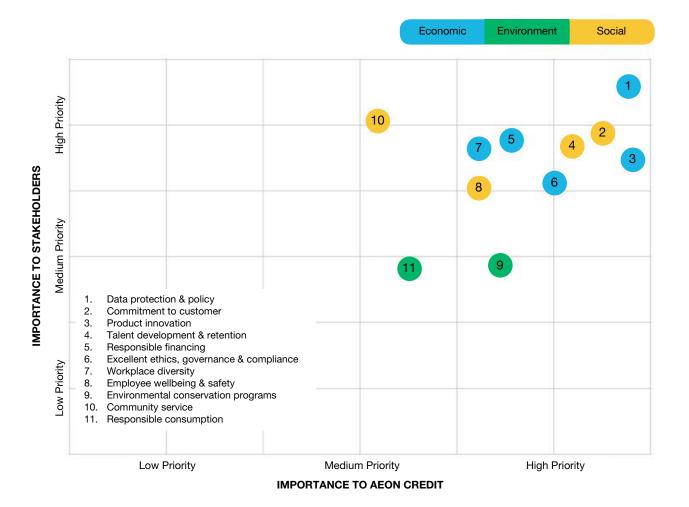
- Business opportunities
- Business strategy
- Performance and compliance

MATERIAL MATTERS

To identify issues that are most material to the business, a materiality assessment was performed by key internal stakeholders including Senior Management teams who had insights into strategic direction, operations and project performance. The findings from the review of past materiality assessments were further refined with analysis of internal policies, documents as well as comments from various departments. The Company's commitment to sustainability is focused on significant areas based on the importance to AEON Credit and to stakeholders.

Key sustainable issues are managed by various groups in the Company, led by Corporate Strategy and Corporate Governance Group. An Enterprise Risk Management ("ERM") Framework is in place to allow the Company to identify risks and opportunities to strengthen the resilience and sustainability of the business.

The outcome of the materiality assessment is as shown below:



In FYE 2019, AEON Credit has identified and mapped its material matters according to the Sustainable Development Goals ("SDGs"). A collection of 17 Global Goals set by the United Nations General Assembly in 2015 for achievement by the year 2030, representing a universal call for action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.



As a major non-bank financial services provider organisation, AEON Credit's approach to supporting SDGs is to focus on those areas where the Company's impact is most material. A SDG workshop was held with the Senior Management team to:

- Create understanding of the SDGs, identify the SDGs to be adopted by the Company and on how they can be integrated into the business strategy and operations
- Define priorities based on business sustainability (i.e. material matters) and SDG impact areas



The material sustainability matters identified are linked to seven (7) selected SDGs where the Company has the biggest impact in terms of risk and opportunity over the long term.















RESPONSIBLE BUSINESS	OUR PEOPLE			
CUSTOMER EXPERIENCE	ENVIRONMENTAL STEWARDSHIP			
DIGITALISATION AND INNOVATION	CONTRIBUTING TO COMMUNITIES			

RESPONSIBLE BUSINESS



The Company is committed towards achieving good corporate governance and is embracing it as a shared responsibility at all levels from the Board to staff level, supported by relevant framework and management policies.

RESPONSIBLE FINANCING

AEON Credit remains committed towards providing suitable, affordable and quality financial services to targeted customer segments, in line with the Bank Negara Malaysia ("BNM") Financial Sector Blueprint for 2011 to 2020. In this regard, the Company serves a wide spectrum of customers, from diverse socio-economic groups.

Products and services offered are aligned with the corporate values and are offered in the market after appropriate development, evaluation and approval processes in compliance with regulatory requirements. Credit policies based on regulatory guidelines and the Company's risk appetite are in place to manage risk of default by customers on repayment commitments.

Clear and concise product information is provided to the customers to ensure important information and risk disclosures are highlighted. The employees, particularly the front liners, are equipped with sound knowledge on product features, and ethically promote the products based on customer needs.



AEON CODE OF CONDUCT ("CoC")

The AEON CoC, which advocates "Everything we do, we do for our customers," are embodied into the corporate philosophy and approach to business. CoC helps to interpret AEON's basic principles which are to communicate what the Company believes in and the responsibility to earn stakeholder confidence, and to operate responsibly. Employees embrace and abide by CoC by practicing high standards of integrity and fair dealings with stakeholders and foster a strong sense of belonging within the AEON workplace. New recruits are briefed on the CoC during induction, which is further reinforced through the Company's annual AEON CoC training.

COMPLIANCE PROGRAMMES

A Compliance Framework governs the processes that drive compliance across operations including compliance monitoring mechanisms which are embedded within the business processes. To ensure the Company meets the mandatory compliance requirements and foster a strong sense of awareness and ownership amongst the employees, awareness activities and training sessions were conducted throughout the year. The Corporate Governance Group reviews related policies and internal controls, and provides compliance support. The Group works closely with the respective Business Units to address compliance risks.

During FYE 2019, the Company established a new Board Risk Committee comprised Independent Directors to enhance governance and oversight function related to risk management and compliance.

DATA PROTECTION AND PRIVACY

The Company continues to place strong emphasis in maintaining the confidentiality, integrity and availability of customers and business information. Personal Data Protection Act (PDPA) 2010 and Secrecy Provisions under the Financial Services Act 2013 govern the process of managing information throughout its lifecycle. As technology becomes an integral part of the business, the Company continually examines its internal system and processes to assess risk exposure, controls effectiveness and the best way to maintain the continuity of the business. With the rise of cyber-attacks, the Company prioritise and emphasise the importance of adequately implemented cyber security measures.

The Company has obtained certification on Information Security Management System, (ISO/IEC 27001:2013 Certification) since 2006. The management system provides assurance to the stakeholders, particularly the customers, that the Company has adequately maintained highest standards of information security to prevent unauthorised disclosure and misuse or loss of information. Employees have sound understanding of information security policies, especially in handling confidential information. Process for reporting security breaches are in place.



WHISTLE-BLOWING

The Company has established a whistle-blowing channel, identified as AEON Hotline, under the "CoC" to be complied with by staff and management. Employees can raise genuine concerns without fear, on 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.

For external stakeholders, any concerns on illegal, unethical or questionable practices can be communicated in confidence by the whistle-blower without the risk of reprisal to the Senior Independent Director at <SID@aeoncredit.com.my> for further investigation and action.

The Company adopted the Plan-Do-Check-Act (PDCA) cycle that revolves around AEON Basic Principles as it continuously enhance and strengthen its state of Corporate Governance. For FYE 2019, the Company has obtained the Board approval for the establishment of Board Risk Committee to provide oversight function to review risk and compliance matters. Further, the Company will embark on Anti-Bribery Management System Certification, targeted to complete in Q4 of FYE 2020.

CUSTOMER EXPERIENCE





In line with the AEON Basic Principles, customers have always been at the core of the Company's interests. Customers' feedback is important as it will be used to enhance value of the Company's products and services, towards fostering customer loyalty based on excellent service level.

AEON CREDIT'S COMMITMENT TO CUSTOMERS

The Company provides interaction touch points at the 71 AEON Credit branches nationwide and through various other communication channels under the Customer Care Centre including email, telephone and online feedback form to obtain customers' feedback.

A robust complaint management process is also in place to ensure failures are addressed, with effective controls to avoid recurrence. Complaints are received via two channels – directly at the Company's touch points, or alternatively through regulatory bodies.

NURTURING CUSTOMER CENTRIC CULTURE

Customer engagement activities and trainings were conducted throughout the year with the objective of nurturing a customer centric culture. Mandatory induction training for new joiners highly focuses on customer management and customer service. AEON Credit Ambassador Programme aims to promote excellent customer service and encourage employees to step beyond the call of duty to satisfy customer needs. Since the launch of the programme in 2017, numerous customer-centric initiatives are designed to be carried out over the long term.

The Voice of Customer ("VOC") Campaign and Mystery Shopper Programme aim to provide better customer service and move beyond just managing complaints. Thus, the Company is able to obtain an independent view on the level of customer service provided and areas to improve.

Customers' lifestyles and expectations are evolving in light of advancements in technology, as they look for a more seamless, simple, faster and integrated experience. To further enhance customer service experience, the Company continues to leverage on technology to engage with customers through mobile applications and website, as customers are becoming more technologically savvy and demand for fast, effective and convenient services. The Company's pursuit of digitalisation and innovation is an integral part of its long term strategy to stay connected with the customers.



Customer Feedback

100% complaints resolved within TAT

22 cases of VOC received and resolved within targeted timeline



Service Excellence Award Programmes (WoW Compliment)

Total: 237 AchieversGold: 12 Achievers
Silver: 62 Achievers
Bronze: 163 Achievers

Mystery Shopping

- Number of cycles: 8 Waves (nationwide)
- Results from the mystery shopper: 78% (versus standard performance of 85%)



Mystery Calling

Number of cycles: 6 Waves (Contact Centre Department / Units)

Results from the mystery shopper: 91% (versus standard performance of 85%)

OMNI Channel

- AEON Credit Live Chat was launched on February 2018 which customer can performed general enquiry with chat bot. Account enquiry and account maintenance self-service was made live on January 2019.
- Social Media Ticketing was made live on 28 February 2018 to monitor customer feedback on Facebook.

Customer Service Trainings Conducted

- Soft Skill Training conducted to new joiners for Call Centre and Service Counter staff which is incorporated with HR Induction Training.
- Trainings were conducted on monthly basis.

DIGITALISATION AND INNOVATION



At AEON Credit, the sheer amount of data and information processed on a day-to-day basis requires significant use of technology. And as the service and financial landscape changes rapidly with the ever increasing use of technology, staying tuned to customers' needs and desires becomes even more critical. In order to stay ahead of the dynamic changes in customer needs, AEON Credit adopted the approach of innovative finance by incorporating online services into business models and making online to offline integration a key tenet of business strategy. Throughout the FYE 2019, the key focus of AEON Credit has been on transforming the way the Company operates, the way the Company empowers the communities and most importantly, the way the Company serves and engages with our customers.

PRODUCT INNOVATION

Staying true to being the digital forerunner in the financial scene, AEON Credit launched its digital platforms the AEON Wallet and AEON Member Plus Visa Card on 8 November 2018. In line with the Government's vision of turning Malaysia into a cashless society, the introduction of these two products is part of the Company's strategy to complement the evolving customers' lifestyle and promote financial inclusion by encouraging customers from all segments to go cashless. The AEON Member Plus Visa Card combines an AEON membership card with a Visa prepaid card, simultaneously reducing the number of cards carried by a customer.

The AEON Member Plus Visa Card is linked to the new AEON Wallet, an e-wallet application that allows customers to pay via QR code at all AEON retailer outlets. Similar to other mobile wallets, payment transaction history is contained in the AEON Wallet application, dispensing with the need for paper receipts. With the increase in the use of mobile payments, the AEON e-Wallet does not only provide the customers with convenience, but also a safe and secure e-payment system with a wide range of ways for customers to top-up funds into the prepaid card and e-wallet. The AEON Group aims to complete conversion of all existing loyalty/membership cards to the AEON Member Plus Visa Card by 2021.

VALUE CHAIN TRANSFORMATION

AEON Credit embarked on its Value Chain Transformation project in FYE 2018 with transformation of its cashless and paperless operations at 71 branches nationwide and stepped up digital applications, resulting in improved staff productivity and turnaround time. FYE 2019 catalyst towards AEON Credit business expansion include the Company's recent initiatives to enhance customer experience, such as the promotion of the use of e-wallet and e-money cards, mobile wallet and the introduction of the Platinum credit card.

In January 2018, AEON Credit's Merchant Online System ("MOS") was fully developed. The full-fledged online system allows merchants to conduct various activities such as online application, extracting latest information/notifications, promotions, etc. By end of January 2019, 100% of merchants' registrations were submitted through the MOS.

In April 2019, AEON Credit took another significant step in digitalisation when the Company ceased to issue printed monthly statements to all its' customers as all statements are to be viewed via AEON web or via soft copy sent to registered email addresses. Moving forward, the Company plans to launch its e-signature method of execution for sales and purchase agreement on its MOS in FYE 2020 subsequent to implementation of e-application, e-claim, e-monitoring, e-reporting features at the earlier stage. The Research and Development (R&D) Department, established by AEON Credit will enable focus on introduction of services adopting new technology and devices at customers' touch points, back office, including Robotic Process Automation (RPA), facial recognition and biometric identification.





OUR PEOPLE







AEON Basic Principles on Personnel respects the rights of the employees and requires enabling them to achieve their full potential. The Company firmly believes that engaged employees are more dedicated, productive and motivated to perform. In FYE 2019, AEON Credit was among 46 companies in Malaysia named "The Best Companies to Work For in Asia" by HR Asia, a reputable human resource publication, after a survey was conducted covering 310 companies across Malaysia. The award is a recognition of the conducive work environment, staff welfare and development opportunities provided by the Company to employees.

The Company continually engages with its employees through various engagement channels, for example, various company meetings with staff and management, Human Resource ("HR") help desk, monthly morning assembly, daily morning briefings, memos and bulletins. Thus, the Company is able to understand and provide support to the needs and expectations of its employees as key stakeholders.



WORKPLACE DIVERSITY

AEON Credit's approach towards diversity is anchored on due regard, fairness and indusion. In line with the AEON CoC, the Company respects the rights of every individual and fosters diversity and inclusivity towards aim of building a harmonious, dynamic and strong workforce. While abilities, academic background and experience are key concerns for recruitment of personnel by the Company, AEON Credit maintains policy of non-discrimination with equal opportunity for employments, learning and development.

Recognising that the business landscape is changing rapidly, the Company remains focused on building human talent through the diversity of skills and exposure of employees to ensure that the Company is able to respond to business challenges and complex issues through creativity and innovation of its employees. The Company hopes to retain and attract more proficient employees by providing a work environment that nurtures talents, whilst inculcating fairness, inclusion and respect for differences as part of its organisation culture.

In FYE 2019, the Company achieved a key milestone, to have at least 30% female representation at Board level recognising the value of gender diversity towards providing insights from different perspectives for decision making. As at 28 February 2019, the Board comprised eleven (11) directors, four (4) of whom are female directors, representing 36% of the total Board Members.

Distinctive age groups carry with them diverse desires and needs. With the greater part of employees originating from the 25-30 age-group, tuning in and understanding their desires are more important than ever. Only then the Company will be able to retain them to continuously convey the AEON culture.

	FYE 2018	FYE 2019
Number of employees	3,244	3,359
Men	1,163	1,196
Women	2,081	2,163
Age Diversity		
<30	1,746	1,750
30 – 50	1,483	1,592
>50	15	17



TALENT DEVELOPMENT AND RETENTION

The Company is committed to stay innovative in the financial services market, as it moves forward into the future. In FYE 2019, the Company tended to the needs and priorities that included up-skilling AEON Credit's employees for a competitive advantage and development, through one of HR principles which is "Capacity Development" that urges employees to take responsibility for the career path to accomplish their ideal objectives and goals. To better equip the Company to face the rapidly changing financial services landscape, the HR Group ensures the employees are equipped with knowledge and skills of the future. By putting in place structured training programs and instilling strong learning culture, the Company invested approximately RM1 million in FYE 2019 to up skill the employees for business competitive advantage and growth.

The requirement for attracting, developing and retaining the right kind of talent has become a pre-condition for efficient operations and seamless work delivery. The HR Group continues to put in effort to create a long-lasting employee culture with training & development opportunities, succession planning, as well as reviewing employee salary and benefits to retain talented employees. The Company creates a pipeline of talent across sectors for succession planning at various levels of the organisation.



133 Training Programmes

348 employees were promoted across all levels



EMPLOYEE WELLBEING AND SAFETY

AEON Credit recognises that human resource development is a key factor to differentiate the Company from its' competitors. A healthy workforce is essential to support the business growth. The HR Group strongly advocates active participation in health, wellbeing and safety programmes amongst the employees. The key focus for FYE 2019 is promoting healthy lifestyle awareness and the following programmes were rolled-out at the HQ as well as regional offices.

The Occupational Safety and Health (OSH) Policy reiterates AEON Credit's commitment in providing a safe and conducive working environment for all employees and safeguarding customers and visitors from potential dangers arising from the Company's business activities. In FYE 2019, the Company continues to develop and provide workplace health & safety programmes:

- Office and Fire Safety Awareness
- Basic Ergonomics at Workplace
- · Workplace discomfort survey
- Workplace Health and Safety Awareness
- ERT Emergency Response and Preparedness
- Essential First Aid Training
- Basic Fire Fighting Training with Fire and Rescue Department
- Fire Marshal Refresher Course
- Emergency Response Guideline Briefing
- Safety briefing for CSR Programme

With the on-going training and awareness, the employees are aware that reporting of any health and safety is a shared responsibility. To ensure the employees, customers and visitors are free from workplace hazards, regular safety inspections are carried out across the Company's operations. No work related incidents were recorded for FYE 2019.

ENVIRONMENTAL STEWARDSHIP



AEON Credit is committed to minimise environmental impact by adopting appropriate waste management practices for collection, recycling and disposal of waste. Environmental best practices are integrated into the operations through certification of ISO 140001:2015 Environmental Management System (EMS).

RESPONSIBLE CONSUMPTION

The Company is committed in its effort to go paperless in its operations and commits to avoid unnecessary paper consumption. The effort is supported by initiatives such as going paperless via digital transformation to reform and automate the operations throughout the operations and on-going campaigns on prudent use of paper. Technology and electronic platforms are replacing paper-based operations. The paper saving initiatives resulted in 13.02% reduction in paper consumption as compared to the previous financial year.

In FYE 2019, the Company has adopted a digital meeting solutions in its bid to improve productivity and going paperless for corporate level meetings. With the implementation of the said solution, we achieved savings in paper and printing cost by 25% for reports and meeting materials.

Throughout the year, energy efficiency initiatives and awareness programmes have been implemented to encourage prudent and efficient use of electricity. On-going energy saving initiatives such as the introduction of LED lights at new and refurbished branches continues to be implemented and service centers. Apart from this, the Company has taken the initiative to switch from desktops to energy efficient laptops. The energy saving initiatives resulted in 7.28% reduction in electricity consumption as compared to the previous financial year.



ENVIRONMENTAL CONSERVATION PROGRAMMES

AEON Credit promotes environmental conscience behaviour and aims to minimise the environmental footprint through employee and community awareness programmes. The Go Green Campaign, aims to promote an environmentally conscious culture amongst the employees and beyond the workplace. The campaign is aimed at educating AEON Credit's employees on adverse impact of plastic pollution on biodiversity and human health. The campaign consists of awareness activities and talks on how recycling and refusing single-use plastic ("SUP"), in line with Malaysia's effort to eliminate the use of SUP by 2030. AEON Credit believes that changing the Company's plastic consumption habits, contributes to stem the flow of plastics at the source.

AEON CREDIT COASTAL CLEANUP ACTIVITIES

- 3.48 tonnes waste collected
- 2.80 tonnes recyclable waste
- 600 volunteers



MAF TREE PLANTING ACTIVITIES

 Location: AEON Mall Nilai
 1,300 trees
 40 volunteers from AEON Credit



 Location: Kota Kinabalu Mangrove Planting
 150 trees
 30 volunteers from AEON Credit



The Company also promotes awareness on the importance of environmental conversation by extending its efforts to the local community through its coastal clean-up initiative nationwide and the AEON Group's tree planting activities. AEON Credit believes that collaborating with the local community, not only demonstrates good corporate citizenship and fosters good relationship, but also creates a bigger impact in the Company's environmental stewardship efforts.

GO GREEN CAMPAIGN

Environmental Awareness

- Published 12 bulletins
- Conducted 2 talks:
 - i. 'Importance of Environmental Awareness ' by Department of Environment (DOE): 40 participants
 - ii. 'How to live plastic free' by Tak Nak Straw Community: 70 participants

Contest & Pledge Participantion

- 1,363 contest participants received
- 1,647 employees signed up for the 'No Plastic Pledge'





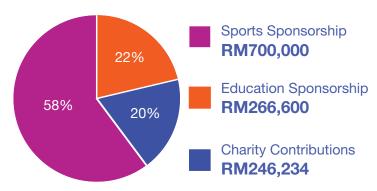
CONTRIBUTING TO COMMUNITIES





AEON Credit aims to set an example as a good corporate citizen, by working together with the community for its growth towards the improvement of life quality. The Company encourages AEON Credit employees involvement in community outreach programmes to foster the spirit of helping the under privilege and needy. Some activities were carried out in collaboration with the Malaysian AEON Foundation ("MAF"), a charity arm of AEON Group Malaysia. In FYE 2019, the Company contributed more than RM1 million in various areas and activities.

Breakdown - community contributions (%)





EDUCATION SPONSORSHIP

AEON Credit continues to provide education sponsorships to financially challenged and eligible students to support their studies in local universities. In FYE 2019, the Company sponsored 58 students to pursue their tertiary education at selected partner universities which included Universiti Putra Malaysia (25 students), Universiti Malaya (16 students) and Universiti Sains Malaysia (17 students). Students under sponsorship are studying in various fields of studies such as finance, accounting, economics, law, computer science, management and business administration.



SPORTS SPONSORSHIP

To promote active and healthy lifestyle among Malaysians, the Company continues to support Ampang Jaya Badminton Club ("AJBC") in the 2018/2019 Edition Malaysian Purple League, a local badminton league that provides a platform which offers exposure to Malaysians interested in pursuing badminton professionally while at the same time honing local talents and increasing the local players' pool. AJBC is one of the 12 premier clubs participating in the league with a Junior Development Programme to nurture young talents. The junior players retained the title championship for two consecutive years in a row.



COMMUNITY SERVICE

AEON Credit's goal in actively giving back to the society has been translated into numerous engagement programmes to assist the less fortunate groups such as orphanage, disabled people and B40 income groups by working together with Ministries, Government Agencies and NGOs. Ranging from charity sales initiative, festive season visits and disaster relief, the Company recorded a total of 1,560 volunteers with more than 6,240 volunteering hours and will continue to engage with local communities to create lasting and meaningful impact.

- Introduced Young Financial Savvy Programme which provides introduction to financial literacy for young children at the MAF Orang Asli event and AEON – Ministry of Domestic Trade and Consumer Affairs (MDTCA) 'Back to School Programme'.
- Engaged with local hospitals and NGOs to organise blood donation drives at our Regional Offices. Through this activity, AEON Credit's employee will be able to contribute towards a sustainable of blood supply in the blood bank.
- Create awareness on road safety through collaborations with motorcycle merchants and also government agencies to promote safe journey back to hometown during major festive seasons.

Apart from the above community programmes, AEON Credit actively supports MAF, the charity arm of AEON Group Malaysia. Every year, together with MAF, the Company continues the spirit of giving during festive seasons, flagship education programmes and charity events.

CSR WITH MAF

Spread Our Love Chinese New Year Sinar Kasih Ramadhan Lights of Love Deepavali Joy of Christmas Light up Lives Orang Asli Project









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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 of Corporate Governance 2017 ("MCCG") has been maintained by the Company in managing its business affairs and meeting expectations of various stakeholders.

The Corporate Governance Overview Statement ("CG Overview Statement") provides an overview of the Company's corporate governance processes and practices applied during the financial year ended 28 February 2019 ("FYE 2019"), in compliance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), and is guided by the practices and recommendations set out in MCCG.

This overview statement is to be read together with the CG Report 2019 ("CG Report") of the Company on detailed explanation and information on the application of the corporate governance practices, which is available on the Company's website at https://www.aeoncredit.com.my/aeon-corporate/about-us/Corporate-Governance.

The Board considers that the Company has applied the practices and main principles of the MCCG with the exception of the following:

a) Practice 7.2

The Board discloses on a named basis the top five (5) senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000;

b) Practice 11.2

Large Companies are encouraged to adopt integrated reporting based on a globally recognized framework;

c) Practice 12.2

All directors attend General Meetings; and

d) Practice 12.3

Listed companies with a large number of shareholders should leverage on technology to facilitate voting in absentia and remote shareholders' participation in General Meetings.

The explanation for the above departures, alternative disclosure and timeframe for measures to be taken, where applicable, are set out in the CG Report.

During FYE 2019, five (5) new Independent Directors were appointed to the Board, including three (3) female directors, to enable the Company to realise the objective of having majority composition of Independent Directors and at least 30% female directors, in line with the practice stipulated under the MCCG in relation to a Large Company as defined therein. The Board has four (4) female Directors out of total of eleven (11) Directors as at the date of the CG Overview Statement, constituting 36% female Directors on the Board.

Meanwhile, the Company has adopted the following "step-up" practices under the MCCG during the financial year:

a) Practice 4.3

The Board has a policy which limits the tenure of its independent directors to nine (9) years.

b) Practice 9.3

The Board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

The Board's key focus areas in relation to corporate governance for the FYE 2019 comprises strengthening the Board from the perspective of gender diversity and majority composition of Independent Directors, and review of policies, procedures and practices in line with the MCCG. The Company is not only concerned with the interests of the shareholders but also the needs of other stakeholders such as customers, employees, business partners, government authorities, regulating bodies and local communities.

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities and Demarcation of Authority

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 Company is led by an effective and experienced Board with members from diverse backgrounds and specialisation. The overall principal roles and responsibilities of the Board are as follows:

- i. Develop, review and revise the Company's long-term strategic plans;
- ii. Provide clear objectives and policies to Senior Management for operations;
- iii. Oversee the conduct and proper management of the Company's businesses;
- iv. Review and approve the Company's annual budget and business plan; and
- v. Ensure establishment of appropriate risk management framework and risk strategy as well as adequate management information and internal control system of the Company;
- vi. Ensure compliance by the Company with relevant laws and regulations;
- vii. Approve transactions and activities outside the discretionary powers of Senior Management, subject to shareholders' approval where necessary.

