

AEON CO. (M) BHD.
(126926-H)

Annual Report
2013



*A New Beginning
with you*



*A New Beginning
with you*

RATIONALE:

The butterfly is perhaps the most widely recognised symbol of rebirth and changing for the better. The butterfly signifies an exciting new beginning, movement and spirit of growth. Like the butterfly, AEON is emerging from the chrysalis to spread our wings to fly high. We strive to do more and reach out to enrich the lives of people and our communities.



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OTHERS

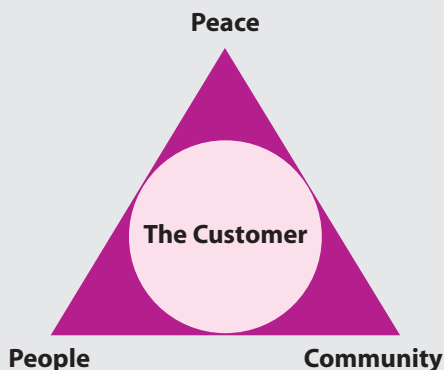
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An Introduction of AEON Group

AEON CO. (M) BHD. is a leading retailer in Malaysia with a total revenue of RM3.51 billion for the financial year under review. The Company was incorporated on 15 September 1984. AEON CO. (M) BHD. (AEON or the Company) was set up in response to the Malaysian Government's invitation to AEON Japan to help modernise the retailing industries in Malaysia. The 'AEON' name today is well established among Malaysians as well as foreigners, especially due to its association with the international AEON Group of Companies. AEON has established itself as a leading chain of General Merchandise Stores (GMS) and supermarkets. AEON's constant interior refurbishment of stores to project an image designed to satisfy the ever changing needs and desires of consumers is clear evidence of this. The Company's performance has been further enhanced by the management's acute understanding of target market needs and the provision of an optimal product mix. AEON's stores are mostly situated in suburban residential areas, catering to Malaysia's vast middle income group.

The AEON Group of Companies consists of AEON Co., Ltd. and over 250 consolidated subsidiaries and affiliated companies. In addition to its core GMS plus its supermarket and convenience store operations, AEON is also active in specialty store operations, shopping centre development and operations, credit card business and services. The AEON Group of Companies is an integrated Japanese retailer and is active not only in Japan but also throughout ASEAN and China. At all times, in every market, AEON's activities are guided by its unchanging 'Customer First' philosophy. Its aim is to surpass expectations by combining excellent products with unique personal services that enhance the shopping experience to make customers smile every time they shop.

AEON Basic Principles



The word aeon (AEON) has its origins in a Latin root meaning "eternity".

The customers' beliefs and desires comprise the central core of our philosophy. 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.

AEON Basic Principles are the following:

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.

AEON Basic Principles have been passed down from the Okadaya, one of AEON's forerunners established in 1758. The principle of Peace was embodied in the first major sale that Okadaya held the year after the end of World War II (1945). Some customers held the leaflet for the sale in their hands and tearfully exclaimed, "Peace has finally arrived." In addition, the retail business is a people's business that values the development of personal relationships with customers as well as a community business rooted in and growing together with local communities. At AEON, our eternal mission is to contribute to the realisation of a peaceful and prosperous society in every country and region based our enduring commitment to these Basic Principles.



Corporate Information and Directory

Board of Directors

- Dato' Abdullah bin Mohd Yusof
(Chairman)
- Nagahisa Oyama
- Nur Qamarina Chew binti Abdullah
- Poh Ying Loo
- Naoki Hayashi
- Mitsuru Nakata
- Datuk Syed Ahmad Helmy
bin Syed Ahmad
(Appointed on 16 April 2013)
- Dato' Tunku Putra Badlishah
Ibni Tunku Annuar
(Appointed on 16 April 2013)
- Abdul Rahim bin Abdul Hamid
(Appointed on 16 August 2013)
- Charles Tseng @ Charles Tseng Chia Chun
(Appointed on 16 August 2013)
- Dato' Chew Kong Seng
(Retired on 22 May 2013)
- Datuk Ramli bin Ibrahim
(Retired on 22 May 2013)

Company Secretaries

Tai Yit Chan (MAICSA 7009143)
Tan Ai Ning (MAICSA 7015852)

Registered Office and Head Office

3rd Floor, AEON Taman Maluri Shopping Centre
Jalan Jejaka, Taman Maluri
Cheras, 55100 Kuala Lumpur
Tel : 03-9207 2005
Fax : 03-9207 2006/2007

Auditors

KPMG Desa Megat & Co. (AF0759)
Chartered Accountants
Level 10, KPMG Tower, 8, First Avenue
Bandar Utama, 47800 Petaling Jaya
Tel : 03-7721 3388
Fax : 03-7721 3399

Share Registrar

Tricor Investor Services Sdn Bhd (118401-V)
Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : 03-2264 3883
Fax : 03-2282 1886

Date of Incorporation

15 September 1984

Stock Exchange Listing

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

Stock Name : AEON

Stock Code : 6599

Website

www.aeonretail.com.my

Principal Bankers

Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad
(302316-U)

Malayan Banking Berhad (3813-K)

CIMB Bank Berhad (13491-P)

Corporate Calendar

Notice of

Annual General Meeting
30 April 2013

Annual General Meeting
22 May 2013

Payment of Dividend
Book Closure – 14 June 2013
Payment – 11 July 2013

Quarterly Results Announcement

1st Quarter 22 May 2013

2nd Quarter 29 August 2013

3rd Quarter 25 November 2013

4th Quarter 27 February 2014

Five-Year Financial Highlights

Year Ended 31