The Board has established a Board Charter which sets out, amongst others, the principal role of the Board and the demarcation of the roles, responsibilities and powers of the Board, various Board Committees and Senior Management of the Company. In addition, the Board Charter also serves as a general statement of intent on how the Board discharges its duties and responsibilities. The Board Charter, which was last revised and approved by the Board in January 2019, is accessible on the Company's website at https://www.aeoncredit.com.my/aeon-corporate/about-us/board-charter for reference of shareholders and other stakeholders.

The Board reserves certain powers for itself and delegates other matters to the Executive Director, Executive Officers and Senior Management. The schedule of matters reserved for the Board's decision includes key strategic, financial, operational, compliance and governance issues as well as acquisition/disposal of assets and investments exceeding threshold under management approval, subject to regulatory requirements. Management provides the Board and Board Committees with sufficient information and materials in a timely manner to enable the Directors to discharge their duties and responsibilities effectively.

There is clear division of responsibilities between the Chairman and the Managing Director ("MD") as the Chief Executive Officer ("CEO"), 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 plans, policies and decisions adopted by the Board and oversee the overall operations and business development of the Company.

The Executive Management team, led by the MD and assisted by the Senior Management team (Executive Director and Executive Officers), is responsible for the day-to-day management of the Company and is 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 and effective decision making.

The Board is assisted by its Committees, which have been established under defined Terms of Reference, in accordance with the MMLR and best practices prescribed by the MCCG to assist the Board in discharging its responsibilities. The Committees are the Audit Committee ("AC"), Nominating Committee ("NC"), Remuneration Committee ("RC") and Board Risk Committee ("BRC").

The following diagram provides a brief overview of the four 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.

Sustainability

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 at the core. Environmental, Social and Governance (ESG) responsibilities and concerns are integral to the way in which the Company conducts its business. Further details are set out in the Sustainability Statement of the Company in the Annual Report.

Supply of and Access to Information/Advice

The Board and the Board Committees are supplied with and granted access to timely information which allows them to discharge their responsibilities effectively and efficiently. 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 Committees on the business operations, activities and financial performance.

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.

Directors have unrestricted access to the advice and services of the appointed Company Secretaries, both of whom are experienced and qualified persons as members of the Malaysian Institute of Chartered Secretaries and Administrators. The Directors are regularly updated and advised by the Company Secretaries and the Senior Management team on new regulatory guidelines and statutory requirements, their impact and implications for the Company and the Directors. The Company Secretaries provide Directors with complete, adequate and timely information prior to meetings and on an ongoing basis to enable them to make informed decisions.

CODE OF CONDUCT AND ETHICS ("CoC")

AEON Group Code of Conduct

The Company's objectives, visions and values are aligned with the CoC which was established by AEON Co., Ltd. and has since been adopted as the "Code of Conduct and Ethics" of the Company pursuant to the MCCG. The basic principles take into consideration the interests of the Company's customers, shareholders, employees, business partners and the broader community in which the Company operates.

All employees are briefed on the CoC upon commencement of employment and attend refresher training annually. Directors, Management and employees are expected to observe high standards of integrity and fair dealing in relation to customers, business partners, staff and regulators in the regions where the Company operates. The CoC is accessible at the Company's website at https://www.aeoncredit.com.my/aeon-corporate/about-us

Whistle-blowing Channels

The Company has established a whistle-blowing channel, identified as AEON Hotline, under the CoC to be complied with by staff and management. Employees can raise genuine concerns without fear, on 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.

For external stakeholders, any concerns on illegal, unethical or questionable practices can be communicated in confidence by the whistle-blower without the risk of reprisal to the Senior Independent Director at SID@aeoncredit.com.my for further investigation and action.

Board Composition and Diversity Policy

The Board currently consists of eleven (11) members, comprising the Chairman who is a Non-Independent Non-Executive Director, six (6) Independent Directors, two (2) Non-Independent Non-Executive Directors and two (2) Executive Directors including the Managing Director.

The present size and composition of the Board is optimum and well balanced, in terms of the required mix of skills, experience and core competencies as well as need to safeguard the interests of the minority shareholders. The Board is well represented by individuals with diverse professional backgrounds and experience in the areas of financial services, law, finance and accounting, audit and taxation, commerce, sales and marketing, corporate branding, public relations and public service. There is no individual Director or group of Directors who dominate the Board's decision-making.

A summary of the Board composition as at the date of this CG Overview Statement is set out below:

Gender		Nationality		Age Group		Ethnicity				
Male	Female	Malaysian	Non- Malaysian	41 - 50 years	51 – 60 years	>60 years	Malay	Chinese	Indian	Japanese
7	4	8	3	1	3	7	4	3	1	3

Appointment of Directors and Senior Management shall be based on objective criteria, merit and with due regard for diversity in skill, experience, age, cultural background and gender. The Board recognises that a diverse Board would offer greater depth and breadth and contribute towards constructive debates, which lead to better decision making. A diverse Board shall equip the Company to face challenges in an ever changing environment in terms of technology, consumer preferences, business strategies and models as well as business risk environment.

After having served for a cumulative term exceeding nine (9) years as Independent Directors of the Company, Ng Eng Kiat and Dato' Md Kamal bin Ismaun were re-designated as Non-Independent Non-Executive Directors of the Company with effect from 23 January 2019, in line with the recommendation under the MCCG. The Board has identified YBhg. Datuk Adinan bin Maning as the Senior Independent Director of the Company with effect from 23 January 2019 in place of Dato' Md Kamal bin Ismaun. The profile of each Director is set out on pages 28 to 33 of this Annual Report.

Directors' Training

The list of trainings attended by members of the Board in the FYE 2019 is set out below:

Name	Trainings attended
1. Ng Eng Kiat	 National Tax Conference organized jointly by Inland revenue Board and Chartered Tax Institute of Malaysia Independent Directors Programme – the essence of independence organized by Bursa Malaysia 2019 Budget Seminar organized by Chartered Tax Institute of Malaysia Detailed analysis of the 3 new Standards (MFRS 9, MFRS 15 and MFRS 16) organized by the Malaysian Institute of Accountants King on Governance, Value Creation in the Era of Seismic Disruption AEON Group Policy Announcement (In-House)
2. Kenji Fujita	 Legal Familiarization Refreshment Programme (In-House) AEON Top Seminar FY2018, Japan Introduction to the UN Sustainability Development Goals (SDG) (In-House)
3. Dato' Md Kamal bin Ismaun	AEON Group Policy Announcement (In-House)
4. Tomokatsu Yoshitoshi	 Training of Measures toward Corporate Misconducts Japan's Foreign Policy toward Asia-Pacific under Trump administration Comparison of Corporate governance Japan and U.K. Shareholder Derivative Action PwC seminar on KAM-Key Audit Matters Capital markets of Japan its history and future EY seminar on SDGs, ESG, CSR Sustainable Development Goals, What does this mean to us Trend analysis of Corporate Misconducts YAMAHA Case study on Managerial Marketing PwC seminar on Corporate Governance Code Amendments EY seminar on Internal Control and Governance Scheme EU unification or Brexit EY seminar on Group company Governance JR east experience on Station Building property marketing to commercial industry Trump Administration, re-election strategy EY seminar on Tax Accounting Japan outlook 2019 based on Top Risk 2019 by Eurasia Group China outlook 2019 Investor Relations PwC seminar on Corporate Governance Code Amendments update US-China who to survive Deloitte seminar on SDGs

Name	Trainings attended
5. Tetsuro Takano	 Training for Code of Conduct in AEON Deloitte IFRS9 R Statistical Modeling Training Desktop III: Advanced Training for Personnel Performance Appraisers Compliance Training – Prevention of Money Laundering & Prevention in Harassment
6. Lee Tyan Jen	 Legal Familiarization Refreshment Programme (In-House) 2019 Budget: What You Need To Know Fujitsu Forum Tokyo 2018 Digital Collaboration & Transformation Conference 2018 FYE 2019 AMLA PDPA E-Learning Compliance Conference 2018 (Non-Bank Issuers of Designated Payment Instruments) Welcoming Multifinance Digital Era, Japan AEON Code of Conduct Training Introduction to the UN Sustainable Development Goals (SDG) (In-House)
7. S. Sunthara Moorthy A/L S. Subramaniam	Briefing on Sales & Service Tax Independent Directors Programme – the essence of independence organized by Bursa Malaysia Best Practices in Planning & Conducting Risk Based Internal Audit
8. YBhg. Datuk Adinan bin Maning	MAP Training for New Directors (ICLIF)
9. Datin Khoo Pek Ling	 MAP Training for New Directors (ICLIF) Artificial Intelligence and the future of accountancy Women in practice MPERS Conference 2018- Driving SMEs towards Global Competitiveness International Professional Practices Framework for Audit Committee 2019 Budget Seminar and Other Tax Development
10. Datin Yasmin Ahmad Merican	N/A (Appointed as Director on 23 January 2019)
11. Rashidah binti Abu Bakar	N/A (Appointed as Director on 23 January 2019)
12. Ajith A/L Jayaram (Retired on 21 June 2018)	 Introduction to the url Sustainable Development Goals (SDG) Legal Familiarization Refresher Workshop (In-house) AEON Code of Conduct Training FYE 2019 AMLA PDPA E-Learning
13. Lee Kit Seong (Retired on 21 June 2018)	 Seminar of Crisis Management: what to do when crisis hits Cyber Ransom Crisis Simulation Workshop King on Governance, value creation in the Era of Seismic Disruption Legal Familiarization Refresher Workshop (In-house) MIA Conference 2018 2019 Budget: what you need to know AEON Code of Conduct Training Finance Digitalisation Forum 2019 Cyber-security CFOs FYE 2019 AMLA PDPA E-Learning
14. Kiyoaki Takano (Retired on 21 June 2018)	NIL

Board Meetings

Board meetings are generally held on monthly basis, to facilitate better oversight and review on financial and business performance of the Company, review of key areas for risk management and address other matters arising or requiring Board decision.

During the FYE 2019, the Board met 13 times where it deliberated and considered a variety of matters, inclusive of financial result, operations' performance, potential investments, strategic decisions, risk management and other matters requiring the decision of the Board. The details of Directors' attendance are as follows:

	Name	Attendance*
1.	Ng Eng Kiat	13/13
2.	Kenji Fujita	13/13
3.	Dato' Md Kamal bin Ismaun	13/13
4.	Tomokatsu Yoshitoshi	13/13
5.	S. Sunthara Moorthy A/L S. Subramaniam	13/13
6.	Tetsuro Takano	12/13 ⁽¹⁾
7.	Lee Tyan Jen	13/13
8.	YBhg. Datuk Adinan bin Maning	8/8
9.	Datin Khoo Pek Ling	7/8 (2)
10.	Datin Yasmin Ahmad Merican	2/2
11.	Rashidah binti Abu Bakar	2/2
12.	Dato' Abdullah bin Mohd Yusof (Demised on 25 April 2018)	1/1
13.	Ajith A/L Jayaram (Retired on 21 June 2018)	4/4
14.	Lee Kit Seong (Retired on 21 June 2018)	4/4
15.	Kiyoaki Takano (Retired on 21 June 2018)	4/4

^{(*} Number of Board Meetings attended/held during the Director's term in office)

Nominating Committee ("NC")

The NC established by the Board comprises three (3) members, comprising a majority of Independent Directors. Four (4) NC meetings were held during the year. Details of the NC members during the FYE 2019 are set out below:

1. Tomokatsu Yoshitoshi

Chairman of Committee (Independent Non-Executive Director) Appointed as member on 8 May 2018 Appointed as Chairman on 23 January 2019

Dato' Md Kamal bin Ismaun

Member of Committee (Non-Independent Non-Executive Director)

3. Datin Yasmin Ahmad Merican

Member of Committee (Independent Non-Executive Director) Appointed on 23 January 2019

4. Ng Eng Kiat

Chairman of Committee (Non-Independent Non-Executive Director) Appointed on 8 May 2018 Resigned on 23 January 2019

5. Dato' Abdullah bin Mohd Yusof

Chairman of Committee (Independent Non-Executive Director) Demised on 25 April 2018

⁽¹⁾ Unable to attend 1 out of 13 meetings due to panticipation in a management meeting of the holding company (AFSJ).

⁽²⁾ Unable to attend 1 out of 8 meetings due to being oversees, without access to teleconference facilities.

During the FYE 2019, the key activities undertaken by the NC are summarised as follows:

- i. Review of the size of the Board, required mix of skills, experience and other qualities of the Board including corecompetencies that both Executive and Non-Executive Director should bring to the Board;
- ii. Assessment of the effectiveness of the Board as a whole, the Board Committees and contribution of each individual Director;
- iii. Assessment of the effectiveness and performance of the Executive Directors and independence of the Independence Directors;
- iv. Identification and review of the training needs of the Directors;
- v. Nomination and assessment of suitability of Datin Khoo Pek Ling, YBhg. Datuk Adinan bin Maning, Datin Yasmin Ahmad Merican and Rashidah binti Abu Bakar for appointment as Directors, and thereafter recommendation on the proposed nomination for Board's approval; and
- vi. Review of the retirement of Directors by rotation and their eligibility for re-election.

Based on the reviews and assessment conducted, the NC is satisfied with the current composition and performance of the Board. Further details of policy on board composition having regard to the mix of skills, independence and diversity, Board nomination and election process of directors and criteria used by the NC in the selection process and the assessment undertaken by the NC in respect of its board, committees and individual directors together with the criteria used for such assessment are set out in the CG Report.

The Terms of Reference of the NC is available on the website of the Company https://www.aeoncredit.com.my/aeoncorporate/about-us/board-charter

Remuneration of Directors and Senior Management

The Board has in place pre-requisite Remuneration Policy and Procedures, which is designed to:

- i. Provide comprehensive remuneration package for Executive Directors, Executive Officers and Senior Management which is able to attract, engage and retain the required talent and to motivate the Executive Directors and Senior Management to drive the Company's long term objective and to ensure business sustainability and growth; and
- ii. Develop appropriate remuneration structure for Non-Executive Directors, taking into consideration the complexity of the Company's business, contribution and time commitment of each director and trends for similar positions in the market.

The Remuneration Policy and Procedures are reviewed periodically.

The Remuneration Committee ("RC"), comprising a majority of Independent Directors, assists the Board in the implementation of the above-mentioned policy and procedures based on the Terms of Reference of the RC, which is available at the Company's website https://www.aeoncredit.com.my/aeon-corporate/about-us/board-charter. Five (5) RC meetings were held during the year. Details of the RC members during the FYE 2019 are set out below:

1. Tomokatsu Yoshitoshi

Chairman of Committee (Independent Non-Executive Director) Appointed as member on 8 May 2018, Appointed as Chairman on 23 January 2019

2. Ng Eng Kiat

Member of Committee (Non-Independent Non-Executive Director) Appointed as Chairman on 8 May 2018, Resigned as Chairman on 23 January 2019

3. Datin Yasmin Ahmad Merican

Member of Committee (Independent Non-Executive Director) Appointed on 23 January 2019

4. Dato' Md Kamal bin Ismaun

Member of Committee (Non-Independent Non-Executive Director) Resigned on 23 January 2019

5. Dato' Abdullah bin Mohd Yusof

Chairman of Committee (Independent Non-Executive Director) Demised on 25 April 2018

The Board will recommend the Directors' remuneration payable to the Non-Executive Directors to the shareholders for approval at the Annual General Meeting ("AGM") in accordance with Section 230(1) of the Companies Act, 2016.

PRINCIPLE B

EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee

The AC comprises three (3) Independent Directors, with S. Sunthara Moorthy A/L S. Subramaniam as the Chairman of committee since 8 May 2018. He is a Fellow Member of the Association of Chartered Certified Accountants (ACCA) and a Chartered Accountant registered with the Malaysian Institute of Accountants (MIA).

All AC members are financially literate, with the AC's composition and performance being subject to annual review by the NC before recommendation to the Board for approval. The composition of the AC and activities of the AC for the financial year under review are set out in the Audit Committee Report in this Annual Report.

Risk Management and Internal Control Framework

The Board has ultimate responsibility for reviewing the Company's risks, approving the risk management and internal control framework, overseeing the Company's strategic risk management and ensuring adequacy of internal control system in the Company.

The key features of the risk management and internal control framework and processes to identify, evaluate, control, monitor and report the principal business risks faced by the Company on an ongoing basis are set out in the Statement on Risk Management in this Annual Report.

The AC assisted the Board in discharging the above responsibility in FYE 2019 by overseeing and reviewing the risk management framework and key risk areas periodically. The Board is of the view that the system of internal control and risk management in place during the FYE 2019 is sound and sufficient to safeguard the Company's assets, shareholders' investment and the interests of customers, regulators, employees as well as other stakeholders.

The Board of Directors had established a new Board Committee namely, Board Risk Committee ("BRC") on 23 January 2019. Details of the BRC members appointed on the said date are as follows:

1. YBhg. Datuk Adinan bin Maning

Chairman of Committee (Senior Independent Non-Executive Director)

2. Datin Khoo Pek Ling

Member of Committee (Independent Non-Executive Director)

3. Rashidah binti Abu Bakar

Member of Committee (Independent Non-Executive Director)

The BRC, with primary role of oversight function on risk management and compliance, held its first meeting on 16 April 2019.

PRINCIPLE C

INTERGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Communication with stakeholders

The Board is aware that a key element of good corporate governance is the effective communication and timely dissemination of clear, relevant and comprehensive information which is readily accessible to the Company's stakeholders. It also recognises the importance of maintaining transparency and accountability to stakeholders, in line with the principles and practices set out in Bursa Securities' Corporate Disclosure Guide and applicable laws.

The various channels of communication with stakeholders include:

- The Company's website (www.aeoncredit.com.my) where information on the Company's announcements, financial information, Board Charter and other policies, Code of Ethics, the Company's Annual Reports and whistle-blowing channel, etc. may be accessed;
- ii. Announcements to Bursa Securities on the quarterly/annual financial performance and corporate developments in the Company;
- iii. Meetings, engagements and participation in events involving regulators, industry associations, business partners, merchants, segments of local community etc.;
- iv. 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;
- v. Publication of Annual Report and CG Report, containing comprehensive information on the financial results, operations, prospects, activities undertaken, sustainability statement and state of corporate governance in the Company;
- vi. Engagement with shareholders during the Company's AGM; and
- vii. A dedicated investor relations' e-mail contact which is available at ir_info@aeoncredit.com.my for shareholders to submit queries or comments on any issues of concern.

The list of stakeholder groups and communication channels is set out in the FYE 2019 Sustainability Statement in this Annual Report.

Conduct of General Meetings

The Company's AGM has been a main forum of dialogue for shareholders to raise their concerns and provide feedback to the Board on the Company's performance and direction. It serves as a platform for shareholders to obtain full understanding on the Company and its operations. Notice of AGM setting out the agenda together with the Annual Report is sent to the shareholders at least 28 days prior to the date of AGM.

The AGM of the Company has always been held in city centre of Kuala Lumpur to facilitate easy access for, and maximum participation of, shareholders. For the presentation by the Management at the AGM, all Chairman of Committees are present to respond to any enquiries from the shareholders.

The Board and Senior Management recognised the importance of Integrated Reporting ("IR") as approach to being together material information about AEON Credit's strategy, governance, performance and prospects in a way that reflects the commercial, social and environment context within which the company operates. The company has embarked on the initial steps towards IR framework with intention to fully comply and adopt this practice by FYE 2021. Currently the company is developing the IR roadmap for this journey which encompasses "integrated thinking".

This Corporate Governance Overview Statement was approved by the Board of Directors on 9 May 2019.

COMPOSITION

The Audit Committee ("AC") members are appointed by the Board from amongst its non-executive members. The AC comprises three (3) members, all of whom are Independent Non-Executive Directors.

Name of AC Members	Designation	Directorship
S Sunthara Moorthy A/L S Subramaniam	Chairman	Independent Non-Executive Director
YBhg. Datuk Adinan bin Maning	Member	Senior Independent Non-Executive Director
Datin Khoo Pek Ling	Member	Independent Non-Executive Director

The Chairman of the AC is appointed by the Board and is not the Chairman of the Board. S Sunthara Moorthy A/L S Subramaniam (Chairman of the AC) and Datin Khoo Pek Ling are members of the Malaysian Institute of Accountants.

In this regard, the AC composition is in line with Paragraphs 15.09 and 15.10 of the Main Market Listing Requirements ("MMLR") of Bursa Securities, which prescribe that the AC must be composed of not fewer than three members, all of whom must be non-executive directors with the Chairman and a majority of the members being independent directors and at least one member of the AC must be a member of the Malaysian Institute of Accountants, and no alternate director is appointed as a member of the AC.

During the year under review, the Board, via the Nominating Committee, had performed the annual assessment on the term of office and performance of the AC and each of its members pursuant to Paragraph 15.20 of the MMLR of Bursa Securities to evaluate whether the AC and each of its members have discharged their responsibilities and duties in accordance with the AC's Terms of Reference.

The responsibilities and duties of the AC are set out in the AC's Terms of Reference and approved by the Board, and it is accessible for viewing on the Company's corporate website at www.aeoncredit.com.my.

ATTENDANCE OF AC MEETINGS

During the financial year ended 28 February 2019, the AC convened seven (7) meetings with four (4) scheduled quarterly meetings held on 13 April 2018, 19 June 2018, 25 September 2018 and 13 December 2018 respectively, and three (3) Special Meetings held on 21 August 2018, 22 November 2018 and 22 January 2019 respectively.

The details of attendance of each AC member during the financial year are as follows:

Current AC Members	Date of Appointment	Attendance	
S Sunthara Moorthy A/L S Subramaniam (1) Chairman, Independent Non-Executive Director	1 March 2018	7/7	
YBhg. Datuk Adinan bin Maning (2) Member, Senior Independent Non-Executive Director	28 June 2018	5/5	
Datin Khoo Pek Ling (3) Member, Independent Non-Executive Director	28 June 2018	4/5	
Former AC Members	Date of Resignation	Attendance	
Ng Eng Kiat (4) Non-Independent Non-Executive Director	8 May 2018	1/1	
Dato' Md Kamal bin Ismaun (5) Non-Independent Non-Executive Director	23 January 2019	7/7	

Notes:

- Appointed as a Member of the AC on 1 March 2018 and re-designated as the Chairman of the AC with effect from 8 May 2018.
- (2) Appointed as a Member of the AC on 28 June 2018 and re-designated as the Senior Independent Non-Executive Director with effect from 23 January 2019.
- (3) Appointed as a Member of the AC on 28 June 2018.
- (4) Resigned as the Chairman and a Member of the AC with effect from 8 May 2018 following his re-designation as the Chairman of the Board on even date.
- (5) Resigned as a Member of the AC with effect from 23 January 2019 following his re-designation as Non-Independent Non-Executive Director on even date.

The Company Secretary, being the Secretary of the AC, the Chief Financial Officer and Head of Internal Audit Group, had attended all the meetings held during the financial year. Upon invitation, the Managing Director, Executive Director, Executive Officers, Head of Corporate Governance Group, related management personnel and representatives of the External Auditors also attended specific meetings.

The Chairman of the AC reported to the Board on matters deliberated during the AC Meetings and minutes of each AC Meetings were recorded, circulated to all members of the Board and tabled for consideration at Board Meetings.

SUMMARY OF ACTIVITIES OF THE AC DURING THE FINANCIAL YEAR

For the financial year ended 28 February 2019, the AC in the discharge of its functions and duties as set out in its Terms of Reference, has carried out the following principal activities:

1. Financial Statement and Reporting

- a) Reviewed and discussed the unaudited quarterly financial results of the Company with the Management at the scheduled quarterly AC meetings, and recommended the same to the Board for consideration and approval before releasing to Bursa Securities.
- b) Reviewed and discussed with the External Auditors and Management on the Audited Financial Statements of the Company for the financial year ended 28 February 2018, and recommended the same for the Board's consideration and approval.

2. External Audit

- a) Reviewed and deliberated reports issued by the External Auditors, Messrs. Deloitte PLT Malaysia, on significant findings and remedial actions to be taken by Management to address the issue raised arising from the statutory audit and the key audit matters raised by the External Auditors at the AC Meeting held on 13 April 2018.
- b) Reviewed and recommended to the Board for consideration the proposed audit fees and non-audit fees for the Company's External Auditors in respect of the statutory audit fees, recurring non-audit fees and one-off nonaudit fees.
- c) At the AC Meeting held on 13 April 2018, reviewed and recommended to the Board on the re-appointment of Messrs. Deloitte PLT Malaysia as the External Auditors of the Company for the financial year ended 28 February 2019.
- d) Reviewed with the External Auditors, Messrs. Deloitte PLT Malaysia on the scope of work and the audit plan for the year under review.
- e) During the financial year, the AC met with the Engagement Partner of Messrs. Deloitte PLT twice, i.e. on 13 April 2018 and 13 December 2018 to discuss any issues or significant matters in relation to their work without the presence of the Executive Board members, Management staff of the Company and Internal Audit Group.

3. Internal Audit

- At the AC Meeting held on 19 June 2018, reviewed and approved the Internal Audit Group's revised annual audit plan for the financial year ended 28 February 2019.
- b) At the Special AC Meeting held on 22 January 2019, reviewed and approved the annual internal audit plan of the Internal Audit Group for the financial year ending 29 February 2020, including its scope, coverage and the resource requirements of the Internal Audit function to carry out its work.
- c) Reviewed and deliberated internal audit reports, which highlighted the audit issues and recommendations as well as the Management's action plan thereto, to ensure that appropriate actions had been taken to address the issues raised.
- d) Reviewed and discussed with the Management the progress of agreed remedial actions plans on audit issues at the scheduled quarterly AC meetings, to ensure that the remedial measures are implemented promptly and appropriately.
- e) The AC has also evaluated the performance and effectiveness of the Internal Audit function pursuant to Paragraph 15.12 of the MMLR of Bursa Securities, which include the scope, functions, competency and resources of the Internal Audit Group.
- f) During the financial year, the AC held one (1) meeting with the Internal Auditor on 13 April 2018 without the presence of the Executive Board members and Management staff of the Company to discuss any issues or significant matters, which the Internal Auditor wished to raise.

4. Related Party Transactions

- Reviewed the recurrent related party transactions of a revenue or trading nature entered into by the Company at the scheduled quarterly AC meetings and special AC Meetings.
- b) Reviewed the annual circular to shareholders in respect of the proposed renewal of existing Shareholders' mandate for recurrent related party transactions and proposed new shareholders' mandate for additional recurrent related party transactions of a revenue or trading nature and recommended the same to the Board for consideration and approval.
- 5. Internal Control Over Financial Reporting ("Japanese Sarbanes-Oxley" or "J-SOX") and Compliance Review on Credit Card Business
 - a) Reviewed and deliberated J-SOX Internal Control Audit Report for the financial year ended 28 February 2018 issued by Deloitte Enterprise Risk Services Sdn Bhd on the findings and Management's action plans put in place to address the issues raised arising from the independent testing on the effectiveness of the Company's internal control over financial reporting which covered the areas of Entity Level Control, Financial Closing Reporting Process, Process Level Control, and Information Technology General Control.
 - b) Reviewed and deliberated the Compliance Review Report on Credit Card Business issued by KPMG Management & Risk Consulting Sdn Bhd on the review results and findings arising from their reviews to assess the state of compliance with the relevant Bank Negara Malaysia guidelines and legislations.

6. Annual Reporting

a) Discussed and recommended to the Board for approval, the Corporate Governance Overview Statement, Corporate Governance Report, Statement on Risk Management and Internal Control, and the AC Report and Directors' Responsibility Statement in relation to the Audited Financial Statements for inclusion in the Annual Report 2018.

7. Others

- a) Reviewed and considered proposed revisions made to the AC's Terms of Reference for Board's approval.
- b) Reviewed the risk management reports presented by Management, and considered the adequacy of actions taken to identify, address, mitigate and resolve reported risks (*).
- c) Reviewed the proposals presented by Management to declare annual distributions to shareholders, and recommended such proposals to the Board for consideration.
- d) Reviewed and discussed the adoption of new accounting standard (Malaysian Financial Reporting Standard 9 Financial Instruments).
- Reviewed and recommended to the Board for its approval the Management's proposals for disposal of writtenoff accounts.
- f) Discussed and recommended to the Board for approval, the appointment of Messrs. Deloitte PLT Malaysia for the conduct of Tax Compliance Health Check.
- (*): The Board has established a new Board Committee, namely Board Risk Committee with effect from 23 January 2019, to oversee the Company's risk management framework and policies.

INTERNAL AUDIT FUNCTION

The Board has established an in-house internal audit function. The primary responsibility of the Internal Audit Group is to provide independent and objective assessment on the adequacy and effectiveness of the governance, risk and control processes implemented by the Management.

As guided by the Internal Audit Charter, Policy and Procedure, the Internal Audit Group maintained their independence and impartiality on the activities and functions it audits. To reflect the independence of internal audit function, the Internal Audit Group reports functionally to the AC and administratively to the Managing Director, and has unfettered access to the AC. The AC also ensures that the Internal Audit Group has the authority to carry out their work objectively and independently.

The Internal Audit Group adopts a risk-based approach to plan and prioritise audit work focusing on high risk auditable areas, which encompass auditing the Company's business activities and operations, information systems including the Outsourced Service Providers. These are guided by an annual internal audit plan, which is approved by the AC.

During the year under review, the Internal Audit Group conducted the internal audit engagements in accordance with the approved annual internal audit plan to review the adequacy and effectiveness of the internal control system as well as compliance with relevant policies, procedures and regulations. The Internal Audit Group also carried-out ad-hoc audit reviews upon requests from the regulator, Bank Negara Malaysia during the financial year, reviewed the recurrent related party transactions entered into by the Company on a quarterly basis, and observed and reviewed the Business Continuity Plan and Disaster Recovery Plan tests to provide independent evaluation of the testing performed.

Internal control deficiencies noted from these audits were highlighted to the appropriate level of Management for resolution. In relation to this, Internal Audit Group also presented the audit issues and remedial action plans thereto, as well as the progress of remedial actions taken on open audit issues, at the monthly Internal Audit Meetings attended by the Managing Director, Executive Director and Executive Officers of the Company.

Internal Audit Reports arising from the audits and reviews conducted by Internal Audit Group were tabled to the AC for review and deliberation at each of the scheduled AC Meetings held on 13 April 2018, 19 June 2018, 25 September 2018 and 13 December 2018 respectively and at the Special AC Meeting held on 22 January 2019. The relevant Management of the operating units are responsible to ensure that remedial measures are taken on reported internal control deficiencies within the required timeframe. Follow-up reviews were conducted by Internal Audit Group, and status updates were provided to the AC on the progress of remedial measures taken.

The total cost incurred in respect of the internal audit function for the financial year under review was in the region of RM2,450,000 (FYE 2018: RM1,780,000).

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 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.

The processes for risks controls assessments and improvements are on-going and are regularly reviewed in accordance with the guidelines on the Statement on Risk Management & Internal Control – Guidelines for Directors of Public Listed Issuers" ("Guidelines") issued by Bursa Malaysia Securities Berhad.

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 ended 28 February 2019 and it has been prepared in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The Risk Management Committee being the delegated committee of the Board, are responsible for the preparation of the Statement on Risk Management and Internal Control in accordance with the Guidelines. Set out below is the Statement on Risk Management and Internal Control which has been prepared in accordance with the Guidelines.

BOARD RESPONSIBILITIES

The Board has an overall responsibility in establishing a sound risk management and internal control system. The risk management and internal control framework is designed to manage rather than to eliminate the risk of failure in the achievement of goals and objectives of the Company, the system can therefore only provide reasonable and not absolute assurance against the occurrence of any material misstatement, loss or fraud.

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. In January 2019, the Board had approved the establishment of Board Risk Committee to oversee the organization's risk, and the adequacy of the Company's risk management framework and effectiveness of risk management process. The Board Risk Committee will commence its first meeting on 16 April 2019.

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 organiszation 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.

SYSTEM OF INTERNAL CONTROLS

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 financial year.

To ensure that a sound system of controls is in place, the Board has established primary processes in reviewing the adequacy and integrity of the system of internal controls. The primary processes include:

- An annual business plan and budget are submitted to the Board for approval. Actual performances are reviewed
 against the targeted results on a monthly basis for Management response and action required, where applicable.
 The Board reviewed monthly 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's core values and Code of Conduct and Ethics are the essential guiding principles which are observed in all business dealings and sets out standards of good practice to be observed by all staff.
- The corporate decision authority matrix, corporate purchasing authority matrix and respective business units'
 authority matrix with defined empowerment and authority serves as framework in regulating all business activities
 and decisions within the Company.
- The Company has in place written operating procedures in various areas of operations, which also incorporate risk management issues and updated as and when necessary to improve on the control environment and operational efficiency.
- Various Management Committees have been established by Management to assist and support the Board to oversee areas such as Company's Executive Committee, Risk Management Committee, Investment Committee, Disciplinary Action Committee, HR Development Committee, IT Steering Committee, and Credit Committee.
- 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.
- The Company has been identified as a significant subsidiary of the holding corporation, AEON Financial Service Co., Ltd. ("AFSJ"), for purposes of AFSJ's compliance with the Framework of Internal Controls over Financial Reporting ("Japanese Sarbanes-Oxley" or "J-SOX") pursuant to the Financial Instruments and Exchange Law of Japan. Based on the said requirements, management conduct evaluation of internal controls in the Company that have a significant and pervasive impact over financial reporting and internal controls corresponding to relevant specific processes. Thereafter, an external consultant engaged by the Company conducts an annual assessment on the effectiveness of internal controls on financial reporting, and furnishes a report on related findings, if any.
- 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.

ENTERPRISE-WIDE RISK MANAGEMENT FRAMEWORK

The Board is committed to operate 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 overarching 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 Company, through setting the tone and expectations from the top, delegating its authority and monitoring compliance.

The key features of the ERMF include:

- i. Governance & Organisation: A strong governance structure is important to ensure an effective and consistent implementation of the ERM framework. The Board is ultimately responsible for the Company's risk management activities, sets the strategic direction, risk appetite and relevant frameworks. The Board is assisted by risk committee and control functions in ensuring that risk management framework is effectively maintained.
- ii. **Risk Appetite**: It is defined as the amount and types of risk that our Company is able and willing to accept in pursuit of its strategic and business objectives. Risk appetite is set in conjunction with the annual strategy and business planning process to ensure appropriate alignment between strategy, growth aspirations, operating plans, capital and risk.
- iii. **Risk Tolerance**: Risk tolerance is defined as a degree of loss (an outcome) that the Company is willing to absorb in operating a business after identifying tolerance ranges for specific risks.
- iv. **Risk Policies and Procedures**: Well-defined risk policies by risk type provide the principles by which the Company manages its risks. Procedures provide guidance for day-to-day risk-taking activities.
- v. **Risk Culture**: The Company embraces risk management as an integral part of its culture and decision-making processes. In line with regulatory requirements and industry best practices, risk management is a core responsibility of the respective businesses and operating units. This has been articulated and documented in the risk management framework of the Company. The Company's risk management philosophy is embodied in the Three Lines of Defense approach, whereby risks are managed at the point of risk-taking activity.

The purpose of the ERMF is to identify and set minimum requirements in respect of the main risks in achieving the Company's strategic objectives and to provide reasonable assurance that internal controls are effective. The ERMF is reviewed annually by the Management or as needed.

The Board has established a management structure of the Company and clearly defined lines of responsibility, authority limits, and accountability aligned to business and operations requirements which support the maintenance of a strong control environment. The Board has extended the responsibilities to assess the internal controls to Audit Committee through the Internal Audit function.

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 and financial risk. The Company's exposure to risk events, impact and mitigation measures are presented and discussed at 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 framework and policies shall be reviewed and recommended by 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 monthly basis, highlighting the key risk areas, impact arising from risk events to the Company, changes to risk assessment evaluation, risk mitigation measures, etc. for Board's review and feedback.

The Company continuously communicates and engages with stakeholders to identify possible risks in addition to the events and circumstances that could affect the achievement of the objectives which includes the realisation of the opportunities. A combination of qualitative and quantitative methods is used by the Management to assess and evaluate the risk identified from 2 perspectives – risk likelihood and impact parameters. Management will then decide, in consultation with Risk Management Department on the risk treatment options for subsequent implementation.

Risk management policies, procedures and practices are reviewed and updated regularly to ensure relevance and compliance with current/applicable laws and regulations, and are made available to all employees. 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 via the ERMF has established the necessary mechanism in the light of changing business conditions and risks based on the key risk profiles and key risk indicators in place to alert management (and the Board as necessary) by reviewing the current level of risks in relation to risk appetite as an integral part of monitoring and measuring performance.

The Company had also put in place the structure of Three Lines of Defense whereby the first line is the Business Units or Front Liners, second line is Risk Management Department and Legal & Compliance Department, while third line is Internal Audit Group. The first line of defense are responsible for the day-to-day management of risks inherent in their business activities, while the second line is responsible for setting the risk management and compliance framework and developing related tools and methodologies. Complementing this is Internal Audit Group, which provides independent assurance of the effectiveness of the risk management approach.

INTERNAL AUDIT FUNCTION

The Audit Committee, assisted by the Internal Audit Group, 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 Group.

The Internal Audit Group adopts a risk-based approach in preparing its audit strategy and plan. The Internal Audit Group 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, information systems as well as outsourced activities. 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 Group engages in regular communication with the Senior Management 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 were noted during their audit are also monitored and followed-up.

CONCLUSION

The Board is satisfied with the adequacy and effectiveness of the Company's risk management and internal control system. The Board has received assurance from the Managing Director designated as Chief Financial Officer that the Company's risk management and internal control system, in all material aspects, is operating adequately and effectively. For the financial year under review, there were no material control failures or adverse compliance events that have directly resulted in any material loss to the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

FOR THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 (CA) to prepare the financial statements for each financial year which have been made out in accordance with the applicable Malaysian Financial Reporting Standards (MFRSs), the International Financial Reporting Standards (IFRSs), the requirements of the CA and the MMLR of Bursa Securities.

The Directors are responsible to ensure that the financial statements of the Company are prepared with reasonable accuracy from the accounting records so as to give a true and fair view of the state of affairs of the Company at the end of the financial year, and of the results and cash flows of the Company for the financial year then ended.

In preparing the financial statements, the Directors have:

- adopted appropriate and relevant accounting policies and applied them consistently;
- · made judgements and estimates that are reasonable and prudent; and
- prepared the annual audited financial statements on a going concern basis.

The Directors have overall responsibility for taking such steps necessary to safeguard the assets of the Company to prevent and detect fraud and other irregularities.

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES

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. AUDIT AND NON-AUDIT FEES

The details of the audit and non-audit fees paid or payable for the financial year ended 28 February 2019 to the External Auditors and a firm or corporation affiliated to the External Auditors are set out below:

	RM'000
Audit Fees	
- Statutory audit	173
- MFRS 9 model validation assessment	150
- J-SOX Audit	100
Total	423
Non-Audit Fees	
- Statement of Risk Management and Internal Control review	10
- Transfer Pricing documentation	30
- Payroll and tax compliance review	69
- Regulatory reporting review	25
- E-Money business assessment	77
Total	211

3. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

There were no proceeds raised from corporate proposals during the financial year.

4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

At the Twenty-First Annual General Meeting ("AGM") held on Thursday, 21 June 2018, the Company obtained a shareholders' mandate to allow the Company to enter into recurrent related party transactions of a revenue or trading nature. The disclosure of the recurrent related party transactions conducted during the financial year ended 28 February 2019 is set out on page 128 to 130 of the Annual Report.



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The Directors have pleasure in submitting their report and the audited financial statements of the Company for the financial year ended 28 February 2019.

PRINCIPAL ACTIVITIES

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

RESULTS

	RM'000
Profit for the financial year	354,624
	

In the opinion of the Directors, the results of operations of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature, except for the adoption of MFRS 9 *Financial Instruments*, as disclosed in Note 36 to the financial statements.

DIVIDENDS

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

- (i) A final single-tier dividend of 20.00 sen per ordinary share, totalling RM49,937,000 in respect of the financial year ended 28 February 2018 on 19 July 2018; and
- (ii) An interim single-tier dividend of 22.25 sen per ordinary share, totalling RM55,784,000 in respect of the financial year ended 28 February 2019 on 8 November 2018.

The Directors propose a final single-tier dividend of 22.35 sen per share, amounting to approximately RM56,063,000, computed based on the outstanding issued and paid-up capital held by the Company of 250,840,151 ordinary shares in respect of the current financial year.

The proposed final dividend is subject to the approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as liability in the financial statements. Upon approval by the shareholders, the final dividend payment will be accounted for in equity as an appropriation of retained earnings in the financial year ending 29 February 2020.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and fully paid-up share capital of the Company was increased from 248,449,117 ordinary shares to 250,840,151 ordinary shares by way of the issuance of 2,391,034 new ordinary shares pursuant to the conversion of 26,278,536 units of Irredeemable Convertible Unsecured Loan Stocks.

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

There was no issuance of debentures during the financial year.

ISSUE OF IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("ICULS")

On 21 September 2017, the Company issued 432,000,000 units of 3-year, 3.5% ICULS amounting to RM432,000,000 for the purpose of working capital.

The salient features of the ICULS are set out in Note 20 to the financial statements.

As at the end of the financial year, 49,104,674 units of ICULS is outstanding.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

DIRECTORS

The Directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Ng Eng Kiat
Kenji Fujita
Dato' Md Kamal bin Ismaun
Tomokatsu Yoshitoshi
S Sunthara Moorthy A/L S Subramaniam
Tetsuro Takano
Lee Tyan Jen
YBhg. Datuk Adinan bin Maning (appointed on 28 June 2018)
Datin Khoo Pek Ling (appointed on 28 June 2018)
Datin Yasmin Ahmad Merican (appointed on 23 January 2019)
Rashidah binti Abu Bakar (appointed on 23 January 2019)
Ajith A/L Jayaram (retired on 21 June 2018)
Kiyoaki Takano (retired on 21 June 2018)
Lee Kit Seong (retired on 21 June 2018)
Dato' Abdullah bin Mohd Yusof (demised on 25 April 2018)

DIRECTORS' INTERESTS

The interests and deemed interests in the ordinary shares of the Company and of its related companies of those who are Directors at financial year end as recorded in the Register of Directors' Shareholdings are as follows:

	<> Number of ordinary shares>						
	At 1.3.2018/ Date of IC appointment convers		Sold	At 28.2.2019			
Direct interest:							
Ng Eng Kiat	18,000	3,321	-	21,321			
Dato' Md Kamal bin Ismaun	9,000	-	-	9,000			
Lee Tyan Jen	35,661	-	-	35,661			
Datin Yasmin Ahmad Merican	20,000	-	-	20,000			

⁽¹⁾ ICULS conversion as described in Note 20 to the financial statements

	<> Number of ICULS>					
	At			At		
	1.3.2018	Bought	Converted	28.2.2019		
Direct interest:						
Ng Eng Kiat	36,500	-	(36,500)	-		
Dato' Md Kamal bin Ismaun	18,000	-	-	18,000		
Lee Tyan Jen	72,500	-	-	72,500		

None of the other directors in office at end of the financial year hold shares or had beneficial interest in the shares of the Company or its related companies during or at the beginning and end of the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate of remuneration received or due and receivable by directors or the fixed salary of a full-time employee of the Company as disclosed in Note 23 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which the Director has a substantial financial interest.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby Directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions under review except as disclosed in the financial statements 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 proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Company had 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) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Company inadequate to any substantial extent; or
- (ii) which would render the values attributed to current assets in the financial statements of the Company misleading; or
- (iii) which have arisen which would 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 of the Company which would render any amount stated in the financial statements misleading.

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

- (i) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (ii) any contingent liability of the Company which has arisen since the end of the financial year.

No contingent or other liability 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 affect the ability of the Company to meet its obligations when they fall due.

OTHER STATUTORY INFORMATION (Continued)

In the opinion of the Directors:

- (i) the results of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material and unusual nature which is likely to affect substantially the results of the Company's operations for the financial year in which this report is made.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity coverage and insurance premium paid for Directors and Officers of the Company are RM10,000,000 and RM28,700 respectively.

HOLDING COMPANIES

The immediate and ultimate holding companies are AEON Financial Service Co., Ltd. and AEON Co., Ltd. respectively. Both companies were incorporated in Japan and are listed on the Tokyo Stock Exchange.

AUDITORS' REMUNERATION

The amount paid/payable as remuneration of the auditors for the financial year ended 28 February 2019 is as disclosed in Note 23 to the financial statements.

EVENTS AFTER REPORTING PERIOD

Events after reporting period are as disclosed in Note 24(ii) to the financial statements.

AUDITORS

The auditors, Deloitte PLT, have indicated their willingness to continue in office.

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

KENJI FUJITA

LEE TYAN JEN

Kuala Lumpur

9 May 2019

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AEON CREDIT SERVICE (M) BERHAD (INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of **AEON CREDIT SERVICE (M) BERHAD**, which comprise the statement of financial position of the Company as at 28 February 2019, and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 96 to 146.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 28 February 2019, and of its financial performance and its 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 2016 in Malaysia.

BASIS FOR OPINION

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE AND OTHER ETHICAL RESPONSIBILITIES

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter

Impairment of financing receivables

The adoption of MFRS 9 Financial Instruments has fundamentally changed the Company's accounting for financing receivables by replacing MFRS 139's incurred loss approach with an expected credit loss ("ECL") approach.

The measurement of ECL is complex and requires the application of significant judgement which includes the identification of credit exposures with significant deterioration in credit quality, assumptions used in the ECL models such as the expected future cash flows, time value of money, forward looking macroeconomic factors and probability-weighted multiple scenarios.

Refer to the significant accounting policy in Note 3 to the financial statements, the disclosure of financing receivables in Note 8 to the financial statements and the disclosure of credit risk in Note 31 to the financial statements.

Our audit performed and responses thereon

Our audit procedures included, among others:

- Evaluated the design and implementation of the key controls over impairment of financing receivables;
- Assessed whether the Company's ECL model on financing receivables is in accordance with MFRS 9. The assessment includes assessment of significant assumptions and considerations by the Company in the ECL model to address requirements of MFRS 9 such as criteria for significant deterioration in credit quality, expected future cash flows, time value of money, forward looking macroeconomic factors and probability-weighted multiple scenarios;
- Engaged specialist to perform an independent ECL assessment based on data derived from the Company's financing receivables and compared the independent estimate developed against the impairment of financing receivables recorded by the Company; and
- Involved information technology specialist to test the source data used in the independent ECL estimate developed to ensure accuracy and completeness inputs into the independent ECL assessment using computer assisted audit techniques.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AEON CREDIT SERVICE (M) BERHAD

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due
 to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that
 is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement
 resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional
 omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal
 control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AEON CREDIT SERVICE (M) BERHAD

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (Continued)

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the
 disclosures, and whether the financial statements represent the underlying transactions and events in a manner that
 achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Company for the current year and are therefore the key audit matter. We describe the matter in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

DELOITTE PLT (LLP0010145-LCA)
AF 0080
Chartered Accountants

WONG KAR CHOON Partner - 03153/08/2019 J Chartered Accountant

9 May 2019

STATEMENT OF FINANCIAL POSITION

AS AT 28 FEBRUARY 2019

	Note	2019 RM'000	2018 RM'000
ASSETS			
Non-current Assets	_		
Plant and equipment	5	118,676	92,274
Investments Deferred tax assets	6 7	70,604 153,916	18,370 51,813
Financing receivables	8	6,003,628	5,030,204
Total Non-current Assets		6,346,824	5,192,661
Current Assets	0	0.400.454	0.400.005
Financing receivables Other receivables, deposits and prepayments	8 9	2,102,151 89,103	2,126,095 52,615
Amount owing by related companies	26	6,069	1,076
Derivative financial assets	10	19,178	249,557
Cash, bank balances and deposits	11	92,429	83,681
Total Current Assets		2,308,930	2,513,024
TOTAL ASSETS		8,655,754	7,705,685
			
EQUITY AND LIABILITIES			
Capital and Reserves	40	504.007	500.000
Share capital	12	534,907	508,629
Irredeemable Convertible Unsecured Loan Stocks ("ICULS") equity Hedging reserve	20 13	43,800 (21,491)	68,306
Fair value reserve	14	37,528	(9,982)
Retained earnings	15	904,237	1,014,550
Equity attributable to ordinary equity holders of the Company Perpetual notes and sukuk	16	1,498,981 376,000	1,581,503 276,000
Total Equity		1,874,981	1,857,503
Non-current Liabilities			
Borrowings	17	5,616,006	3,257,145
ICULS liabilities	20	1,595	4,717
Total Non-current Liabilities		5,617,601	3,261,862
Current Liabilities			
Borrowings	17	814,006	2,296,974
Trade payables	18	27,032	21,755
Other payables and accruals	19	168,962	121,589
Amount owing to immediate holding company Amount owing to related companies	26 26	6,917 5,762	6,557 2,225
Derivative financial liabilities	10	105,495	107,726
ICULS liabilities	20	1,635	2,650
Tax liabilities		33,363	26,844
Total Current Liabilities		1,163,172	2,586,320
Total Liabilities		6,780,773	5,848,182
TOTAL EQUITY AND LIABILITIES		8,655,754	7,705,685

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2019

	Note	2019 RM'000	2018 RM'000
Interest income, profit revenue and finance charges Fee income	21	1,190,369 175,474	1,096,721 138,401
Revenue Staff costs Depreciation of plant and equipment Operating expenses Reversal of allowance/ (Allowance) for impairment loss on financing receivables		1,365,843 (224,013) (36,160) (563,879) 29,573	1,235,122 (198,934) (25,215) (501,174) (10,637)
Other income		153,707	126,484
Profit from operations Finance costs	22	725,071 (252,880)	625,646 (227,311)
Profit before tax Taxation	23 24	472,191 (117,567)	398,335 (98,278)
Profit for the financial year		354,624	300,057
Other comprehensive income, net of tax Item that may be reclassified subsequently to profit or loss: Net changes in cash flow hedge		(11,509)	17,372
Item that will not be reclassified subsequently to profit or loss: Net fair value changes on investments at fair value through other comprehensive income		37,528	_
Total other comprehensive income for the financial year		26,019	17,372
Total comprehensive income for the year		380,643	317,429
Profit attributable to equity holders of the Company		354,624	300,057
Total comprehensive income attributable to equity holders of the Company		380,643	317,429
Earnings per ordinary share attributable to owners of the Company (sen) Basic	25	133.55	139.23

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2019

	<> Non-distributable> Perpetual				Distributable		
	Note	Share capital RM'000	ICULS equity RM'000	notes and sukuk RM'000	Hedging reserve RM'000	Retained earnings RM'000	Total RM'000
At 1 March 2017		116,012	-	276,000	(27,354)	866,329	1,230,987
Cash flow hedge, net of tax Profit for the year		-		-	17,372 -	300,057	17,372 300,057
Total comprehensive income for the year		-	-	-	17,372	300,057	317,429
Issuance of bonus shares Issuance of ICULS	12 20	36,000	- 390,514	-	-	(36,000)	- 390,514
Conversion of ICULS Deferred tax effects on ICULS	20 20	356,617 -	(322,370) 162	-	-	-	34,247 162
ICULS issuance expenses Distribution on perpetual notes		-	-	-	-	(3,190)	(3,190)
and sukuk, net of tax Dividends	27	-	-	-	-	(13,621) (99,025)	(13,621) (99,025)
At 28 February 2018		508,629	68,306	276,000	(9,982)	1,014,550	1,857,503

		<> Non-distributable>			Distributable			
	Note	Share capital RM'000	ICULS equity RM'000	Perpetual notes and sukuk RM'000	Hedging reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total RM'000
At 1 March 2018, as previously reported Effect of change in accounting policy due to adoption of		508,629	68,306	276,000	(9,982)	-	1,014,550	1,857,503
MFRS 9, net of tax	36	-	-	-	-	32,351	(344,527)	(312,176)
At 1 March 2018, as restated		508,629	68,306	276,000	(9,982)	32,351	670,023	1,545,327
Cash flow hedge, net of tax Fair value through other		-	-	-	(11,509)	-	-	(11,509)
comprehensive income Profit for the year		-	-	-	-	5,177 -	- 354,624	5,177 354,624
Total comprehensive income for the year					(11,509)	5,177	354,624	348,292
Conversion of ICULS Deferred tax effects on ICULS	20 20	26,278 -	(24,397) (109)	- - -	(11,509)			1,881 (109)
Issuance of perpetual notes and sukuk Placement fee of issuance of	16	-	-	200,000	-	-	-	200,000
perpetual notes and sukuk Redemption of perpetual notes	16	-	-	(100,000)	-	-	(1,030)	(1,030) (100,000)
Distribution on perpetual notes and sukuk, net of tax		-	-	-	-	-	(13,659)	(13,659)
Dividends	27	-	-	-	-	-	(105,721)	(105,721)
At 28 February 2019		534,907	43,800	376,000	(21,491)	37,528	904,237	1,874,981

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2019

2019 RM'000	2018 RM'000
472,191	398,335
(1,207) (142) 252,880 36,160 308,372 372	(2,768) (171) 227,311 25,215 335,920 800 675
1,068,626 (1,711,178) (36,488) (4,993) 5,277 40,937 360 3,537 (1,005) 3,873	985,317 (1,053,516) (4,755) 438 (8,070) 13,323 1,551 231 - 1,084
(631,054) (108,364)	(64,397) (102,481)
(739,418)	(166,878)
(62,935) 143 (2,855) 1,207	(56,058) 173 - 2,768 (53,117)
	1,068,626 (1,711,178) (36,488) (4,993) 5,277 40,937 360 3,537 (1,005) 3,873 (631,054) (108,364) (739,418)

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2019 (continued)

Note	2019 RM'000	2018 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES Dividend paid to shareholders of the Company Proceeds from bank borrowings Repayment of bank borrowings Proceeds from issuance of ICULS Issuance expenses relating to ICULS Coupon payment of ICULS Distribution paid to perpetual notes and sukuk holders Redemption of perpetual notes Issuance of perpetual notes and sukuk Issuance expenses relating to perpetual notes and sukuk Finance costs paid	(105,721) 4,615,640 (3,489,930) - (2,144) (17,973) (100,000) 200,000 (1,030) (246,556)	(99,025) 974,000 (847,122) 432,000 (3,190) - (17,922) - - (223,667)
Net Cash From Financing Activities	852,286	215,074
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	48,428	(4,921)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	18,755	23,676
CASH AND CASH EQUIVALENTS AT END OF THE YEAR (i)	67,183	18,755

(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	2019 RM'000	2018 RM'000
Cash and bank balances Deposits placed with licensed banks	11 11	83,112 9,317	78,915 4,766
Bank overdrafts Cash held in trust for customers Cash held in trust for a related company	17 11 11	92,429 (19,290) (1,005) (4,951)	83,681 (56,102) - (8,824)
		67,183	18,755

1. GENERAL INFORMATION

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

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

The registered office of the Company is located at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

The principal place of business of the Company is located at Level 18, UOA Corporate Tower, Avenue 10, The Vertical, Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

The immediate and ultimate holding companies are AEON Financial Service Co., Ltd. and AEON Co., Ltd. respectively. Both companies were incorporated in Japan and are listed on the Tokyo Stock Exchange.

The financial statements were approved and authorised for issue in accordance with a Board of Directors' resolution dated 9 May 2019.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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 2016 in Malaysia.

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information presented in RM has been rounded to the nearest thousand (RM'000 or '000), unless otherwise stated.

Adoption of New MFRSs, Issues Committee ("IC") Interpretation and Amendments to MFRSs

In the current financial year, the Company adopted all the new MFRSs, Amendment to MFRS and IC interpretations issued by Malaysian Accounting Standards Board ("MASB") that are relevant to its operations and effective for financial periods commencing on or after 1 March 2018.

MFRS 9 Financial Instruments

MFRS 15 Revenue from Contracts with Customers

IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

The adoption of these MFRSs and IC Interpretation have not had material impact on the amounts reported in the financial statements of the Company in the current financial year and previous financial years except for the adoption of MFRS 9. The details and the financial effects of the adoption of MFRS 9 are discussed in Note 36.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)

New and Revised Standards, Amendments and IC Interpretations in issue but not yet effective

At the date of authorisation for issue of these financial statements, the relevant new and revised MFRSs, Amendments to MFRSs and IC Interpretation, which were in issue but not yet effective and not early adopted by the Company are as listed below:

MFRS 16 Leases¹

IC Interpretation 23 Uncertainty over Income Tax Treatments¹

Amendments to:

MFRS 3 Definition of a Business²

MFRS 9 Prepayment Features with Negative Compensation¹

MFRS 101 and MFRS 108 Definition of Material²

MFRSs Annual Improvements to MFRSs 2015 - 2017¹

MFRSs Amendments to Reference to the Conceptual Framework in MFRS Standards²

- ¹ Effective for annual periods beginning on or after 1 January 2019.
- ² Effective for annual periods beginning on or after 1 January 2020.

The Directors anticipate that the abovementioned new and revised MFRSs, Amendments to MFRSs and IC Interpretation will be adopted in the annual financial statements of the Company when they become effective and that the adoption of these Standards, Amendments and IC Interpretation will have no material impact on the financial statements of the Company in the period of initial application except for the below:

MFRS 16 Leases

MFRS 16 replaces the guidance in MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Leases - Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

The Company has assessed the estimated financial impact on their financial statements as at 1 March 2019 upon initial application of MFRS 16. As allowed by the transitional provision of MFRS 16, the Company has elected the modified retrospective approach with no restatement of comparative information. A preliminary detailed analysis indicates that the Company will recognise right-of-use assets of RM67,550,000 and lease liabilities of RM67,550,000 in respect of all leases.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Company have been prepared under the historical cost convention unless otherwise stated in the significant accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for any share-based payment transactions that are within the scope of MFRS 2 Share-based Payment, leasing transactions that are within the scope of MFRS 117 Leases and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 Inventories or value-in-use in MFRS 136 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirely, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can assess at the measurement date;
- Level 2 are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 are unobservable inputs for the asset or liability.

Revenue recognition

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the "control" of the goods or services underlying the particular performance obligation is transferred to the customer. A performance obligation is a promise to transfer a distinct goods or services (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Company's customary business practices.

(i) 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 profit or loss using the Effective Interest/Profit Rate ("EIR") method.

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

(ii) Fee income from easy payment, personal financing schemes based on Islamic principles and credit card business and extended warranty program

Fee income from easy payment and personal financing schemes comprise late payment/penalty charges, processing fees and credit recovery charges. Fee income from credit card business comprises credit recovery charges, cash advance fees, transaction charges, annual fees, merchant commission and Visa/MasterCard interchange fees. Fee income from extended warranty program comprise commission earned for referral of extended warranty program.

Fee income is generally recognised when the relevant performance obligation has been fulfilled.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee benefits

(a) Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the period in which the associated services are rendered by employees of the Company. Short-term accumulating compensated absences for paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(b) Defined contribution plan

The Company is required by law to make monthly contributions to the Employees Provident Fund ("EPF"), a statutory defined contribution plan, for all its eligible employees based on certain prescribed rates of the employees' salaries. The Company's contributions to EPF are disclosed separately. The employees' contributions to EPF are included in staff costs.

Foreign currency transactions

The financial statements of the Company are presented in Ringgit Malaysia, the currency of the primary economic environment in which the Company operates (its functional currency).

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period. Current tax for current and prior years is recognised as a liability (or asset) to the extent that it is unpaid (or recoverable).

Deferred tax

Deferred tax is recognised on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax (Continued)

Deferred tax (Continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is charged or credited to profit or loss, except when it arises from a transaction which is recognised in other comprehensive income or directly in equity, in which case the deferred tax is also charged or credited directly in other comprehensive income or to equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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 equity holders of the Company, less distribution on perpetual notes and perpetual sukuk, by the weighted average number of ordinary shares outstanding. Ordinary shares that would be issued upon conversion of a mandatorily convertible instrument are included in the weighted average number of ordinary shares from the date of issuance of the instrument.

Leases

Operating leases - The Company as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on the straight-line basis.

Plant and equipment

(i) Recognition and measurement

Items of plant and equipment are stated at cost less accumulated depreciation and 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.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Plant and equipment (Continued)

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

(ii) Depreciation

Depreciation is calculated based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component 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 principal annual rates are as follows:

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

The depreciable amount is determined after deducting the residual value.

Depreciation methods, useful lives and residual values are reassessed at end of each reporting period.

Impairment of non-financial assets

The carrying amounts of assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments

On 1 March 2018, the Company has adopted the requirements of MFRS 9. The Company has elected the modified retrospective approach with no restatement of comparative information upon adoption of MFRS 9. The changes in accounting policies have been applied retrospectively from 1 March 2018.

(i) Initial recognition and measurement

Financial instruments are recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instruments.

A financial asset or a financial liability is initially measured at fair value plus or minus, for an item not fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance.

(ii) Classification and subsequent measurement

Policy applicable from 1 March 2018 - Financial assets

From 1 March 2018, the Company has applied MFRS 9 and classifies its financial assets in the following measurement categories – amortised cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL").

The Company determines the classification of financial assets at initial recognition. The financial assets are not subsequently reclassified unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

(a) Amortised cost

Financial assets are measured at amortised cost if the financial assets are held within a business model whose objective is to collect contractual cash flows and its contractual terms give rise to specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest rate method. Interest income and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

(b) FVTOCI

Assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and for selling the financial assets, where those cash flows represent SPPI, are measured at FVTOCI. Subsequent to initial recognition, debt instruments are measured at fair value. Changes in the fair value of these assets are recognised in other comprehensive income ("OCI"), except for recognition of interest and foreign exchange gains or losses, which are recognised in profit or loss. On derecognition, gains and losses accumulated in OCI are not reclassified to profit or loss.

(c) FVTPL

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. This includes derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Financial assets categorised as FVTPL are subsequently measured at their fair value with gains or losses recognised in the profit or loss.

(d) Impairment

MFRS 9 introduces a new impairment model that requires the recognition of expected credit loss ("ECL"), replacing the incurred loss model under MFRS 139 Financial Instruments: Recognition and Measurement, for all financial assets, except for financial assets classified or designated as FVTPL and equity investments classified under FVTOCI, which are not subject to impairment assessment.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

Policy applicable from 1 March 2018 - Financial assets (Continued)

Measurement of Impairment - Expected Credit Losses

The Company assesses ECL associated with its debt instrument assets carried at amortised cost. The Company recognises a loss allowance for such losses at the end of each reporting period. The measurement of ECL reflects an unbiased amount that is determined by reasonable as well as supportable information that is available without undue cost or effort at the end of the reporting period about past events and current conditions.

Allowance for impairment will be made based on the following three-stage approach which reflects the change in credit quality of the financial instrument since initial recognition:

(i) Stage 1: 12-month ECL - not credit-impaired

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the ECL associated with the probability of default events occurring within next 12 months will be recognised.

(ii) Stage 2: Lifetime ECL - not credit-impaired

For exposures where there has been a significant increase in credit risk since initial recognition but that are not credit-impaired, a lifetime ECL will be recognised.

(iii) Stage 3: Lifetime ECL - credit-impaired

Financial assets are assessed as credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that are credit-impaired, a lifetime ECL will be recognised.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data with consideration of forward looking information as described below.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

Significant increase in credit risk

At the end of each reporting period, the Company assesses whether there has been a significant increase in credit risk for exposures since initial recognition to determine whether the exposure is subject to 12-month ECL or lifetime ECL. This is performed by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. When determining whether the risk of default has increased significantly since initial recognition, the Company considers both quantitative information and analysis based on the Company's historical experience.

The Company assesses whether the credit risk on a financial asset has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial assets are grouped on a basis of shared credit risk characteristics, taking into account the collection mode, disbursement period and other relevant factors.

If, in a subsequent period, the asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance for that financial asset reverts from lifetime ECL to 12-month ECL.

The Company determines whether a significant increase in credit risk has occurred based on number of days past due since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower. The Company presumes that the credit risk of a borrower has increased significantly since initial recognition when contractual payment are more than 30 days past due.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

Significant increase in credit risk (Continued)

Credit impaired (default)

At each reporting date, the Company assesses whether financial assets at amortised cost are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows on the financial assets have occurred.

The Company considers a financial asset to be in default when the principal or profit or both the financing is past due for more than 90 days.

Forward looking information

MFRS 9 specifically requires measurement of ECL using not only past information and current information, but also forward looking information. The Company considers the applicable forward looking information in the measurement of ECL.

Write-off

The Company write-off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Policy applicable until 28 February 2018 - Financial Assets

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss" ("FVTPL"), "held-to-maturity" investments, "available-for-sale" ("AFS") financial assets and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest/profit method, less any impairment. Interest income is recognised by applying the effective interest/profit rate, except for short-term receivables when the recognition of interest would be immaterial.

(b) Effective interest/profit rate method

The effective interest/profit rate method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest/profit rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest/profit rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest/profit basis for debt instruments other than those financial assets classified as at FVTPL.

(c) AFS Financial Assets

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (i) loans and receivables, (ii) held-to-maturity investments or (iii) financial assets at fair value through profit or loss.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

Policy applicable until 28 February 2018 - Financial Assets (Continued)

(d) 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 expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset, the difference between 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.

(e) Impairment of financial assets

All financial assets (except for financial assets categorised as fair value through profit or loss) are assessed at the end of each reporting period 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.

An impairment loss in respect of loans and receivables is recognised in profit or loss and is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

The Company addresses the impairment of loans and receivables via collective assessment allowance. Collective assessment allowance is maintained to reduce the carrying amount of portfolio of similar loans to their estimated recoverable amounts at the reporting date. If it is determined that no objective evidence of impairment exists for an individually assessed loan, the loan is included in a group of loan with similar credit risk characteristics and collectively assessed for impairment.

When a financing receivable is aged past a certain threshold, the financing is written off against collective assessment allowance. Future recoveries of written off financing receivables will be recognised in profit or loss as and when consideration is received.

An impairment loss in respect of AFS 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 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 financial 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 loss recognised in profit or loss for an investment in an equity instrument carried at cost shall not be reversed.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities - policy applicable for financial years 2018 and 2019

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. Financial liabilities are classified as either financial liabilities "at FVTPL" or "other financial liabilities".

Other financial liabilities are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the differences in the respective carrying amount is recognised in profit or loss.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

The Company subsequently measure all equity investments at fair value. Where the Company's management has made an irrevocable election to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

(a) Perpetual notes

Perpetual notes are classified as equity when there is no contractual obligation to redeem the instrument. Distributions on perpetual notes are recognised in equity in the year in which they are paid. The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

(b) Perpetual sukuk

Perpetual sukuk is classified as equity when there is no contractual obligation to redeem the instrument. Distributions on perpetual sukuk are recognised in equity in the year in which they are paid. The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

(c) Share capital

Ordinary shares are classified as equity instruments. Costs directly attributable to equity transactions are accounted for as a deduction, net of tax, from equity.

Distributions to holders of ordinary shares are debited directly to equity and interim dividends declared on or before the end of the reporting date are recognised as liabilities. Final dividends are recognised upon the approval of shareholders in a general meeting.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Irredeemable Convertible Unsecured Loan Stocks ("ICULS")

The ICULS are regarded as compound instruments, consisting of a liability component and an equity component. The component of ICULS that exhibits characteristics of a liability is recognised as a financial liability in the statement of financial position.

The fair value of the liability component is determined by discounting the future contractual cash flows of principal and interest payments at the prevailing market rate for equivalent non-convertible loan stocks. This amount is carried as liability on the amortised cost basis until extinguished on conversion or maturity of the instruments.

The interests on ICULS are recognised as finance cost in the profit or loss using the effective interest rate method.

The fair value of the equity component represented by the conversion option is determined by deducting fair value of the liability component from the notional amount of the loan stocks and is included in equity.

Derivative instruments

The Company enters into derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date of the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Hedge accounting

At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item
 that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to
 hedge that quantity of hedged item.

Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable in a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and could affect the profit or loss. The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Hedge accounting (Continued)

Cash flow hedge (Continued)

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.

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 expired. 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.

Cash and cash equivalents

The Company adopts the indirect method in the preparation of the statement of cash flows.

Cash and cash equivalents comprise cash and bank balances, deposits placed with licensed banks and short-term highly liquid investments which are subject to an insignificant risk of changes in value. For the purposes of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts, cash held in trust of a related party and customers.

Provisions

Provisions are made when the Company has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. Provisions are measured at the Directors' best estimate of the amount required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material.

At the end of the reporting period, provisions are reviewed by the Directors and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that the Company will be required to settle the obligation.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgement in applying the Company's accounting policies

In the process of applying the Company's accounting policies, which are described in Note 3, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements other than as disclosed in Note 24(ii).

Key sources of estimation uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as follows:

(i) Impairment loss on financing receivables (Note 8) - measurement of impairment losses both under MFRS 9 and MFRS 139 requires judgment. The impairment losses computed based on ECL models are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. A number of significant judgments are also required in applying the accounting requirements for measuring impairment losses, such as determining criteria for significant increase in credit risk, choosing appropriate models and assumptions for the measurement of impairment losses such as measurement of exposure at default, probability at default and loss given default.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

- (ii) Deferred tax assets (Note 7) the Company assesses at the end of the reporting period whether if there is probable and sufficient future taxable profits will be available against which the deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.
- (iii) Fair value estimation of financial instruments (Note 6 and Note 10) The fair value of financial instruments measured at fair value are determined using a variety of valuation techniques. The Company generally uses widely recognised valuation models with market observable inputs, judgement is required where market observable data are not available. Such judgement normally incorporate assumptions that other market participants would use in their valuations, including assumptions about interest rate yield curves, exchange rates, volatilities, discount rates, growth rates and cash flow projections.

5. PLANT AND EQUIPMENT

e	Office quipment RM'000	Computer equipment and software RM'000	Motor vehicles RM'000	Furniture and fittings RM'000	Renovation RM'000	Capital work-in- progress RM'000	Total RM'000
Cost At 1 March 2017 Additions Disposals Write-off Reclassification	11,424 818 (32) (6,263) 57	152,583 11,282 (123) (8,113) 6,999	3,463 205 (487) - -	5,229 4,045 (2) (3,792) 778	33,900 902 - (13,610) 24,773	2,963 38,806 - - (32,607)	209,562 56,058 (644) (31,778)
At 28 February 2018/ 1 March 201 Additions Disposals Write-off Reclassification	8 6,004 1,143 (26) (1,172) 557	162,628 20,688 (6) (25,339) 30,860	3,181 579 (355) - -	6,258 6,127 - (220) 3,412	45,965 2,726 - (4,061) 3,379	9,162 31,672 - - (38,208)	233,198 62,935 (387) (30,792)
At 28 February 2019	6,506	188,831	3,405	15,577	48,009	2,626	264,954
Accumulated depreciation At 1 March 2017 Charge for the year Disposals Write-off Reclassification	9,599 847 (32) (6,243) 4	106,282 17,132 (123) (8,061)	2,261 563 (485) - -	4,918 1,232 (2) (3,711) 16	24,269 5,441 - (12,963) (20)	- - - -	147,329 25,215 (642) (30,978)
At 28 February 2018/ 1 March 201 Charge for the year Disposals Write-off Reclassification	8 4,175 968 (25) (1,128) (86)	115,230 20,959 (6) (25,256)	2,339 513 (355) - -	2,453 4,179 - (208) (454)	16,727 9,541 - (3,828) 540	-	140,924 36,160 (386) (30,420)
At 28 February 2019	3,904	110,927	2,497	5,970	22,980	-	146,278
Carrying amounts At 28 February 2018	1,829	47,398	842	3,805	29,238	9,162	92,274
At 28 February 2019	2,602	77,904	908	9,607	25,029	2,626	118,676

6. INVESTMENTS

	2019 RM'000
Fair value through other comprehensive income	
Equity securities in corporations Unquoted shares outside Malaysia (Note 32)	70,604

The details of the unquoted shares are as follows:

			Effe Equity		
Name of Company	Country of Incorporation	Principal Activities	2019 %	2018 %	
AEON Credit Service (Philippines) Inc. ("ACSP")	Philippines	Provision of financial services	10	10	
AEON Credit Service India Private Limited ("ACSI")	India	Provision of non-banking financial services	7	7	
AEON Credit Service Systems (Philippines) Inc. ("ACSS")	Philippines	Provision of information technology services	3	3	
PT. AEON Credit Service Indonesia ("ACSID")	Indonesia	Provision of financial services	5	-	

On 1 November 2018, the Company acquired 346 shares of IDR30.00 million each at par in ACSID, representing 5.2% equity interest in ACSID, for a total cash consideration of IDR10.38 billion (equivalent to RM2,855,000).

The Directors have determined that these equity securities investments are designated as "Investments" as the Company does not have influence over their activities and distribution policies.

At 1 March 2018, the Company designated these investments as fair value through other comprehensive income because the equity securities represent investments that the Company intends to hold for long-term strategic purposes.

During the last financial year, these investments were classified as available-for-sale and the Company had recognised an impairment loss on such investments amounting to RM675,000.

	2018 RM'000
Available-for-sale	
Unquoted shares - at cost	24,239
Less: Impairment loss	(5,869)
	18,370

7. **DEFERRED TAX ASSETS**

Deferred tax assets and liabilities are in respect of the tax effect of the following:

	2019 RM'000	2018 RM'000
Plant and equipment	(3,899)	(2,421)
Hedging reserves	6,780	3,145
Impairment loss on financing receivables	118,020	11,863
Recognition of interest income/profit revenue	36,512	32,121
Provision for bonus and others	8,301	6,943
ICULS	53	162
Investments	(11,851)	-
Net deferred tax assets	153,916	51,813

Movement in temporary differences during the year

	At 28 February 2017 RM'000	Recognised in profit or loss (Note 24) RM'000	Recognised in other comprehensive income RM'000	Recognised in ICULS equity RM'000	At 28 February 2018 RM'000
Plant and equipment	(4,040)	1,619	-	-	(2,421)
Hedging reserves	8,630	-	(5,485)	-	3,145
Impairment loss on					
financing receivables	11,956	(93)	-	-	11,863
Recognition of interest					
income/profit revenue	25,707	6,414	-	-	32,121
Provision for bonus and others	6,817	126	-	-	6,943
ICULS	-	-	-	162	162
	49,070	8,066	(5,485)	162	51,813

	At 1 March 2018 RM'000	Adjustments on initial application of MFRS 9 (Note 36) RM'000	At 1 March 2018, restated RM'000	in profit	Recognised in other comprehensive income RM'000	Recognised in ICULS equity RM'000	At 28 February 2019 RM'000
Plant and equipment	(2,421)	-	(2,421)	(1,478)	-	-	(3,899)
Hedging reserves	3,145	-	3,145	-	3,635	-	6,780
Impairment loss on							
financing receivables	11,863	108,080	119,943	(1,923)	-	-	118,020
Recognition of interest income/							
profit revenue	32,121	-	32,121	4,391	-	-	36,512
Provision for bonus and others	6,943	-	6,943	1,358	-	-	8,301
ICULS	162	-	162	-	-	(109)	53
Investments	-	(10,216)	(10,216)	-	(1,635)	-	(11,851)
	51,813	97,864	149,677	2,348	2,000	(109)	153,916

8. FINANCING RECEIVABLES

	2019 RM'000	2018 RM'000
Total gross financing receivables Less: Unearned carrying charges	11,706,836 (3,014,474) 8,692,362	9,864,667 (2,545,537) 7,319,130
Less: Allowance for impairment loss	(586,583)	(162,831)
	8,105,779	7,156,299
Less: Non-current financing receivables	(6,003,628)	(5,030,204)
Current financing receivables	2,102,151	2,126,095

Movements in allowance for impairment which reflects the ECL model on impairment are as follows:

	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 March 2018 Impact of adopting MFRS 9				162,831 453,325
At 1 March 2018, as restated	195,438	157,713	263,005	616,156
Transfers to Stage 1Transfers to Stage 2Transfers to Stage 3	43,267 (10,818) (2,638)	(37,788) 17,065 (17,122)	(5,479) (6,247) 19,760	- - -
	29,811	(37,845)	8,034	-
Net measurement of allowances New financial assets originated Financial assets derecognised	(89,680) 92,521 (25,204)	38,431 24,913 (42,581)	47,474 46,027 (121,474)	(3,775) 163,461 (189,259)
At 28 February 2019	202,886	140,631	243,066	586,583

The movements in the allowance for impairment losses of financing receivables during the last financial year are as follows:

	2018 RM'000
At begining of year Impairment loss recognised (Note 23) Impairment loss written off	152,194 335,920 (325,283)
At end of year	162,831

During the year, financing receivables amounting RM337,945,000 (2018: RM325,283,000) was written off against allowance for impairment loss.

Included in gross financing receivables are:

- (i) An amount of RM7,038,204,000 (2018: RM6,065,851,000) relating to the Company's easy payment and personal financing schemes based on Islamic principles; and
- (ii) An amount of RM6,343,000 (2018: RM1,374,000) owing by a related company which is subject to normal trade terms.

9. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2019 RM'000	2018 RM'000
Other receivables Deposits Prepayments	38,233 7,434 43,436	20,275 8,246 24,094
	89,103	52,615

10. DERIVATIVE FINANCIAL ASSETS/LIABILITIES

	2019		2018		
	Notional value RM'000	Assets/ (Liabilities) RM'000	Notional value RM'000	Assets/ (Liabilities) RM'000	
Derivatives used for hedging - Cross currency interest rate swaps	270,222	19,178	1,771,600	249,557	
- Cross currency interest rate swaps	2,155,784	(105,495)	1,216,417	(107,726)	

Cross currency interest rate swaps are used to manage the foreign currency and interest rate exposures arising from borrowings denominated in foreign currency.

11. CASH, BANK BALANCES AND DEPOSITS

	2019 RM'000	2018 RM'000
Cash and bank balances Deposits placed with licensed banks	83,112 9,317	78,915 4,766
	92,429	83,681

Included in cash and bank balances are the following:

	2019 RM'000	2018 RM'000
Cash held in trust for a related company in relation to a trust fund management for a loyalty points programme by the Company	4,951	8,824
Cash held in trust for customers in relation to a trust fund for Electronic money ("E-money")	1,005	-
	5,956	8,824

12. SHARE CAPITAL

	Number of shares			Amount
	2019 '000	2018 '000	2019 RM'000	2018 RM'000
Issued and fully paid:				
At 1 March	248,449	144,000	508,629	116,012
Issuance of bonus shares*	-	72,000	-	36,000
Conversion of ICULS (Note 20)	2,391	32,449	26,278	356,617
At 28 February	250,840	248,449	534,907	508,629

^{*} On 19 July 2017, the Company completed a bonus issue exercise which resulted in issuance of 72,000,000 new ordinary shares to be credited as fully paid up, on the basis of one (1) bonus share for every two (2) existing ordinary shares held. The new shares rank pari passu with the then existing shares.

13. HEDGING RESERVE

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedges related to borrowings denominated in foreign currency.

14. FAIR VALUE RESERVE

The fair value reserve comprises the cumulative net change in the fair value of equity investment designated at fair value through other comprehensive income until the investments are derecognised or impaired.

15. RETAINED EARNINGS

The Company is currently under the single-tier income tax system in accordance with Finance Act, 2007 and accordingly, the entire retained earnings of the Company is available for distribution under the single-tier income tax system.

16. PERPETUAL NOTES AND SUKUK

	2019 RM'000	2018 RM'000
Perpetual notes Perpetual sukuk	146,000 230,000	146,000 130,000
	376,000	276,000

(a) Perpetual notes

The Company issued perpetual notes amounting to RM146,000,000 in nominal value in financial years ended 28 February 2013 and 28 February 2014.

On 21 November 2018 and 27 November 2018, upon obtaining approval from Bank Negara Malaysia, the Company redeemed the existing perpetual notes, issued on 20 November 2013 and 27 November 2013, amounting to RM14,750,000 and RM85,250,000 respectively. Subsequently on 10 December 2018, the Company further issued perpetual notes in nominal value amounting to RM100,000,000.

16. PERPETUAL NOTES AND SUKUK (Continued)

(a) Perpetual notes (Continued)

The salient features of the perpetual notes issued are as follows:

- (i) The distribution rate for the year for five (5) years from issuance date ranging from 6.50% to 6.65% (2018: 6.50%) per annum, with distributions to be made on semi-annual basis in arrears;
- (ii) If the Company does not exercise its option to redeem at the end of the 5th year, the periodic distribution rate increases by 1% per annum above the prevailing distribution rate subject to a maximum of 20% per annum:
- (iii) The Company may defer part or all distribution, which shall then become due and payable on the next distribution date unless it is further deferred by the Company;
- (iv) The perpetual notes are perpetual in nature with no contractual maturity date. The Company has the option to redeem the perpetual notes on the date of the fifth anniversary from the date of issue and thereafter on each subsequent semi-annual distribution payment date;
- (v) The Company has the option to redeem the perpetual notes earlier upon the occurrence of deferred accounting event, tax event, privatisation defined event and shareholder event;
- (vi) The redemption of the perpetual notes by the Company is subject to the prior approval of Bank Negara Malaysia;
- (vii) The holders of the perpetual notes do not have any voting rights in the Company; and
- (viii) The perpetual notes rank ahead of the Company's ordinary share capital and rank junior to the claims of all other present and future creditors of the Company.

(b) Perpetual sukuk

On 30 December 2014, the Company issued perpetual sukuk at par amounting to RM105,000,000. Subsequently on 16 February 2015, the Company further issued perpetual sukuk amounting to RM25,000,000.

On 10 December 2018, the Company further issued perpetual sukuk in nominal value amounting to RM100,000,000.

The salient features of the perpetual sukuk issued are as follows:

- (i) The distribution rate for the year for five (5) years from issuance date ranging from 6.50% to 6.65% (2018: 6.50%) per annum, with the distribution to be made on semi-annual basis in arrears;
- (ii) If the Company does not exercise its option to redeem at the end of the 5th year, the periodic distribution rate increases by 1% per annum above the prevailing distribution rate subject to a maximum of 20% per annum;
- (iii) The Company may defer part or all distribution, which shall then become due and payable on the next distribution date unless it is further deferred by the Company;
- (iv) The perpetual sukuk are perpetual in nature with no contractual maturity date. The Company has the option to redeem the perpetual sukuk on the date of the fifth anniversary from the date of issue and thereafter on each subsequent semi-annual distribution payment date;
- The Company has the option to redeem the perpetual sukuk earlier upon the occurrence of defined accounting event, tax event, privatisation defined event and shareholder event;
- (vi) The redemption of the perpetual sukuk by the Company is subject to the prior approval of Bank Negara Malaysia;
- (vii) The holders of the perpetual sukuk do not have any voting rights in the Company; and
- (viii) The perpetual sukuk rank ahead of the Company's ordinary share capital and rank junior to the claims of all present and future creditors of the Company.

17. BORROWINGS

	2019 RM'000	2018 RM'000
Non-current (Unsecured) Term loans/financing	5,616,006	3,257,145
Current (Unsecured) Bank overdraft Revolving credits Commercial paper Term loans/financing	19,290 245,000 149,716 400,000	56,102 - - 2,240,872
	814,006	2,296,974
	6,430,012	5,554,119

Bank overdraft, revolving credits, commercial paper and term loans/financing

The bank overdraft, revolving credits, commercial paper and term loans/financing are provided on the basis of a letter of awareness from the immediate holding company or on clean basis.

The currency profile of borrowings is as follows:

	2019 RM'000	2018 RM'000
Ringgit Malaysia - Term loans/financing - Bank overdraft - Commercial paper - Revolving credits	3,590,000 19,290 149,716 245,000	2,510,000 56,102 - -
United States Dollar ("USD") - Term loans/financing	4,004,006 2,426,006	2,566,102 2,988,017
	6,430,012	5,554,119

The long term loans/financing are granted for tenure ranging from two to six years and are repayable by way of bullet payment upon expiry of the term loans/financing.

As at 28 February 2019, the Company has banking facilities totaling RM9,226,000,000 (2018: RM8,640,000,000) obtained from licensed banks.

18. TRADE PAYABLES

Trade payables are non-interest bearing and the normal trade credit terms granted to the Company range from 2 to 3 (2018: 2 to 3) days.

19. OTHER PAYABLES AND ACCRUALS

	2019 RM'000	2018 RM'000
Other payables Accruals	43,936 125,026	26,616 94,973
	168,962	121,589

20. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("ICULS")

	Equity component RM'000	Liability component RM'000	Total RM'000
At 1 March 2017	-	-	-
Issued during the year	390,514	41,486	432,000
Converted into ordinary shares during the year (Note 12)	(322,370)	(34,247)	(356,617)
Deferred tax effect (Note 7):			
- on issuance	930	-	930
- on conversion	(768)	-	(768)
Accrual of interest	-	128	128
At 1 March 2018	68,306	7,367	75,673
Converted into ordinary shares during the year (Note 12)	(24,397)	(1,881)	(26,278)
Deferred tax effect (Note 7):	, , ,	, ,	,
- on conversion	(109)	-	(109)
Accrual of interest	` -	(112)	(112)
Coupon payment of ICULS	-	(2,144)	(2,144)
At 28 February 2019	43,800	3,230	47,030

The liability component is as follows:

	2019 RM'000	2018 RM'000
Current liabilities Non-current liabilities	1,635 1,595	2,650 4,717
	3,230	7,367

20. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("ICULS") (Continued)

On 21 September 2017, the Company completed a renounceable rights issue of a 3-year, 3.5% ICULS amounting to RM432,000,000 on the basis of two rights ICULS for every one existing share held. The ICULS were listed on Bursa Malaysia on 21 September 2017. The salient features of the ICULS issued are as follows:

- (i) The coupon rate for the ICULS is 3.5% per annum, payable on an annual basis in arrears;
- (ii) The conversion price for the ICULS has been fixed at RM10.99 for each new share of the Company and the new shares to be issued rank pari passu with the then existing shares;
- (iii) The ICULS holder is entitled to exercise the right of conversion from date of issuance up to the maturity date;
- (iv) Any ICULS not converted by the maturity date will be mandatorily converted into new shares of the Company on the maturity date.

During the financial year, 2,391,034 (2018: 32,449,117) new ordinary shares were issued resulting from the conversion of 26,278,536 (2018: 356,616,790) units of ICULS (Note 12).

21. FEE INCOME

The timing of revenue recognition is as follows:

	2019 RM'000	2018 RM'000
Recognised at point in time Recognised over time	142,264 33,210	115,224 23,177
	175,474	138,401

Except for fee income from extended warranty program and credit card annual fees, the Company's revenue from contracts with customers are recognised at point in time as and when the services are rendered.

22. FINANCE COSTS

FINANCE COSTS	2019 RM'000	2018 RM'000
Interest expense on financial liabilities that are not stated at fair value through profit or loss:		
Bank overdraft Commercial paper Revolving credits Term loans/financing ICULS interest	783 820 5,823 245,566 (112)	932 - 5,751 220,500 128
	252,880	227,311

23. PROFIT BEFORE TAX

	2019 RM'000	2018 RM'000
Profit before tax is arrived at after charging:		
Auditors' remuneration:		
- Audit fees*	423	260
- Non-audit fees	211	185
Depreciation of plant and equipment (Note 5)	36,160	25,215
Write-off of plant and equipment (Note 5)	372	800
Impairment loss on:		
- Financing receivables	308,372	335,920
- Investments (Note 6)	-	675
Personnel expenses:		
- Contributions to EPF	25,808	22,171
- Wages, salaries and others	198,204	176,763
Rental of expenses in respect of:		
- Office premises	23,016	17,785
- Motor vehicles	6	4
- Office equipment	2,974	1,189
And after crediting:		
Bad debts recovered	135,647	108,362
Gain on disposal of plant and equipment	142	171
Interest income	1,207	2,768

^{*} Including in the audit fees is MFRS 9 model validation assessment of RM150,000 (2018: RMNil)

Compensation of Key Management Personnel

The remuneration of the Directors during the year are as follows:

	2019 RM'000	2018 RM'000
Directors' remuneration:		
Fees	1,177	814
Remuneration	2,272	3,071
Other short-term employee benefits		
(including estimated monetary value of benefits-in-kind)	330	191
	3,779	4,076

24. TAXATION

(i) Tax expenses

	2019 RM'000	2018 RM'000
Income tax payable:		
Current financial year	121,749	107,374
Over provision in prior years	(1,834)	(1,030)
	119,915	106,344
Deferred tax (Note 7):		
Current year	(5,000)	(8,632)
Under provision in prior years	2,652	566
	(2,348)	(8,066)
Total tax expenses	117,567	98,278

A reconciliation of tax expense applicable to profit before tax at the applicable statutory income tax rate to tax expense at the effective income tax rate of the Company is as follows:

	2019 RM'000	2018 RM'000
Profit before tax	472,191	398,335
Tax calculated using Malaysian income tax rate of 24% (2018: 24%) Tax effect of non-deductible expenses	113,326 3,423	95,600 4,968
	116,749	100,568
Over provision in prior years - current tax Under provision in prior years - deferred tax Effect of reduction in tax rate*	(1,834) 2,652	(1,030) 566 (1,826)
	117,567	98,278
Deferred tax recognised directly in other comprehensive income: Cash flow hedge reserves Fair value through other comprehensive income	3,635 11,851	5,485 -

^{*} On 21 October 2016, the Government of Malaysia announced the reduction of income tax rate based on the percentage of increase in chargeable income.

24. TAXATION (Continued)

(ii) Material litigation

On 12 December 2017, the Company was served with notices of additional assessment with penalties by the Director General of Inland Revenue ("DGIR") for year of assessment of 2010 till year of assessment of 2016. The additional assessments and penalties imposed amounted to RM96,820,000.

The said notices of additional assessment were raised by the DGIR among others, pursuant to:

- (a) The DGIR varying the loan transaction collaterised by receivables undertaken by the Company with a local financial institution to that of a sale of receivables. The DGIR did not specify which provision of the Income Tax Act 1967 it is relying on in making this variation.
- (b) The DGIR also raised time barred assessments for the years of assessment 2010 and 2011. The DGIR also did not provide any reason for raising the time barred assessments.
- (c) The DGIR imposed penalties for alleged submission of incorrect returns.

In consultation with its tax solicitor and corporate tax agents, the Company is of the view that there are reasonable grounds to disagree with the said notices of additional assessment raised by the DGIR.

Accordingly, the Company has also initiated the necessary legal proceedings to defend and safeguard its position as follows:

(a) Stay of Proceedings

The application for a Stay of Proceedings was filed with the Kuala Lumpur High Court on 14 December 2017. The Kuala Lumpur High Court did not grant the Company's application on 8 May 2018. The Company filed its appeal to the Court of Appeal against this decision on the same day. However, on 5 April 2019, the Court of Appeal dismissed the Company's appeal. The Company will continue to pursue this matter through its Judicial Review application as indicated in item (b) below.

(b) Judicial Review

On 14 December 2017, the Company also commenced proceedings to seek a Judicial Review on this matter. However, the Kuala Lumpur High Court did not grant the required leave on 5 March 2018. On the same day, the Company filed an appeal to the Court of Appeal against the decision of the Kuala Lumpur High Court. The appeal is fixed for hearing on 1 July 2019.

(c) Appeal to Special Commissioners of Income Tax ("SCIT")

On 5 January 2018, the Company has filed an appeal to SCIT pursuant to Section 99(1) of the Income Tax Act 1967. Todate, hearing date has yet to be fixed.

No tax provisions have therefore been made in relation to the aforesaid matter.

25. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The basic earnings per share is calculated by dividing the net profit after distribution on perpetual notes and sukuk, by the weighted average number of ordinary shares outstanding during the year.

	2019 RM'000	2018 RM'000
Profit attributable to equity holders Distribution to the holders of perpetual notes and sukuk, net of tax	354,624 (13,659)	300,057 (13,621)
Profit attributable to ordinary equity holders	340,965	286,436
Weighted average number of ordinary shares ('000 unit)	255,308	205,722
Basic earnings per share (sen)	133.55	139.23

Diluted earnings per ordinary share

There were no dilutive potential ordinary shares outstanding as at 28 February 2019. As a result, the diluted earnings per share is equivalent to the basic earnings per share.

26. RELATED PARTY DISCLOSURES

Amount owing to immediate holding company, which arose mainly from payments on behalf, is unsecured, interest-free and repayable on demand.

Amount owing by/to related companies, which arose mainly from payments on behalf, unsecured, interest-free and repayable on demand.

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 decision, 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.

Related parties also include key management personnel who are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly.

The currency profile of amount owing to immediate holding company and amount owing by/to related companies is as follows:

	2019 RM'000	2018 RM'000
Ringgit Malaysia - Amount owing by related companies - Amount owing to immediate holding company - Amount owing to related companies	6,069 (6,917) (5,762)	1,076 (6,557) (1,883)
	(6,610)	(7,364)
USD - Amount owing to related companies	-	(342)

26. RELATED PARTY DISCLOSURES (Continued)

Related party transactions have been entered into the normal course of business under normal trade terms. The significant related party transactions of the Company are shown below:

	2019 RM'000	2018 RM'000
Related companies AEON CO. (M) BHD. Trade		
Customers' transactions via related company Sales through easy payment schemes Sales through AEON credit cards Sales through E-Money	5,490 8,651 5,169	5,975 5,902 -
Revenue Credit cards commission income	170	145
Non-Trade Expenses	(0.710)	(4.000)
Convertible AEON-card points purchased Office and promotion space rental	(2,712) (8,139)	(1,909) (5,005)
AEON Big (M) Sdn. Bhd. Trade Customers' transactions via related company Sales through easy payment schemes Sales through AEON credit cards Sales through E-Money	3,321 3,414 8,505	3,119 2,077 -
Revenue Loyalty programme processing fee Credit cards commission income	1,930 97	4,203 73
Non-Trade Expenses Convertible AEON-Big card points Office and promotion space rental	(692) (7,487)	(357) (2,854)
AEON Credit Service Systems (Philippines) Inc. Non-Trade		
Assets IT systems development cost	(3,478)	(4,436)

26. RELATED PARTY DISCLOSURES (Continued)

	2019 RM'000	2018 RM'000
AEON Delight (Malaysia) Sdn. Bhd.		
Trade Provision of financing Instalment scheme for purchase of equipment	3,751	-
Revenue Interest income from easy payment scheme	72	110
Non-Trade Expense		
Cleaning services	(601)	(595)
AEON Fantasy (Malaysia) Sdn. Bhd.		
Trade Provision of financing		
Instalment scheme for purchase of equipment	2,148	-
Revenue Interest income from easy payment scheme	18	-
J-Horizons Travel (M) Sdn. Bhd.		
Non-Trade		
Expense Travel agency services	(803)	-
Immediate holding company		
AEON Financial Service Co., Ltd. Non-Trade		
Expense Corporate support fees	(11,463)	(10,263)
AEON Index Living Sdn. Bhd. Trade		
Customers' transactions via related company		
Sales through easy payment schemes Sales through AEON credit cards	56 36	190 94
Revenue		
Credit cards commission income	1	3

26. RELATED PARTY DISCLOSURES (Continued)

Key management personnel

The remuneration of the key management personnel, including Directors, during the financial year are as follows:

	2019 RM'000	2018 RM'000
Director fees Salaries, allowances and bonuses Defined contribution plan Other short-term employee benefits	1,177 3,925 303 448	814 2,864 207 191
	5,853	4,076

The above includes Directors' remuneration as disclosed in Note 23.

27. DIVIDENDS

Dividends recognised in the current year by the Company are:

	Net dividend per share sen	Total amount RM'000	Date of payment
2019			
Interim 2019 ordinary	22.25	55,784	8 November 2018
Final 2018 ordinary	20.00	49,937	19 July 2018
•			,
		105,721	
2018			
Interim 2018 ordinary	21.13	52,225	7 November 2017
Final 2017 ordinary	32.50	46,800	19 July 2017
		99,025	

After the end of the reporting period, the following dividend was proposed by the Directors:

	Sen per share (single tier)	Total amount RM'000
Final 2019 ordinary	22.35	56,063

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

28. 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.

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

29. OPERATING LEASE

Non-cancellable operating lease rentals are payable as follows:

	2019 RM'000	2018 RM'000
Less than one year Between one and five years	18,535 11,127	12,003 10,195
	29,662	22,198

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

30. CAPITAL COMMITMENT

	2019 RM'000	2018 RM'000
Capital expenditure commitments		
Plant and equipment Contracted but not provided for	15,621	13,507

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Company's business whilst managing its risks. The Company operates within clearly defined guidelines that are approved by the Board of Directors and the Company's policy is not to engage in speculative transactions.

Significant Accounting Policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the basis for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in Note 3.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Categories of Financial Instruments

	Carrying amount RM'000	Amortised cost RM'000	FVTOCI RM'000	FVTPL derivatives used for hedging RM'000
2019				
Financial assets				
Investments	70,604	-	70,604	-
Financing receivables	8,105,779	8,105,779	-	-
Other receivables and deposits	45,667	45,667	-	-
Amount owing by related companies	6,069	6,069	-	-
Cash, bank balances and deposits	92,429	92,429	-	-
Derivative financial assets	19,178	-	-	19,178
	8,339,726	8,249,944	70,604	19,178

	Carrying amount RM'000	Amortised cost RM'000	FVTPL derivatives used for hedging RM'000
Financial liabilities			
Borrowings	(6,430,012)	(6,430,012)	-
Trade payables	(27,032)	(27,032)	-
Other payables and accruals	(168,962)	(168,962)	-
Amount owing to immediate holding company	(6,917)	(6,917)	-
Amount owing to related companies	(5,762)	(5,762)	-
ICULS liabilities	(3,230)	(3,230)	-
Derivative financial liabilities	(105,495)	• • • • • • • • • • • • • • • • • • •	(105,495)
	(6,747,410)	(6,614,915)	(105,495)

	Carrying amount RM'000	Loans and receivables RM'000	AFS financial assets RM'000	FVTPL derivatives used for hedging RM'000
2018				
Financial assets				
Investments	18,370	-	18,370	-
Financing receivables	7,156,299	7,156,299	-	-
Other receivables and deposits	28,521	28,521	-	-
Amount owing by related companies	1,076	1,076	-	-
Cash, bank balances and deposits	83,681	83,681	-	-
Derivative financial assets	249,557	-	-	249,557
	7,537,504	7,269,577	18,370	249,557

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Categories of Financial Instruments (Continued)

	Carrying amount RM'000	Other financial liabilities RM'000	FVTPL derivatives used for hedging RM'000
Financial liabilities			
Borrowings	(5,554,119)	(5,554,119)	-
Trade payables	(21,755)	(21,755)	-
Other payables and accruals	(121,589)	(121,589)	-
Amount owing to immediate holding company	(6,557)	(6,557)	-
Amount owing to related companies	(2,225)	(2,225)	-
ICULS liabilities	(7,367)	(7,367)	-
Derivative financial liabilities	(107,726)	-	(107,726)
	(5,821,338)	(5,713,612)	(107,726)

The main risks and corresponding management policies arising from the Company's normal course of business are as follows:

(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 shareholders value through proper allocation and management of risk, and facilitate the risk assessment of new business and products independently.

(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.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(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 ERMF which addresses credit, market, operational and strategic risks within the policies established by the Board of Directors and recommending policy changes to the Board of Directors.

Risk exposures, impact and mitigation measures which covers all areas of risk faced by the Company are reviewed and updated regularly to the Audit Committee and the Board of Directors to ensure relevance and compliance with current and applicable laws and regulations.

The Company has exposure to the following risks:

- Credit risk
- Liquidity risk
- Market risk

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 manage or maintain credit risk exposure to an acceptable level, in line with the Company's risk appetite and to ensure that the returns commensurate to the risk underwritten.

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

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 required 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 conducts regular monitoring on credit exposure trend, asset quality by impaired loans, portfolio concentration analysis.

(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.

The Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that the credit risk associated with hire purchase financing receivables is mitigated because they are secured over the vehicles of customers. The carrying amount of hire purchase financing receivables amounted to RM4,806,830,000 (2018: RM4,050,352,000). There has not been any significant changes in the quality of the collateral held for hire purchase financing. The Company recognises a loss allowance for these hire purchase financing receivables based on the ECL model of the Company.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

Receivables (Continued)

(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 and Review Department ("CPRD") 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.

Credit quality and allowance for impairment losses

The ageing of financing receivables as at the end of the reporting period is shown below:

	Gross RM'000	Allowance for impairment losses RM'000	Net RM'000
2019			
Not past due	7,766,447	(202,886)	7,563,561
Past due 1 month	395,258	(79,999)	315,259
Past due 2 to 3 months	163,941	(60,632)	103,309
Credit impaired	8,325,646	(343,517)	7,982,129
Past due more than 3 months	366,716	(243,066)	123,650
	8,692,362	(586,583)	8,105,779

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

Credit quality and allowance for impairment losses (Continued)

Comparative information based on MFRS 139

The ageing of financing receivables as at 28 February 2018 was as follows:

	Gross RM'000	Allowance for impairment losses RM'000	Net RM'000
2018			
Not past due	6,529,526	(8,006)	6,521,520
Past due 1 month	438,947	(13,270)	425,677
Past due 2 to 3 months	180,617	(28,154)	152,463
Past due more than 3 months	170,040	(113,401)	56,639
	789,604	(154,825)	634,779
	7,319,130	(162,831)	7,156,299

Included in net financing receivables is an amount of RM76,052,000 (2018: RM192,019,000) which are under renegotiated/restructured activities.

Renegotiated/restructured activities include extended payment arrangements, and the modification and deferral of payments. The Company has impaired RM28,007,000 (2018: RM68,539,000) of the renegotiated/restructured financing receivables. The status of renegotiated/restructured receivables are as follows:

	2019 RM'000	2018 RM'000
Not past due	55,544	128,367
Past due 1 month	9,751	33,200
Past due 2 to 3 months	6,003	21,680
Past due more than 3 months	4,754	8,772
	76,052	192,019

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

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 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 maintains optimum ratio of long-term funding, i.e. debts maturing after 12 months from the end of the reporting period against total debts. This ratio significantly match the ratio of long terms financing receivables determined based on customers' contracted terms of repayment and payment pattern for revolving credit limits granted.

The Treasury unit reviews the asset and liability maturity profile and identifies any maturity mismatch for escalation to the RMC which is responsible for the independent monitoring of the Company's liquidity risk profile. The RMC meets every month to discuss the liquidity risk and funding profile of the Company and works closely with the Treasury unit on the surveillance of market conditions and stress testing analysis on liquidity positions. The Company maintains sufficient credit lines to ensure that all current obligations are able to be met. As at 28 February 2019, the Company has unutilised lines of credit amounting to RM2,796,000,000 (2018: RM3,241,074,000) obtained from licensed banks.

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

	Co	ntractual profit/						
	Carrying amount RM'000	interest/ coupon rate	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	No specific maturity RM'000
2019								
Financial liabilities								
Bank overdraft	19,290	3.68% 3.85% -	19,290	19,290	-	-	-	-
Revolving credits Unsecured term	245,000	3.95% 4.22% -	245,589	245,589	-	-	-	-
loans/financing	6,016,006	4.92%	6,848,266	409,423	1,984,320	3,281,150	1,173,373	-
Commercial paper	149,716	3.82%	150,000	150,000	-	-	-	-
Trade payables Other payables and	27,032	-	27,032	27,032	-	-	-	-
accruals Amount owing to immediate holding	168,962	-	168,962	168,962	-	-	-	-
company Amount owing to	6,917	-	6,917	6,917	-	-	-	-
related companies	5,762	-	5,762	5,762	-	-	-	-
ICULS liabilities	3,230	3.50%	3,437	1,719	1,718	-	-	
	6,641,915		7,475,255	1,034,694	1,986,038	3,281,150	1,173,373	-

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk (Continued)

	Carrying amount RM'000	profit/ interest/ coupon rate	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	No specific maturity RM'000
2018								
Financial liabilities								
Bank overdraft	56,102	3.68%	56,102	56,102	-	-	-	-
Unsecured term		3.85% -						
loans/financing	5,498,017	4.50%	6,014,900	2,307,577	426,878	2,691,561	588,884	-
Trade payables	21,755	-	21,755	21,755	-	-	-	-
Other payables and								
accruals	121,589	-	121,589	121,589	-	-	-	-
Amount owing to immediate holding								
company	6,557	-	6,557	6,557	-	-	-	-
Amount owing to								
related companies	2,225	-	2,225	2,225	-	-	-	-
ICULS liabilities	7,367	3.50%	7,915	2,638	5,277	-	-	
	5,713,612		6,231,043	2,518,443	432,155	2,691,561	588,884	-

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 macroeconomic 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.

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, financing receivables, other receivables, deposits and prepayments, amount owing by/to related companies, amount owing to immediate holding company, trade payables, other payables and accruals are not significantly exposed to interest rate risk.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Market risk (Continued)

Interest rate risk (Continued)

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 swaps to hedge its interest rate risk on bank borrowings as stated in hedging activities below. 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 risk

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

	2019 RM'000	2018 RM'000
Fixed rate instruments Financial liabilities	3,984,717	2,510,000
Floating rate instruments Financial liabilities	2,445,295	3,044,119

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 the 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 (bps) in interest rates at the end of the reporting period would have increased/ (decreased) equity and pre-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				
		2019	2018		
	100 bps 100 bps		100 bps	100 bps	
	increase	decrease	increase	decrease	
	RM'000	RM'000	RM'000	RM'000	
Floating rate instruments	(24,453)	24,453	(30,441)	30,441	

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk (Continued)

Hedging activities

Cash flow hedge

The Company has entered into cross currency interest rate swaps to hedge the variability of cash flow risk in relation to the foreign currency denominated borrowings of RM2,426,006,000 (2018: RM2,988,017,000). The cross currency interest rate swaps have the same notional value of RM2,426,006,000 (2018: RM2,988,017,000) and are to be settled in full upon maturity, terms matching the hedged items.

The following table indicates the years in which the cash flows associated with the derivative financial assets with carrying amount of RM19,178,000 (2018: RM249,557,000) and derivative financial liabilities of RM105,495,000 (2018: RM107,726,000) 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
2019 Cross currency interest rate swaps (gross settled):				
Öutflow Inflow	(2,794,077) 2,727,048	(109,757) 86,154	(1,061,926) 1,041,167	(1,622,394) 1,599,727
	(67,029)	(23,603)	(20,759)	(22,667)
2018 Cross currency interest rate swaps (gross settled): Outflow Inflow	(3,080,044) 2,990,288	(1,369,711) 1,332,621	(67,377) 43,190	(1,642,956) 1,614,477
	(89,756)	(37,090)	(24,187)	(28,479)

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 currency giving rise to this risk is primarily USD.

Risk management objectives, policies and processes for managing the risk

The repayment of all borrowings in foreign currency is fully hedged by cross currency interest rate swaps entered into by the Company upon initial drawdown of the borrowings.

Foreign currency risk management

The Company's exposure to foreign currency risk, based on carrying amounts at the end of the reporting period is shown below:

	De	Denominated in USD			
	2019 2018 RM'000 RM'000				
Inter-company balances Borrowings	(2,426,006)	(342) (2,988,017)			
Net exposure	(2,426,006)	(2,988,359)			

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Currency risk (Continued)

Currency risk sensitivity analysis

No sensitivity analysis is presented for USD currency on borrowings which have been fully hedged.

A 10% strengthening or weakening of foreign currencies against the functional currency at the end of the reporting period would have (decreased)/increased pre-tax profit or loss by the amounts shown below. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive/(negative) number below indicates an increase/(decrease) in profit and other equity where the relevant currency (weakens)/strengthens by 10% against the Ringgit Malaysia.

Profit or loss								
		2019		2018				
	10%	10%	10%	10%				
	increase	decrease	increase	decrease				
	RM'000	RM'000	RM'000	RM'000				
USD	-	-	(34)	34				

32. FAIR VALUE OF FINANCIAL INSTRUMENTS

Except as detailed in the following table, the Directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

F	Fair value of financial instruments				Fair value of financial instruments							
	Leve RM'	el 1	ried at fa Level 2 RM'000	Level 3	Total RM'000	Level 1	carried at Level 2 RM'000	t fair value Level 3 RM'000	Total RM'000	Total fair value RM'000	Carrying amount RM'000	
2019 Financial assets Financing receivables												
- Non-current Derivatives financial		-	-	-	-	-	-	5,947,399	5,947,399	5,947,399	6,003,628	
assets Investments		-	19,178	70,604	19,178 70,604	-	-	- -	- -	19,178 70,604	19,178 70,604	
		-	19,178	70,604	89,782	-	-	5,947,399	5,947,399	6,037,181	6,093,410	
Financial liabiliti Term loans/ financing - Non-current	ies											
(unsecured) Derivatives finance	cial	-	-	-	-	-	-	5,542,222	5,542,222	5,542,222	5,616,006	
liabilities		-	105,495	-	105,495		-	-	-	105,495	105,495	
		-	105,495	-	105,495	-	-	5,542,222	5,542,222	5,647,717	5,721,501	

32. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

	Fair value of financial instruments carried at fair value			Fair value of financial instru not carried at fair value			ıments	Total	Carrying	
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		Level 2 RM'000	Level 3 RM'000	Total RM'000	fair value RM'000	amount RM'000
2018 Financial assets Financing receivables										
 Non-current Derivatives financial 	t -	-	-	-	-	-	4,864,051	4,864,051	4,864,051	5,030,204
assets Investments	-	249,557 -	-	249,557 -	-	-	60,937	60,937	249,557 60,937	249,557 60,937
	-	249,557	-	249,557	-	-	4,924,988	4,924,988	5,174,545	5,340,698
Financial liabili Term loans/ financing - Non-current										
(unsecured) Derivatives finar	-	-	-	-	-	-	3,149,039	3,149,039	3,149,039	3,257,145
liabilities	-	107,726	-	107,726	-	-	-	-	107,726	107,726
	-	107,726	-	107,726	-	-	3,149,039	3,149,039	3,256,765	3,364,871

The methods and assumptions used by management to determine the fair values of the financial instruments are as follows:

(i) Financing receivables

The fair value of financing receivables with remaining maturity of less than one year are estimated to approximate their carrying amounts. For financing receivables with remaining maturity of more than one year, the fair values are estimated based on discounted cash flows using prevailing rates of loans and receivables of similar credit profile.

(ii) Term loans/financing

The fair value of term loans/financing with remaining maturity of less than one year are estimated to approximate their carrying amounts. For term loans/financing with remaining maturity of more than one year, the fair values are estimated using discounting technique. The discount rates are based on market rates available to the Company for similar instruments.

(iii) Derivative financial instruments

The fair value of cross currency swap derivatives is the estimated amount that the Company would receive or pay to terminate the contracts at the reporting date and is determined based on discounted future cash flows. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period), forward exchange rates (from observable forward exchange rates at the end of reporting period), contract interest rates and contract forward rates, discounted at a rate that reflects the credit risk of counterparties.

(iv) Investments

The fair value of investments are based on the expected cash flows discounted as at reporting date. The discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees. The key inputs are discount rate, terminal growth rate and discount for lack of control, as described in Note 32.

32. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

The fair value hierarchies used to classify financial instruments not measured at fair value in the statements of financial position, but for which fair value is disclosed, are as follows:

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

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy:

	RM'000
At 1 March 2018 Effect of change in accounting policy due to adoption of MFRS 9, net of tax	18,370 42,567
At 1 March 2018, as restated Additions Changes in fair value recognised in other comprehensive income	60,937 2,855 6,812
At 28 February 2019	70,604

Fair value of the Company's financial assets that are measured at fair value on a recurring basis

The Company's investments are measured at fair value at the end of each reporting period. The following table gives information about how the fair value of the financial liability is determined (in particular, the valuation technique and inputs used).

Relationship of unobservable inputs to fair value	Significant unobservable inputs	Valuation technique and key inputs	Fair value hierarchy	Fair value 2019 RM'000	Financial assets
A slight increase in the discount rate used would result in a significant decrease in fair value, and vice versa.	Discount rate: 12% - 22.88%	Technique: Discounted cash flows Key inputs: Discount rate	Level 3	70,604	Investments
A slight increase in the terminal year growth rate used would result in a significant increase in fair value, and vice versa.	Terminal growth rate: 0.5% - 2%	Terminal growth rate Discount for lack of control			
A slight increase in the discount for lack of control used would result in a significant decrease in fair value, and vice versa.	Discount for lack of control: 30% - 75%				

NOTES TO THE FINANCIAL STATEMENTS

33. 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 the financial year, the Company has complied with debt-to-equity ratio requirement of less than 5.25:1. The debt-to-equity ratio in year 2019 and 2018 are as follows:

	2019 RM'000	2018 RM'000
Total borrowings Less: Cash and bank balances	6,430,012 (92,429)	5,554,119 (83,681)
Net debt	6,337,583	5,470,438
Total equity	1,874,981	1,857,503
Debt-to-equity ratio	3.38	2.95

34. MATERIAL LITIGATION

The Company is not engaged in any material litigation except as disclosed in Note 24(ii).

35. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Company's liabilities arising from financing activities. Liabilities arising from financing activities are those for which cash flows were or future cash flows will be, classified in the Company's statements of cash flows as cash flows from financing activities:

	Во	rrowings (Note 17)
	2019 RM'000	2018 RM'000
At beginning of year (Repayments)/Drawdowns of bank overdraft Proceeds from bank borrowings Repayments Foreign currency hedge	5,554,119 (36,812) 4,615,640 (3,489,930) (213,005)	5,872,225 16,019 974,000 (847,122) (461,003)
At end of year	6,430,012	5,554,119

NOTES TO THE FINANCIAL STATEMENTS

36. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES

Adoption of MFRS 9 Financial Instruments

On 1 March 2018, the Company has adopted the requirements of MFRS 9. The changes in accounting policies have been applied retrospectively from 1 March 2018. In accordance with the transition requirements, comparatives are not restated. The accounting policies are disclosed in Note 3.

The following table summarises the impacts arising from the adoption of MFRS 9 on the financial statements:

		<	1 March 2018	>
	Note	As previously reported RM'000	MFRS 9 adjustments RM'000	As restated RM'000
Investments Deferred tax assets Financing receivables Others	(ii) (i) (i)	18,370 51,813 7,156,299 479,203	42,567 97,864 (453,325) -	60,937 149,677 6,702,974 479,203
Total Assets	· · · · · · · · · · · · · · · · · · ·	7,705,685	(312,894)	7,392,791
Tax liabilities Derivative financial liabilities Others	(i)	26,844 107,726 5,713,612	(718) - -	26,126 107,726 5,713,612
Total Liabilities		5,848,182	(718)	5,847,464
Retained earnings Fair value reserve Others	(i) (ii)	1,014,550 - 842,953	(344,527) 32,351 -	670,023 32,351 842,953
Total Equity		1,857,503	(312,176)	1,545,327
Total Equity and Liabilities		7,705,685	(312,894)	7,392,791

In the adoption of MFRS 9, the following transitional exemptions as permitted by the Standard have been adopted:

- (i) The Company has not restated comparative information for prior period with respect to classification and measurement (including impairment) requirements. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of MFRS 9 are recognised in retained earnings and reserves as at 1 March 2018. Accordingly, the information presented for 2018 does not generally reflect the requirements of MFRS 9, but rather those of MFRS 139.
- (ii) The following assessments have been based on the facts and circumstances that existed at the date of initial application:
 - the determination of the business model within which a financial asset is held; and
 - the designation of certain investments in unquoted equity instruments not held for trading as FVTOCI.

NOTES TO THE FINANCIAL STATEMENTS

36. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES (continued)

Classification of financial assets and financial liabilities on the date of initial application of MFRS 9

The following table shows the measurement categories under MFRS 139 and the new measurement categories under MFRS 9 for each class of the Company's financial assets and financial liabilities as at 1 March 2018:

- (a) Fair value through other comprehensive income ("FVTOCI")
- (b) Fair value through profit or loss ("FVTPL")
- (c) Available-for-sale ("AFS")

			1 March 2	018	
			Reclassification	n to new MFR	S 9 category
	28 February 2018	Measurement	Amortised cost	FVTPL	FVTOCI
Category under MFRS 139	RM'000	RM'000	RM'000	RM'000	RM'000
Financial assets					
Loans and receivables	7 156 200	(452.205)	6 700 074		
Financing receivables Other receivables and deposits	7,156,299 28,521	(453,325)	6,702,974 28,521	_	-
Amount owing by related companies	1,076	_	1.076	_	_
Cash, bank balances and deposits	83,681	-	83,681	-	-
	7,269,577	(453,325)	6,816,252	-	-
AFS					
Investments	18,370	42,567	-	-	60,937
FVTPL derivatives used for hedging					
Derivative financial assets	249,557	-	-	249,557	-
Financial liabilities					
Other financial liabilities	(F. F.F. 4.4.0)		(F. F.F. 4.4.0)		
Borrowings Trade payables	(5,554,119) (21,755)	-	(5,554,119) (21,755)	-	-
Other payables and accruals	(121,589)	_	(121,589)	_	_
Amount owing to immediate holding	(121,503)		(121,503)		
company	(6,557)	_	(6,557)	_	_
Amount owing to related companies	(2,225)	-	(2,225)	-	-
ICULS liabilities	(7,367)	-	(7,367)	-	-
	(5,713,612)	-	(5,713,612)	-	-
FVTPL derivatives used for hedging Derivative financial liabilities	(107,726)	-	-	(107,726)	-

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

The Directors of **AEON CREDIT SERVICE (M) BERHAD** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 28 February 2019 and of the financial performance and the cash flows of the Company for the year ended on that date.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 9 May 2019.

KENJI FUJITA

LEE TYAN JEN

Kuala Lumpur 9 May 2019

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, LEE KIT SEONG, the officer primarily responsible for the financial management of AEON CREDIT SERVICE (M) BERHAD, do solemnly and sincerely declare that the accompanying financial statements are in my opinion, 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.

LEE KIT SEONG

MIA Membership No: 17292

Subscribed and solemnly declared by the abovenamed LEE KIT SEONG at KUALA LUMPUR on this 9th day of May, 2019.

Before me,

KAPT (B) JASNI BIN YUSOFF No. W 465

COMMISSIONER FOR OATHS Kuala Lumpur

ANALYSIS OF SHAREHOLDINGS

STATISTIC ON SHAREHOLDINGS AS AT 30 APRIL 2019

Paid-up share capital : RM535,101,975 Class of shares : Ordinary Share

Voting rights : One vote per Ordinary Share

Number of Shareholders : 4,015

Category	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
1 - 99	506	12.60	7,995	0.00
100 - 1,000	1,302	32.43	651,412	0.26
1,001 - 10,000	1,585	39.48	5,633,082	2.25
10,001 - 100,000	489	12.18	15,126,407	6.03
100,001 to less than 5% of issued shares	132	3.29	72,421,748	28.87
5% and above of issued shares	1	0.02	157,017,252	62.59
Total	4,015	100.00	250,857,896	100.00

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

		Direct	Indirect Interest		
No	Name	No. of Shares	% of Shares	No. of Shares	% of Shares
1 2	AEON FINANCIAL SERVICE CO., LTD. AEON CO., LTD.	157,017,252 -	62.59	161,661,252*	64.44

Note:

DIRECTORS' INTEREST AS PER REGISTER OF DIRECTORS' SHAREHOLDINGS

No	Name of Directors	No. of Shares Held Through Own Name	%
1	Ng Eng Kiat	21,321	0.01
2	Kenji Fujita	-	-
3	Dato' Md Kamal bin Ismaun	9,000	0.01
4	Tomokatsu Yoshitoshi	-	-
5	S Sunthara Moorthy A/L S Subramaniam	-	-
6	YBhg. Datuk Adinan bin Maning	-	-
7	Khoo Pek Ling	-	-
8	Datin Yasmin Ahmad Merican	20,000	0.01
9	Rashidah binti Abu Bakar	-	-
10	Tetsuro Takano	-	-
11	Lee Tyan Jen	35,661	0.01

^{*} Deemed interest in the shares held by AEON Financial Service Co., Ltd. and AEON CO. (M) BHD. by virtue of Section 8 of the Companies Act 2016.

ANALYSIS OF SHAREHOLDINGS

LIST OF TOP THIRTY (30) SHAREHOLDERS AS AT 30 APRIL 2019

AEON FINANCIAL SERVICE CO., LTD. OLITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (NOMURA) AEON CO. (M) BHD. AEON CO. (M) BHD. PUBLIC NOMINEES (TEMPATAN) SDN BHD PUEDGED SECURITIES ACCOUNT FOR KONG GOON KHING (E-SRK) BPSS LDN FOR ABERDEEN STANDARD ASIA FOCUS PLC BPSS LDN FOR ABERDEEN STANDARD ASIA FOCUS PLC BPSS LDN FOR ABERDEEN STANDARD ASIA FOCUS PLC BY SEN COMMINEES (ASING) SDN BHD JPMBL SA FOR IPMORGAN FUNDS CARTARAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67) LEXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67) PAMB FOR PRULINK EQUITY FUND PAMB FOR PRULINK EQUITY FUND PAMB FOR PRULINK EQUITY FUND PASE COMMINEES (ASING) SDN BHD BIN PARIBAS SECS SVS JERSEY FOR ABERDEEN ASIAN INCOME FUND LIMITED BIN PARIBAS SECS SVS JERSEY FOR ABERDEEN ASIAN INCOME FUND LIMITED BIN PARIBAS SECS SVS JERSEY FOR ABERDEEN ASIAN INCOME FUND LIMITED BIN PARIBE (TEMPATAN) SENDIPIAND BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG PENNY STOCKFUND ICTIGROUP NOMINEES (TEMPATAN) SON BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (ABERDEEN) HSBC NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CONSOLIDATED CHAN REALTY SON BHD (E-KUG) BH HAND CO BOSTON FOR GRANDEUR PEAK EMERGING MARKETS OPPORTUNITIES FUND 15 CIMB GROUP NOMINIEES (RSING) SDN BHD JEMCES AFON FOR GRANDEUR PEAK EMERGING MARKETS OPPORTUNITIES FUND 16 HSBC NOMINEES (ASING) SDN BHD LEXEMPT AN FOR MISURISH ILT IM MORGAN STANLEY SECURITIES CO., LTD. 17 HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR MISURISH ILT IM MORGAN STANLEY SECURITIES CO., LTD. 18 GIMB GROUP NOMINIEES (TEMPATAN) SDN BHD CIMB GROUP NOMINIEES (ASING) SDN BHD SEX MOMINIES (ASING) SDN BHD CIMB SAND TO A CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM BH AND CO BOSTON FOR GRANDEUR PEAK INTERNATIONAL OPPORTUNITIES FUND 19 DIS (MALAYSIA) NOMINIES (TEMPATAN) SDN BHD CRIN FOR EM		OF TOP THIRTY (30) SHAREHOLDERS AS AT 30 APRIL 2019 Name	lo. of Shares	% of
CITIGROUP NOMINEES (TEMPATAN) SDN BHD		- Name		
EMPLOYEES PROVIDENT FUND BOARD (NOMURA) A 6044,000 1.8				62.59
A AEON CO. (M) BHD.	2		4,933,554	1.97
PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KONG GOON KHING (E-SRK) 3,191,900 1.2	0	,	4 644 000	1.05
PLEDGED SECURITIES ACCOUNT FOR KONG GOON KHING (E-SRK) BYSS LON FOR ABERDEEN STANDARD ASIA FOCUS PLC BYSS LON FOR ABERDEEN STANDARD ASIA FOCUS PLC HSBC NOMINEES (ASING) SON BHD JPMBL SA FOR JPMORGAN FUNDS CARTABAN NOMINEES (ASING) SON BHD EXPERT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT ODG7) CARTABAN NOMINEES (TEMPATAN) SON BHD PAMB FOR PRULINK CQUITY FUND BNP PARIBAS SECS SYS JERSEY FOR ABERDEEN ASIAN INCOME FUND LIMITED BNP PARIBAS SECS SYS JERSEY FOR ABERDEEN ASIAN INCOME FUND LIMITED DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LECONG PENNY STOCKFUND CITIGROUP NOMINEES (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LECONG PENNY STOCKFUND CITIGROUP NOMINEES (TEMPATAN) SENDIRIAN BERHAD PLEDGED SECURITIES ACCOUNT FOR CONSOLIDATED CHAN REALTY SDN.BHD (E-KUG) BBH AND CO BOSTON FOR GRANDEUR PEAK EMERGING MARKETS OPPORTUNITIES FUND 1. 115,238 0.4 1. 115,24,500 0.5 1. 115,24,500 0.5 1. 115,24,500 0.5 1. 115,			, ,	1.59
5 H SBG NOMINIEES (ASING) SDN BHD 3,191,900 1.2 6 H SBG NOMINEES (ASING) SDN BHD 2,791,186 1.1 7 CARTABAN NOMINEES (ASING) SDN BHD 2,619,500 1.6 8 CARTABAN NOMINEES (ASING) SDN BHD 2,619,500 1.6 8 CARTABAN NOMINEES (ASING) SDN BHD 2,053,700 0.8 9 CARTABAN NOMINEES (TEMPATAN) SDN BHD 2,053,700 0.8 9 PAMB FOR PRULINK EQUITY FUND 1,626,800 0.6 10 BI MALAYSIA) NOMINEE (TEMPATAN) SDN BHD 1,626,800 0.6 10 DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD 1,600,000 0.6 10 DB (MALAYSIA) NOMINEE (TEMPATAN) SDN BHD 1,224,000 0.6 11 CHIGROUP NOMINEES (TEMPATAN) SDN BHD 1,224,000 0.5 12 PUBLIC NOMINEES (TEMPATAN) SDN BHD 1,242,000 0.5 12 HSBC NOMINEES (ASING) SDN BHD 1,224,400 0.5 14 HSBC NOMINEES (ASING) SDN BHD 1,115,238 0.4 15 CIMB GROUP NOMINEES (ASING) SDN BHD 1,107,100 0.4 16 HSBC NOMINEES (ASING) SDN BHD 1,024,500 0.4 17 HSBC NOMINEES (ASING) SDN BHD 1,024,500 0	4		3,996,000	1.59
BPSS LDN FOR ABERDÉEN STANDARD ASIA FOCUS PLC HSBC NOMINIESE (ASING) SDN BHD	5		3 191 900	1.27
6 HSBC NOMINIEES (ASING) SDN BHD 2,791,186 1.7 JPMBL SA FOR JPMORGAN FUNDS 2,619,500 1.6 7 CARTABAN NOMINEES (ASING) SDN BHD 2,619,500 1.6 8 CARTABAN NOMINEES (TEMPATAN) SDN BHD 2,053,700 0.6 9 HSBC NOMINEES (ASING) SDN BHD 2,053,700 0.6 9 HSBC NOMINEES (ASING) SDN BHD 1,626,800 0.6 10 B (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD 1,600,000 0.6 10 DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD 1,600,000 0.6 10 CITIGROUP NOMINEES (TEMPATAN) SON BHD 1,328,000 0.5 11 CITIGROUP NOMINEES (TEMPATAN) SON BHD 1,224,000 0.5 12 PUBLIC NOMINEES (TEMPATAN) SON BHD 1,224,000 0.5 13 HSBC NOMINEES (ASING) SDN BHD 1,224,000 0.5 14 HSBC NOMINEES (ASING) SDN BHD 1,224,000 0.5 15 CIMB GROUP NOMINEES (ASING) SDN BHD 1,115,238 0.4 16 HSBC NOMINEES (ASING) SDN BHD 1,097,100 0.4 17 HSBC NOMINEES (ASING) SDN BHD 1,097,100 0.4 18 CIMB GROUP NOMINEES (TEMPATAN) SDN BHD 1,097,100 <	Ū		0,101,000	
JPMBL SA FOR JPMORGAN FUNDS CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67) CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PRULINK EQUITY FUND HABGO ROMINEES (ASING) SDN BHD BNP PARIBAS SECS SVS JERSEY FOR ABERDEEN ASIAN INCOME FUND LIMITED BNP PARIBAS SECS SVS JERSEY FOR ABERDEEN ASIAN INCOME FUND LIMITED CHURAL AND	6		2.791.186	1.11
EXEMPT AN POR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67) 8 CARTABAN NOMINEES (TEMPATAN) SDN BHD PARIB FOR PRULINK EQUITY FUND 9 HSBC NOMINEES (ASING) SDN BHD BNP PARIBAS SECS SVS JERSEY FOR ABERDEEN ASIAN INCOME FUND LIMITED 10 DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA) BERHAD FOR HONG LEONG PENNY STOCKFUND 11 CITICROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAN (DIPERBADANKAN) (ABERDEEN) 12 PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCUSION FOR CONSOLIDATED CHAN REALTY SDN.BHD (E-KUG) 13 HSBC NOMINEES (ASING) SDN BHD BH AND CO BOSTON FOR GRANDEUR PEAK EMERGING MARKETS OPPORTUNITIES STUND 14 HSBC NOMINEES (ASING) SDN BHD JPMCS NAFOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND 15 CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD - KENANGA GROWTH FUND 16 HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR MITSUBISHI UFJ MORGAN STANLEY SECURITIES CO., LTD. 17 HSBC NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR MITSUBISHI UFJ MORGAN STANLEY SECURITIES CO., LTD. 18 CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB GROUP NOMINEES (TEMPATAN) SDN BHD SEMMT AN FOR MITSUBISHI UFJ MORGAN STANLEY SECURITIES CO., LTD. 19 HSBC NOMINEES (TEMPATAN) SDN BHD CIMB GROUP NOMINEES (TEMPATAN) SDN BHD SEMMT AN FOR MITSUBISHI UFJ MORGAN STANLEY SECURITIES CO., LTD. 10 HSBC NOMINEES (TEMPATAN) SDN BHD SEMMT AN FOR MITSUBISHI UFJ MORGAN STANLEY SECURITIES CO., LTD. 10 HSBC NOMINEES (TEMPATAN) SDN BHD SSBT FUND TOTA FOR CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM 10 CIMB GROUP NOMINEES (TEMPATAN) SDN BHD SSBT FUND TOTA FOR CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM 21 MOTOYA OKADA 22 HSBC NOMINEES (ASING) SDN BHD SSBT FUND TOTA FOR CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM 22 CHOORGAN SCASING) SDN BHD SBD AMIN ES (ASING) SDN BHD ASCORDAN SECRETIC SALE COUTT FOR KONG GOON SIONG (E-JCL) 26 MAYBANK NOMINEES (TEMPATAN) SD			, - ,	
6 CARTABAN NOMINEES (IEMPATAN) SDN BHD 2,053,700 0.8 9 HSBC NOMINEES (ASING) SDN BHD 1,626,800 0.6 10 DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD 1,600,000 0.6 11 DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD 1,600,000 0.6 12 DELUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG PENNY STOCKFUND 1,328,000 0.5 13 CITIGROUP NOMINEES (TEMPATAN) SDN BHD 1,242,000 0.5 14 CHINGLO KUMMEES (TEMPATAN) SDN BHD 1,242,000 0.5 15 PLEDGED SECURITIES ACCOUNT FOR CONSOLIDATED CHAN REALTY SDN.BHD (E-KUG) 1,224,400 0.6 14 HSBC NOMINIES (ASING) SDN BHD 1,224,400 0.6 15 BBH AND CO BOSTON FOR GRANDEUR PEAK EMERGING MARKETS 0POPCITUTITIES FUND 1,115,238 0.4 16 CIMB GROUP NOMINEES (ASING) SDN BHD 1,097,100 1,024,500 0.4 17 CIMB GROUP NOMINEES (ASING) SDN BHD 1,024,500 0.4 18 CIMB GROUP NOMINEES (TEMPATAN) SDN BHD 1,024,500 0.4 19 CIMB COMMERCE TRUSTEE BERHAD - KENANGA GROWTH FUND 1,012,150 0.4 16 HSBC NOMINIEES (ASING) SDN BHD 1,012,150 0.4 17	7	CARTABAN NOMINEES (ASING) SDN BHD	2,619,500	1.04
PAMB FOR PRULINK ÉQUITY FUND 1,626,800 0.6 9 HSBC NOMINESE (SING) SDN BHD 1,600,000 0.6 10 DB (MALAYSIA) NOMINEC (TEMPATAN) SENDIRIAN BERHAD 1,600,000 0.6 11 CITIGROUP NOMINEES (TEMPATAN) SENDIRIAN BERHAD FOR HONG LEONG PENNY STOCKFUND 1,328,000 0.5 12 PUBLIC NOMINEES (TEMPATAN) SDN BHD 1,242,000 0.5 13 HSBC NOMINEES (TEMPATAN) SDN BHD 1,242,000 0.5 14 HSBC NOMINEES (ASING) SDN BHD 1,224,400 0.4 15 BBH AND CO BOSTON FOR GRANDEUR PEAK EMERGING MARKETS 0PPORTUNITIES FUND 1,115,238 0.4 16 CIMB GROUP NOMINEES (ASING) SDN BHD 1,097,100 0.4 0.4 17 CIMB COMERCE TRUSTEE BERHAD - KENANGA GROWTH FUND 1,097,100 0.4 18 HSBC NOMINEES (ASING) SDN BHD 1,024,500 0.4 19 EXEMPT AN FOR MITSUBISH HUT JM DORGAN STANLEY SECURITIES CO., LTD. 1,024,500 0.4 16 HSBC NOMINEES (TEMPATAN) SDN BHD 1,012,150 0.4 HSBC NOMINEES (TEMPATAN) SDN BHD 1,012,150 0.4 HSBC NOMINEES (TEMPATAN) SDN BHD 1,012,150 0.4 HSBC NOMINEES (TEMPATAN) SDN BHD 9		EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)		
H-BBC NOMINEES (ASING) SDN BHD 1,626,800 0.6	8	CARTABAN NOMINEES (TEMPATAN) SDN BHD	2,053,700	0.82
BNP PARIBAS SECS SVS JERSEY FOR ABERDEEN ASIAN INCOME FUND LIMITED DB MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG PENNY STOCKFUND 1. CITIGROUP NOMINEES (TEMPATAN) SDN BHD PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CONSOLIDATED CHAN REALTY SDN.BHD (E-KUG) 12 PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CONSOLIDATED CHAN REALTY SDN.BHD (E-KUG) BBH AND CO BOSTON FOR GRANDEUR PEAK EMERGING MARKETS OPPORTUNITIES FUND 1. 1,115,238 0.4 1. 1,115,238 0.4 1. 1,115,238 0.4 1. 1,115,238 0.5 1. 1,115,238 0.6 1. 1,115,238 0.7 1. 1,007,100 0.7 1. 1,007,100 1. 1,007,100 1. 1,007,100 1. 1,007,100 1. 1,007,100 1. 1,007,100 1. 1,007,100 1.				
10 DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG PENNY STOCKFUND 11 CITIGROUP NOMINIEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (ABERDEEN) 1,328,000 1,242,000 PLEDGED SECURITIES ACCOUNT FOR CONSOLIDATED CHAN REALTY SDN.BHD (E-KUG) PLEDGED SECURITIES ACCOUNT FOR CONSOLIDATED CHAN REALTY SDN.BHD (E-KUG) BBH AND CO BOSTON FOR GRANDEUR PEAK EMERGING MARKETS OPPORTUMITIES FUND 14 HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND 15 CIMB GROUP NOMINEES (TEMPATAN) SDN BHD JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND 16 HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR MITSUBISH UFJ MORGAN STANLEY SECURITIES CO., LTD. 17 HSBC NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR MITSUBISH UFJ MORGAN STANLEY SECURITIES CO., LTD. 18 CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB GOOD TOM MITSUBISH UFJ MORGAN STANLEY SECURITIES CO., LTD. 19 DB (MALAYSIA) NOMINEE (SING) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD FOR AFFIN HWANG SELECT DIVIDEND FUND 10 DB (MALAYSIA) NOMINEE (ASING) SDN BHD SSBT FUND TOTA FOR CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM 20 CHONG AH SUAN SSBT FUND TOTA FOR GRANDEUR PEAK INTERNATIONAL OPPORTUNITIES FUND 21 HSBC NOMINEES (SING) SDN BHD BBH AND CO BOSTON FOR GRANDEUR PEAK INTERNATIONAL OPPORTUNITIES FUND 22 LEONG IN NAR CITIGROUP NOMINEES (ASING) SDN BHD SSBT FUND TOTA FOR GRANDEUR PEAK INTERNATIONAL OPPORTUNITIES FUND 23 CITIGROUP NOMINEES (ASING) SDN BHD CRIYF FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC 24 LEONG LI NAR CHAPATAN) SDN BHD TOTAL OF THE ARCHITICAL OF THE ARCHITICAL OPPORTUNITIES FUND 26 PUBLIC NOMINEES (TEMPATAN) SDN BHD AFFIN HWANG ASSET MANAGEMENT BERHAD FOR HONG LEONG ASSURANCEBERHAD (PAR-220082) HSBC NOMINEES (TEMPATAN) SDN BHD JPMCB NA FOR NANGUARD EMERGING MARKETS STOCK INDEX FUND 1 HSBC NOMINEES (TEMPATAN) SDN BHD 1 JPMCB NA FOR NANGUARD EMERGING MARKETS STOCK INDEX FUND 2 HSBC NOMINEES (TEMPATAN) SDN BHD 1 JPMCB NA FOR NANGUARD EMERGING MARKETS	9		1,626,800	0.65
DÉUTSCHE TRUSTEES MALAYSIA BÉRHAD FOR HONG LEONG PENNY STOCKFUND 1.328,000 0.5 11 CITIGROUP NOMINEES (TEMPATAN) SDN BHD 1,328,000 0.5 12 PUBLIC NOMINEES (TEMPATAN) SDN BHD 1,224,000 0.5 13 HSBC NOMINEES (TEMPATAN) SDN BHD 1,224,000 0.5 14 HSBC NOMINEES (ASING) SDN BHD 1,224,400 0.4 BBH AND CO BOSTON FOR GRANDEUR PEAK EMERGING MARKETS 0PPORTUNITIES FUND 1,115,238 0.4 15 CIMB GROUP NOMINEES (ASING) SDN BHD 1,097,100 0.4 1,097,100 0.4 16 HSBC NOMINEES (ASING) SDN BHD 1,097,100 0.4 0.4 0.4 0.4 16 HSBC NOMINEES (EMPATAN) SDN BHD 1,024,500 0.4 0.4 0.4 0.4 16 HSBC NOMINEES (TEMPATAN) SDN BHD 1,024,500 0.4 0.4 0.4 0.4 17 HSBC NOMINEES (TEMPATAN) SDN BHD 1,012,150 0.4 0.4 0.4 0.4 18 CIMB GROUP NOMINEES (TEMPATAN) SDN BHD 1,012,150 0.4 0.3 0.4 0.3 0.4 0.4 0.4 0.4 0.4 0.4 0.4 0				
CITIGROUP NOMINEES (TEMPATAN) SDN BHD	10		1,600,000	0.64
KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (ABERDEEN) 12 PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CONSOLIDATED CHAN REALTY SDN.BHD (E-KUG) 13 HSBC NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR GRANDEUR PEAK EMERGING MARKETS OPPORTUNITIES FUND 14 HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND 15 CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD - KENANGA GROWTH FUND 16 HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR MITSUBISHI UFJ MORGAN STANLEY SECURITIES CO., LTD. 17 HSBC NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR MITSUBISHI UFJ MORGAN STANLEY SECURITIES CO., LTD. 18 CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB GROUP NOMINEES (TEMPATAN) SDN BHD BIS (M) TRUSTEE BBHD FOR PERTUBUHAN KESELAMATAN SOSIAL (AFF HWG6939-403) 19 DB (MALAYSIA) NOMINEES (TEMPATAN) SDN BHD SSBT FUND TOTA FOR CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM 10 CHONG AH SUAN 10 DB (MALAYSIA) NOMINEE (ASING) SDN BHD SSBT FUND TOTA FOR CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM 11 HSBC NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR GRANDEUR PEAK INTERNATIONAL OPPORTUNITIES FUND 12 CITIGROUP NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR GRANDEUR PEAK INTERNATIONAL OPPORTUNITIES FUND 13 CITIGROUP NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR GRANDEUR PEAK INTERNATIONAL OPPORTUNITIES FUND 14 LEONG LI NAR 17 FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC 18 LEONG LI NAR 17 FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC 19 LEONG LI NAR 17 FOR EMERGING MARKET STOCK INDEX FUND 19 FUNDELC NOMINEES (TEMPATAN) SDN BHD AFFIN HWANG ASSET MANAGEMENT BERHAD FOR HONG LEONG ASSURANCEBERHAD (PAR-220082) 17 HSBC NOMINEES (ASING) SDN BHD AFFIN HWANG ASSET MANAGEMENT BERHAD FOR HONG LEONG ASSURANCEBERHAD (PAR-220082) 18 HSBC NOMINEES (ASING) SDN BHD AFFIN HWANG ASSET MANAGEMENT BERHAD FOR HONG LEONG ASSURANCEBERHAD (PAR-220082) 18 HSBC NOMINEES (TEMPATAN) SDN BHD AFSEC NOMINEES (TEMPATAN) SDN BHD AFSEC NOMINEES (TEMPATA			4 000 000	0.50
12 PUBLIC NOMINEES (TEMPATAN) SDN BHD 1,242,000 0.5 PLEDGED SECURITIES ACCOUNT FOR CONSOLIDATED CHAN REALTY SDN.BHD (E-KUG) 1,224,400 0.4 13 HSBC NOMINEES (ASING) SDN BHD 1,224,400 0.4 BBH AND CO BOSTON FOR GRANDEUR PEAK EMERGING MARKETS OPPORTUNITIES FUND 1 1,115,238 0.4 14 HSBC NOMINEES (ASING) SDN BHD 1,097,100 0.4 15 CIMB GROUP NOMINEES (TEMPATAN) SDN BHD 1,097,100 0.4 16 HSBC NOMINEES (ASING) SDN BHD 1,024,500 0.4 17 HSBC (MOMINEES (ASING) SDN BHD 1,024,500 0.4 18 HSBC NOMINEES (ASING) SDN BHD 1,024,500 0.4 19 HSBC NOMINEES (ASING) SDN BHD 1,012,150 0.4 18 CIMB GROUP NOMINEES (TEMPATAN) SDN BHD 996,997 0.4 18 CIMB GROUP NOMINEES (TEMPATAN) SDN BHD 996,997 0.4 19 DB (MALAYSIA) NOMINEE (ASING) SDN BHD 993,960 0.4 20 CHONG AH SUAN 953,367 0.3 21 HSBC NOMINEES (ASING) SDN BHD	11		1,328,000	0.53
PLEDGED SCOURTIES ACCOUNT FOR CONSOLIDATED CHAN REALTY SDN.BHD (E-KUG) 13 HSBC NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR GRANDEUR PEAK EMERGING MARKETS OPPORTUNITIES FUND 14 HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND 15 CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD F. KENANGA GROWTH FUND 16 HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR MITSUBISHI UFJ MORGAN STANLEY SECURITIES CO., LTD. 17 HSBC NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR MITSUBISHI UFJ MORGAN STANLEY SECURITIES CO., LTD. 18 CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD FOR AFFIN HWANG SELECT DIVIDEND FUND 19 DB (MALAYSIA) NOMINEES (ASING) SDN BHD CHONG AH SUAN CHONG AH SUAN 21 MOTOYA OKADA 22 HSBC NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR GRANDEUR PEAK INTERNATIONAL OPPORTUNITIES FUND 23 CITIGROUP NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR GRANDEUR PEAK INTERNATIONAL OPPORTUNITIES FUND 24 LEONG LI NAR 25 PUBLIC NOMINEES (ASING) SDN BHD AFFIN HWANG ASSET MANAGEMENT FOR ECRY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC 24 LEONG LI NAR 25 PUBLIC NOMINEES (FEMPATAN) SDN BHD AFFIN HWANG ASSET MANAGEMENT BERHAD FOR HONG LEONG ASSURANCEBERHAD (PAR-220082) 27 HSBC NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR GRANDEUR PEAK INTERNATIONAL OPPORTUNITIES FUND 36 MAYBANK NOMINEES (TEMPATAN) SDN BHD AFFIN HWANG ASSET MANAGEMENT BERHAD FOR HONG LEONG ASSURANCEBERHAD (PAR-220082) 37 HSBC NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR GRANDEUR PEAK GLOBAL OPPORTUNITIES FUND BBH AND CO BOSTON FOR GRANDEUR PEAK GLOBAL OPPORTUNITIES FUND BBH AND CO BOSTON FOR GRANDEUR PEAK GLOBAL OPPORTUNITIES FUND BBH AND CO BOSTON FOR GRANDEUR PEAK GLOBAL OPPORTUNITIES FUND BBH AND CO BOSTON FOR GRANDEUR PEAK GLOBAL OPPORTUNITIES FUND BBH AND CO BOSTON FOR GRANDEUR PEAK GLOBAL OPPORTUNITIES FUND BBH AND CO BOSTON FOR GRANDEUR PEAK GLOBAL OPPORTUNITIES FUND BBH AND CO BOSTON FOR GRANDEUR PEAK GLOBAL OPPORTUNITIES FUND BBH AND CO BOSTON FOR GR	10		1 040 000	0.50
13	12			0.50
BBH AND CO BOSTON FOR GRANDEUR PEAK EMERGING MARKETS OPPORTUNITIES FUND 14 HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND 15 CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD - KENANGA GROWTH FUND 16 HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR MITSUBISHI UFJ MORGAN STANLEY SECURITIES CO., LTD. 17 HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BED FOR PERTUBUHAN KESELAMATAN SOSIAL (AFF HWG6939-403) 18 CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD FOR AFFIN HWANG SELECT DIVIDEND FUND 19 DB (MALAYSIA) NOMINEE (ASING) SDN BHD SSBT FUND TCTA FOR CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM CHONG AH SUAN MOTOYA OKADA 20 CHONG AH SUAN SBH AND CO BOSTON FOR GRANDEUR PEAK INTERNATIONAL OPPORTUNITIES FUND 21 CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC 24 LEONG LI NAR 25 PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KONG GOON SIONG (E-JCL) 26 MAYBANK NOMINEES (TEMPATAN) SDN BHD AFFIN HWANG ASSET MANAGEMENT BERHAD FOR HONG LEONG ASSURANCEBERHAD (PAR-220082) 27 HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND 28 HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND 29 HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND 29 HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND 29 HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND 29 HSBC NOMINEES (EMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR AFFIN HWAN G SELECT ASIA (EX JAPAN) QUANTUM FUND (4579) 30 CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (NOMURA)	10			0.40
OPPORTUNITIES FUND 14 HSBC NOMINEES (ASING) SDN BHD	13		1,224,400	0.49
14				
JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND 1,097,100 0.4	14		1 115 238	0.44
CIMB GROUP NOMINEES (TEMPATAN) SDN BHD	17		1,110,200	0.77
CIMB COMMERCE TRUSTEE BERHAD - KENANGA GROWTH FUND 1 HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR MITSUBISHI UFJ MORGAN STANLEY SECURITIES CO., LTD. 17 HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR PERTUBUHAN KESELAMATAN SOSIAL (AFF HWG6939-403) 18 CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD FOR AFFIN HWANG SELECT DIVIDEND FUND 19 DB (MALAYSIA) NOMINEE (ASING) SDN BHD SSBT FUND TCTA FOR CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM CHONG AH SUAN 10 CHONG AH SUAN 11 MOTOYA OKADA 12 MOTOYA OKADA 13 BH AND CO BOSTON FOR GRANDEUR PEAK INTERNATIONAL OPPORTUNITIES FUND 14 CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC 15 PUBLIC NOMINEES (TEMPATAN) SDN BHD AFFIN HWANG ASSET MANAGEMENT BERHAD FOR HONG LEONG ASSURANCEBERHAD (PAR-220082) 17 HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD BHD AFFIN HWANG ASSET MANAGEMENT BERHAD FOR HONG LEONG ASSURANCEBERHAD (PAR-220082) 17 HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND 18 HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND 19 HSBC NOMINEES (ASING) SDN BHD AFFIN HWANG ASSET MANAGEMENT BERHAD FOR HONG LEONG ASSURANCEBERHAD (PAR-220082) 19 HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND 19 HSBC NOMINEES (ASING) SDN BHD JSMC NOMINEES (ASING) SDN BHD AFFIN HWANG ASSET MANAGEMENT BERHAD FOR HONG LEONG ASSURANCEBERHAD (PAR-220082) 10 HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND 10 HSBC NOMINEES (ASING) SDN BHD AFFIN HWANG ASSET MANAGEMENT BERHAD FOR HONG LEONG ASSURANCEBERHAD (PAR-220082) 10 HSBC NOMINEES (TEMPATAN) SDN BHD AFFIN HWANG ASSET MANAGEMENT BERHAD FOR HONG LEONG ASSURANCEBERHAD (PAR-220082) 10 HSBC NOMINEES (TEMPATAN) SDN BHD AFFIN HWANG ASSET MANAGEMENT BERHAD FOR HONG LEONG ASSURANCEBERHAD (PAR-220082) 10 HSBC NOMINEES (TEMPATAN) SDN BHD AFFIN HWANG ASSET MANAGEMENT BERHAD (PAR-220082) 10 HSBC NOMINEES	15		1 097 100	0.44
HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR MITSUBISHI UFJ MORGAN STANLEY SECURITIES CO., LTD. HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR PERTUBUHAN KESELAMATAN SOSIAL (AFF HWG6939-403) RCIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD FOR AFFIN HWANG SELECT DIVIDEND FUND B (MALAYSIA) NOMINEE (ASING) SDN BHD SSBT FUND TCTA FOR CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM CHONG AH SUAN CITIGROUP NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR GRANDEUR PEAK INTERNATIONAL OPPORTUNITIES FUND CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC LEONG LI NAR PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KONG GOON SIONG (E-JCL) MAYBANK NOMINEES (TEMPATAN) SDN BHD AFFIN HWANG ASSET MANAGEMENT BERHAD FOR HONG LEONG ASSURANCEBERHAD (PAR-220082) HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND HSBC NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR GRANDEUR PEAK GLOBAL OPPORTUNITIES FUND HSBC NOMINEES (ASING) SDN BHD G730,720 CITIGROUP NOMINEES (ASING) SDN BHD AFFIN HWANG ASSET MANAGEMENT BERHAD FOR HONG LEONG ASSURANCEBERHAD (PAR-220082) HSBC NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR GRANDEUR PEAK GLOBAL OPPORTUNITIES FUND HSBC NOMINEES (ASING) SDN BHD G77,100 CITIGROUP NOMINEES (TEMPATAN) SDN BHD HSBC NOMINEES (1,001,100	0.11
EXEMPT AN FOR MITSUBISHI UFJ MORGAN STANLEY SECURITIES CO., LTD. HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR PERTUBUHAN KESELAMATAN SOSIAL (AFF HWG6939-403) 18 CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD FOR AFFIN HWANG SELECT DIVIDEND FUND 19 DB (MALAYSIA) NOMINEE (ASING) SDN BHD SSBT FUND TCTA FOR CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM CHONG AH SUAN CHONG AH SUAN SEC NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR GRANDEUR PEAK INTERNATIONAL OPPORTUNITIES FUND CHONG AH SUAN CHONG AH SHAR AH SUAN CHONG AH SHAR AH SHA	16		1,024,500	0.41
HSBC (M) TRUSTÉE BHD FOR PERTUBUHAN KESELAMATAN SOSIAL (AFF HWG6939-403) 18 CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD FOR AFFIN HWANG SELECT DIVIDEND FUND 19 DB (MALAYSIA) NOMINEE (ASING) SDN BHD SSBT FUND TCTA FOR CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM 20 CHONG AH SUAN SOSTON OKADA R64,000 CITIGROUP NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR GRANDEUR PEAK INTERNATIONAL OPPORTUNITIES FUND 21 CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC 22 LEONG LI NAR 774,000 CENCY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC 24 LEONG LI NAR 774,000 CENCY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KONG GOON SIONG (E-JCL) 26 MAYBANK NOMINEES (TEMPATAN) SDN BHD AFFIN HWANG ASSET MANAGEMENT BERHAD FOR HONG LEONG ASSURANCEBERHAD (PAR-220082) 27 HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND 4 HSBC NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR GRANDEUR PEAK GLOBAL OPPORTUNITIES FUND 29 HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR AFFIN HWAN G SELECT ASIA (EX JAPAN) QUANTUM FUND (4579) CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (NOMURA)			, ,	
18 CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD FOR AFFIN HWANG SELECT DIVIDEND FUND 996,997 0.4 19 DB (MALAYSIA) NOMINEE (ASING) SDN BHD SSBT FUND TCTA FOR CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM 993,960 0.4 20 CHONG AH SUAN 953,367 0.3 21 MOTOYA OKADA 864,000 0.3 22 HSBC NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR GRANDEUR PEAK INTERNATIONAL OPPORTUNITIES FUND 801,340 0.3 23 CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC 801,340 0.3 24 LEONG LI NAR 774,000 0.3 25 PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KONG GOON SIONG (E-JCL) 750,000 0.3 26 MAYBANK NOMINEES (TEMPATAN) SDN BHD AFFIN HWANG ASSET MANAGEMENT BERHAD FOR HONG LEONG ASSURANCEBERHAD (PAR-220082) 734,811 0.2 27 HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND 730,720 0.2 28 HSBC NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR GRANDEUR PEAK GLOBAL OPPORTUNITIES FUND 677,100 0.2 29 HSBC NOMINEES (TEMPATAN) SDN BHD HS	17	HSBC NOMINEES (TEMPATAN) SDN BHD	1,012,150	0.40
CIMB ISLAMIC TRUSTEE BERHAD FOR AFFIN HWANG SELECT DIVIDEND FUND DB (MALAYSIA) NOMINEE (ASING) SDN BHD SSBT FUND TCTA FOR CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM CHONG AH SUAN CHONG AH SUAN HOTOYA OKADA KINGO OSTON FOR GRANDEUR PEAK INTERNATIONAL OPPORTUNITIES FUND CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC LEONG LI NAR PUBLIC NOMINEES (TEMPATAN) SDN BHD AFFIN HWANG ASSET MANAGEMENT BERHAD FOR HONG LEONG ASSURANCEBERHAD (PAR-220082) HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND BBH AND CO BOSTON FOR GRANDEUR PEAK GLOBAL OPPORTUNITIES FUND BBH AND CO BOSTON FOR GRANDEUR PEAK GLOBAL OPPORTUNITIES FUND BBH AND CO BOSTON FOR GRANDEUR PEAK GLOBAL OPPORTUNITIES FUND CITIGROUP NOMINEES (TEMPATAN) SDN BHD AFFIN HWANG ASSET MANAGEMENT BERHAD FOR HONG LEONG ASSURANCEBERHAD (PAR-220082) HSBC NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR GRANDEUR PEAK GLOBAL OPPORTUNITIES FUND BBH AND CO BOSTON FOR GRANDEUR PEAK GLOBAL OPPORTUNITIES FUND CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (NOMURA)		HSBC (M) TRUSTEE BHD FOR PERTUBUHAN KESELAMATAN SOSIAL (AFF HWG6939-403	3)	
19 DB (MALAYSIA) NOMINEE (ASING) SDN BHD SSBT FUND TCTA FOR CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM 993,960 0.4 20 CHONG AH SUAN 953,367 0.3 21 MOTOYA OKADA 864,000 0.3 22 HSBC NOMINEES (ASING) SDN BHD 816,560 0.3 23 CITICROUP NOMINEES (ASING) SDN BHD 801,340 0.3 24 CENY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC 774,000 0.3 24 LEONG LI NAR 774,000 0.3 25 PUBLIC NOMINEES (TEMPATAN) SDN BHD 750,000 0.3 26 MAYBANK NOMINEES (TEMPATAN) SDN BHD 734,811 0.2 26 MAYBANK NOMINEES (TEMPATAN) SDN BHD 734,811 0.2 27 HSBC NOMINEES (ASING) SDN BHD 731,700 0.2 28 HSBC NOMINEES (ASING) SDN BHD 730,720 0.2 28 HSBC NOMINEES (ASING) SDN BHD 730,720 0.2 29 HSBC NOMINEES (ASING) SDN BHD 730,720 0.2 BBH AND CO BOSTON FOR GRANDEUR PEAK GLOBAL OPPORTUNITIES FUND	18		996,997	0.40
SSBT FUND TCTA FOR CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM CHONG AH SUAN MOTOYA OKADA HSBC NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR GRANDEUR PEAK INTERNATIONAL OPPORTUNITIES FUND CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC LEONG LI NAR PUBLIC NOMINEES (TEMPATAN) SDN BHD AFFIN HWANG ASSET MANAGEMENT BERHAD FOR HONG LEONG ASSURANCEBERHAD (PAR-220082) HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND HSBC NOMINEES (TEMPATAN) SDN BHD AFBIC NOMINEES (ASING) SDN BHD ASSURANCEBERHAD (PAR-220082) HSBC NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR GRANDEUR PEAK GLOBAL OPPORTUNITIES FUND HSBC NOMINEES (TEMPATAN) SDN BHD ASSURANCEBER (M) TRUSTEE BHD FOR AFFIN HWAN G SELECT ASIA (EX JAPAN) QUANTUM FUND (4579) CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (NOMURA)				
20 CHONG AH SUAN 21 MOTOYA OKADA 22 HSBC NOMINEES (ASING) SDN BHD 316,560 32 BBH AND CO BOSTON FOR GRANDEUR PEAK INTERNATIONAL OPPORTUNITIES FUND 23 CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC 24 LEONG LI NAR 25 PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KONG GOON SIONG (E-JCL) 26 MAYBANK NOMINEES (TEMPATAN) SDN BHD AFFIN HWANG ASSET MANAGEMENT BERHAD FOR HONG LEONG ASSURANCEBERHAD (PAR-220082) 27 HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND 28 HSBC NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR GRANDEUR PEAK GLOBAL OPPORTUNITIES FUND 29 HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR AFFIN HWAN G SELECT ASIA (EX JAPAN) QUANTUM FUND (4579) 30 CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (NOMURA)	19		993,960	0.40
21 MOTOYA OKADA 22 HSBC NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR GRANDEUR PEAK INTERNATIONAL OPPORTUNITIES FUND 23 CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC 24 LEONG LI NAR 25 PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KONG GOON SIONG (E-JCL) 26 MAYBANK NOMINEES (TEMPATAN) SDN BHD AFFIN HWANG ASSET MANAGEMENT BERHAD FOR HONG LEONG ASSURANCEBERHAD (PAR-220082) 27 HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND 28 HSBC NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR GRANDEUR PEAK GLOBAL OPPORTUNITIES FUND 29 HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR AFFIN HWAN G SELECT ASIA (EX JAPAN) QUANTUM FUND (4579) 30 CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (NOMURA)				
HSBC NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR GRANDEUR PEAK INTERNATIONAL OPPORTUNITIES FUND CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC LEONG LI NAR PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KONG GOON SIONG (E-JCL) MAYBANK NOMINEES (TEMPATAN) SDN BHD AFFIN HWANG ASSET MANAGEMENT BERHAD FOR HONG LEONG ASSURANCEBERHAD (PAR-220082) HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND HSBC NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR GRANDEUR PEAK GLOBAL OPPORTUNITIES FUND HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR AFFIN HWAN G SELECT ASIA (EX JAPAN) QUANTUM FUND (4579) CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (NOMURA)			,	0.38
BBH AND CO BOSTON FOR GRANDEUR PEAK INTERNATIONAL OPPORTUNITIES FUND 23 CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC 24 LEONG LI NAR 774,000 0.3 PLEDGED SECURITIES ACCOUNT FOR KONG GOON SIONG (E-JCL) 26 MAYBANK NOMINEES (TEMPATAN) SDN BHD AFFIN HWANG ASSET MANAGEMENT BERHAD FOR HONG LEONG ASSURANCEBERHAD (PAR-220082) 27 HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND 28 HSBC NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR GRANDEUR PEAK GLOBAL OPPORTUNITIES FUND 29 HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR AFFIN HWAN G SELECT ASIA (EX JAPAN) QUANTUM FUND (4579) 30 CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (NOMURA)			,	0.34
CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC LEONG LI NAR FUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KONG GOON SIONG (E-JCL) MAYBANK NOMINEES (TEMPATAN) SDN BHD AFFIN HWANG ASSET MANAGEMENT BERHAD FOR HONG LEONG ASSURANCEBERHAD (PAR-220082) HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND BBH AND CO BOSTON FOR GRANDEUR PEAK GLOBAL OPPORTUNITIES FUND HSBC (M) TRUSTEE BHD FOR AFFIN HWAN G SELECT ASIA (EX JAPAN) QUANTUM FUND (4579) CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (NOMURA)	22			0.33
CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC 24 LEONG LI NAR 774,000 0.3 25 PUBLIC NOMINEES (TEMPATAN) SDN BHD 750,000 0.3 PLEDGED SECURITIES ACCOUNT FOR KONG GOON SIONG (E-JCL) 26 MAYBANK NOMINEES (TEMPATAN) SDN BHD 734,811 0.2 AFFIN HWANG ASSET MANAGEMENT BERHAD FOR HONG LEONG ASSURANCEBERHAD (PAR-220082) 27 HSBC NOMINEES (ASING) SDN BHD 731,700 0.2 JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND 28 HSBC NOMINEES (ASING) SDN BHD 730,720 0.2 BBH AND CO BOSTON FOR GRANDEUR PEAK GLOBAL OPPORTUNITIES FUND 29 HSBC NOMINEES (TEMPATAN) SDN BHD 677,100 0.2 HSBC (M) TRUSTEE BHD FOR AFFIN HWAN G SELECT ASIA (EX JAPAN) QUANTUM FUND (4579) 30 CITIGROUP NOMINEES (TEMPATAN) SDN BHD 668,200 0.2 KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (NOMURA)	00			0.22
DIMENSIONS GROUP INC 24 LEONG LI NAR 774,000 0.3 25 PUBLIC NOMINEES (TEMPATAN) SDN BHD 750,000 0.3 PLEDGED SECURITIES ACCOUNT FOR KONG GOON SIONG (E-JCL) 26 MAYBANK NOMINEES (TEMPATAN) SDN BHD 734,811 0.2 AFFIN HWANG ASSET MANAGEMENT BERHAD FOR HONG LEONG ASSURANCEBERHAD (PAR-220082) 27 HSBC NOMINEES (ASING) SDN BHD 731,700 0.2 JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND 28 HSBC NOMINEES (ASING) SDN BHD 730,720 0.2 BBH AND CO BOSTON FOR GRANDEUR PEAK GLOBAL OPPORTUNITIES FUND 29 HSBC NOMINEES (TEMPATAN) SDN BHD 677,100 0.2 HSBC (M) TRUSTEE BHD FOR AFFIN HWAN G SELECT ASIA (EX JAPAN) QUANTUM FUND (4579) 30 CITIGROUP NOMINEES (TEMPATAN) SDN BHD 668,200 0.2 KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (NOMURA)	23		001,340	0.32
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	30		668,200	0.27
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	1012	<u> </u>	203,012,035	80.93

ANALYSIS OF IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("ICULS") HOLDINGS

STATISTIC ON ICULS HOLDINGS AS AT 30 APRIL 2019

Type of Securities : 3-year, 3.5% ICULS at nominal value of RM1.00 each

Class of shares : RM432,000,000 comprising 432,000,000 ICULS at nominal value of RM1.00 each

Total Outstanding ICULS : RM48,909,595 comprising 48,909,595 at nominal value of RM1.00 each

Number of ICULS Holders : 1,147

Category	No. of ICULS Holders	% of ICULS Holders	No. of ICULS Held	% of Outstanding ICULS
1 - 99	17	1.48	243	0.00
100 - 1,000	207	18.05	94,637	0.20
1,001 - 10,000	615	53.62	2,477,648	5.07
10,001 - 100,000	268	23.36	7,027,495	14.36
100,001 to less than 5% of outstanding ICULS	35	3.05	17,465,372	35.71
5% and above of outstanding ICULS	5	0.44	21,844,200	44.66
Total	1,147	100.00	48,909,595	100.00

With reference to the announcement made by the Company on 13 October 2017, the substantial shareholders, namely AEON Financial Service Co., Ltd and AEON CO. Ltd. (with deemed interest in the shares held by AEON Financial Service Co., Ltd. and AEON CO. (M) BHD. by virtue of Section 8 of the Companies Act 2016), had converted all ICULS held to Ordinary Shares.

DIRECTORS' INTEREST IN ICULS

		Direct Interest No. of	Indirect In	terest
No	Name of Directors	Shares Held	ICULS held	%
1	Ng Eng Kiat	-	-	
2	Kenji Fujita	-	-	-
3	Dato' Md Kamal bin Ismaun	18,000	-	0.04
4	Tomokatsu Yoshitoshi	-	-	-
5	S Sunthara Moorthy A/L S Subramaniam	-	-	-
6	YBhg. Datuk Adinan bin Maning	-	-	-
7	Khoo Pek Ling	-	-	-
8	Datin Yasmin Ahmad Merican	-	-	-
9	Rashidah binti Abu Bakar	-	-	-
10	Tetsuro Takano	-	-	-
11	Lee Tyan Jen	72,500	-	0.15

LIST OF TOP THIRTY (30) ICULS HOLDERS AS AT 30 APRIL 2019

No.	Name	No. of ICULS	% of ICULS
1	HSBC NOMINEES (ASING) SDN BHD BPSS LDN FOR ABERDEEN STANDARD ASIA FOCUS PLC	8,473,800	17.33
2	HSBC NOMINEES (ASING) SDN BHD BNP PARIBAS SECS SVS JERSEY FOR ABERDEEN ASIAN INCOME FUND LIMITED	3,953,600	8.08
3	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ABERDEEN)	3,643,400	7.45
4	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (ABERDEEN)	3,147,800	6.44
5	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD - KENANGA GROWTH FUND	2,625,600	5.37
6	HSBC NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR GRANDEUR PEAK EMERGING MARKETS OPPORTUNITIES FUND	2,260,800	4.62
7	HSBC NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR GRANDEUR PEAK INTERNATIONAL OPPORTUNITIES FUND	2,235,120	4.57
8	HSBC NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR GRANDEUR PEAK GLOBAL OPPORTUNITIES FUND	1,678,440	3.43
9	AFFIN HWANG NOMINEES (ASING) SDN. BHD. DBS VICKERS SECS (S) PTE LTD FOR SERENDIP INVESTMENTS LIMITED	1,278,000	2.61
10	MAYBANK SECURITIES NOMINEES (ASING) SDN BHD MAYBANK KIM ENG SECURITIES PTE LTD FOR KEGANI PACIFIC LTC FUND L.P.	982,300	2.01
11	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR FONG SHENG MOTOR SDN BHD (MY2815)	780,780	1.60
12	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR SKYTURE CAPITAL SDN BHD (M51016)	713,000	1.46
13	LOO WAH CHAI	643,000	1.31
14	TAN KOK	621,000	1.27
15	MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD	610,992	1.25
	EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD (EPF)	,	
16	HSBC NOMINEES (ASING) SDN BHD BPSS SIN FOR ABERDEEN STANDARD MALAYSIAN EQUITY FUND (BPTSSL)	594,000	1.21
17	HSBC NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR GRANDEUR PEAK GLOBAL OPPORTUNITIES, L.P.	525,900	1.08
18	HSBC NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR GRANDEUR PEAK GLOBAL REACH FUND	445,800	0.91
19	WONG WAI KUAN	370,400	0.76
20	YASUHIRO KASAI	324,000	0.66
21	LEONG LI NAR	290,000	0.59
22	CHIN PHOY HOY	282,800	0.58
23	LIM PUI NGAN	237,000	0.48
24	CITIGROUP NOMINEES (TEMPATAN) SDN BHD UNIVERSAL TRUSTEE (MALAYSIA) BERHAD FOR CIMB-PRINCIPAL EQUITY FUND	223,900	0.46
25	TAN LIAN SUAN	215,000	0.44
26	TAN KIM LAN	210,000	0.43
27	KHAW KHEAN HUAT	182,700	0.37
28	HAUW TIO HIONG	180,000	0.37
29	TAN LIAN SUAN	166,000	0.34
30	LIM AH CHOO	165,000	0.34
Tota	al	38,060,132	77.82

NOTICE IS HEREBY GIVEN THAT the Twenty-Second Annual General Meeting ("22nd AGM") of AEON Credit Service (M) Berhad will be held at Ballroom 1 and 2, Level 2, InterContinental Hotel, 165 Jalan Ampang, 50450 Kuala Lumpur, Malaysia on Thursday, 20 June 2019 at 10.30 a.m. for the following purposes:

AGENDA

As Ordinary Business

 To receive the Audited Financial Statements for the financial year ended 28 February 2019 together with the Reports of the Directors and Auditors thereon. (Please refer to Note (i) of the Explanatory Notes)

2. To approve the payment of a final dividend of 22.35 sen per ordinary share in respect of the financial year ended 28 February 2019.

Ordinary Resolution 1

3. To approve the Directors' Fees up to an aggregate amount of RM1.178 million in respect of the financial year ended 28 February 2019 and payments thereof.

Ordinary Resolution 2

4. To approve the payment of Benefits Payable to the Chairman/Non-Independent Non-Executive Director up to an aggregate amount of RM80,000 from 3 October 2018 until the next AGM of the Company in year 2020. **Ordinary Resolution 3**

To re-elect the following Directors who are retiring pursuant to Clause 148 of the Constitution of the Company:

(i) Ng Eng Kiat

- (ii) S Sunthara Moorthy A/L S Subramaniam
- (iii) Dato' Md Kamal bin Ismaun
- (iv) Tomokatsu Yoshitoshi
- (v) Lee Tyan Jen

Ordinary Resolution 4 Ordinary Resolution 5 Ordinary Resolution 6 Ordinary Resolution 7 Ordinary Resolution 8

Kenji Fujita and Tetsuro Takano, who retire in accordance with Clause 148 of the Constitution of the Company, have expressed their intention not to seek re-election at the 22nd AGM and will retain office until the conclusion of the 22nd AGM

- To re-elect the following Directors who are retiring pursuant to Clause 153 of the Constitution of the Company:
 - (i) YBhg. Datuk Adinan bin Maning
 - (ii) Datin Khoo Pek Ling
 - (iii) Datin Yasmin Ahmad Merican
 - (iv) Rashidah binti Abu Bakar

- Ordinary Resolution 9 Ordinary Resolution 10 Ordinary Resolution 11 Ordinary Resolution 12
- 7. To re-appoint Messrs. Deloitte PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.

Ordinary Resolution 13

As Special Business

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

8. Proposed Renewal of Authority under Sections 75 and 76 of the Companies Act 2016 for the Directors to allot and issue shares

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016, the Directors be and are hereby authorised to allot and issue shares in the share capital of the Company at any time until the conclusion of the next AGM, 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 total number of issued shares 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 14

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

"THAT, subject to the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), 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 21 May 2019 ("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 entered into pursuant to the Proposed Shareholders' Mandate during the financial year with details on the nature and type of Recurrent Related Party Transactions, 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:

- the conclusion of the next 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;
- the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); 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."

 To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company. **Ordinary Resolution 15**

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT, subject to the approval of the shareholders at the 22nd AGM, a final dividend of 22.35 sen per ordinary share in respect of the financial year ended 28 February 2019 will be paid to shareholders on 18 July 2019. The entitlement date for the said dividend shall be 4 July 2019.

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

- (a) Shares transferred into the Depositor's securities account before 4.30 p.m. on 4 July 2019 in respect of transfers; and
- (b) Shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

BY ORDER OF THE BOARD

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

Selangor Darul Ehsan Date: 21 May 2019

NOTES:

- 1. A member of the Company entitled to attend, participate, speak and vote at this meeting is entitled to appoint up to two (2) proxies to attend, participate, speak and vote in his/her stead at the same meeting. Where a member appoints up to two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company.
- 2. 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.
- 3. The instrument appointing a proxy by a member who is entitled to attend and vote at the meeting, shall be in writing, executed by the appointor or of his/her attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or the hand of its officer or its duly authorised attorney. The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Company's Share Registrar office at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time set for holding the meeting or adjourned meeting, otherwise the instrument of proxy should not be treated as valid.
- 4. In respect of deposited securities, only members whose names appear on the Record of Depositors on 12 June 2019 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.
- Pursuant to Paragraph 8.29A(1) of the MMLR of Bursa Securities, all the resolutions set out in the Notice of the 22nd AGM will be put to vote by way of poll.

EXPLANATORY NOTES

(i) Item 1 of the Agenda - To receive the Audited Financial Statements

Agenda item 1 is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.

(ii) Ordinary Resolution 3 - To approve the payment of Benefits Payable to the Chairman/Non-Independent Non-Executive Director up to an aggregate amount of RM80,000 from 3 October 2018 until the next AGM of the Company in year 2020

The benefits payable (excluding Directors' Fees) to Ng Eng Kiat, the Chairman/Non-Independent Non-Executive Director of the Company, comprises benefits-in-kind (computed in accordance with Lembaga Hasil Dalam Negeri's guildeline) for the use of a company car, driver and petrol.

(iii) Ordinary Resolution 14 - Proposed Renewal of Authority under Sections 75 and 76 of the Companies Act 2016 for the Directors to allot and issue shares

The Company had, during its Twenty-First AGM held on 21 June 2018, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Sections 75 and 76 of the Companies Act 2016. As at the date of this notice, the Company has not issued any shares pursuant to that mandate obtained.

The ordinary resolution 14 proposed under item 8 of the Agenda is a renewal of the general mandate for issuance of shares by the Company under Sections 75 and 76 of Companies Act 2016. The resolution, 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 ten per centum (10%) of the issued shares 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 of the Company.

This 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 acquisition(s).

(iii) Ordinary Resolution 15 - Proposed Shareholders' Mandate

Ordinary Resolution 15 proposed under item 9 of the Agenda, if passed, will allow the Company to enter into recurrent related party transactions in accordance with paragraph 10.09 of the MMLR of Bursa Securities 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 Company or affecting the business opportunities available to the Company. The proposed shareholders' mandate is subject to renewal on an annual basis.

Further information on the Proposed Shareholders' Mandate is set out in the Circular to Shareholders dated 21 May 2019 which was despatched together with this Annual Report.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.



AEON CREDIT SERVICE (M) BERHAD (Company No.412767-V) (Incorporated in Malaysia)

FORM OF PROXY	
*I/We (name in full and in block letters)	(NRIC No./Passport No./Company No)

of address) being *a member	er/members of AEON CREDIT SERVICE (M) BERH	HAD ("Co	mpany"), hereby appoint (nam	e in full a	, (fu nd in blocl
	(NRIC Noaddress) and/or failing *him/her, (name in full an				
	address) and/or failing *him/her, (name in full and)) of				
AGM") of the Company	to be held at Ballroom 1 and 2, Level 2, InterCo 0 June 2019 at 10.30 a.m. and at any adjournmen	ntinental	Hotel, 165 Jalan Ampang, 50		
 Strike out whichever is in Please delete the words 	napplicable. "THE CHAIRMAN OF THE MEETING" if you wish to appoint	some othe	r person to be your proxy.		
I/We indicate with an "x"	in the spaces below how I/we wish my/our vote $\ensuremath{^{t}}$	o be cas	t.		
NO.	RESOLUTIONS			FOR	AGAINST
	ORDINARY BUSINESS				•
Ordinary Resolution 1	Approval of the payment of a final dividend of 22.35 sen per ordinary share in respect of the financial year ended 28 February 2019				
Ordinary Resolution 2	Approval of the payment of Directors' Fees of up to RM1.178 million in respect of the financial year ended 28 February 2019				
Ordinary Resolution 3	Approval of the payment of Benefits Payable to the Chairman/Non-Independent Non-Executive Director up to an aggregate amount of RM80,000 from 3 October 2018 until the next AGM of the Company in year 2020				
Ordinary Resolution 4	Re-election of Ng Eng Kiat				
Ordinary Resolution 5	Re-election of S Sunthara Moorthy A/L S Subramaniam				
Ordinary Resolution 6	Re-election of Dato' Md Kamal bin Ismaun				
Ordinary Resolution 7	Re-election of Tomokatsu Yoshitoshi				
Ordinary Resolution 8	Re-election of Lee Tyan Jen				
Ordinary Resolution 9	Re-election of YBhg. Datuk Adinan bin Maning				
Ordinary Resolution 10	Re-election of Datin Khoo Pek Ling				
Ordinary Resolution 11	Re-election of Datin Yasmin Ahmad Merican				
Ordinary Resolution 12	Re-election of Rashidah binti Abu Bakar				
Ordinary Resolution 13	Re-appointment of Messrs. Deloitte PLT as Audito Directors to fix their remuneration	rs of the	Company and to authorise the		
	SPECIAL BUSINESS				
Ordinary Resolution 14	Proposed Renewal of Authority under Sections 75 a Directors to allot and issue shares	'5 and 76 of the Companies Act 2016 for the			
Ordinary Resolution 15	Proposed Renewal of Existing Shareholders' Nature and for Additional Recurrent Related Party Transactions	Proposed New Shareholders' Mandate			
Subject to the abovestated voting instructions, my/our proxy/proxies may vote or abstain from voting on any resolutions as *he/*she/*they may think fit.			For appointment of two proxies, pe shareholdings to be represented by		tage of
					proxies:
				Per	rcentage
			Proxy 1 Proxy 2		% %
Signed this	day of, 2019		Total		100 %
If appointment of proxy i	s under hand	No. o	f shares held:		
		Secu	rities Account No.: Account No.) (Compulsory)		
			act No.:		
Signed by "individual member/*officer or attorney of member/*authorised nominee of (beneficial owner)		Email Date:	address:		
If appointment of proxy i	s under seal				
The Common Seal of			f shares held:		
was hereto affixed in accordance with its Constitution in the presence of:		Securities Account No.: (CDS Account No.) (Compulsory)			
Discrete: Communication (Communication)		Contact No.: Email address:			
	Director / Secretary er/*attorney of member/*authorised nominee of beneficial owner)	Date:			

POSTAGE STAMP

The Share Registrar
AEON CREDIT SERVICE (M) BERHAD

(Company No.412767-V)
Boardroom Share Registrars Sdn. Bhd.
(formerly known as Symphony Share Registrars Sdn. Bhd.)
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

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Notes:

- A member of the Company entitled to attend, participate, speak and vote at this meeting is entitled to appoint up to two (2) proxies to attend, participate, speak and vote in his/her stead at the same meeting. Where a member appoints up to two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company.
- 2. 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.
- 3. The instrument appointing a proxy by a member who is entitled to attend and vote at the meeting, shall be in writing, executed by the appointor or of his/her attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or the hand of its officer or its duly authorised attorney. The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Company's Share Registrar office at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time set for holding the meeting or adjourned meeting, otherwise the instrument of proxy should not be treated as valid.
- In respect of deposited securities, only members whose names appear on the Record of Depositors on 12 June 2019 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.
- 5. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of the 22nd AGM will be put to vote by way of poll.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of the 22nd AGM dated 21 May 2019.



AEON CREDIT SERVICE (M) BERHAD (412767-v)

Level 18, UOA Corporate Tower, Avenue 10, The Vertical, Bangsar South City, 8, Jalan Kerinchi, 59200 Kuala Lumpur. Tel: 03-2772 9000 Fax: 03-2711 4110 Email: ir_info@aeoncredit.com.my

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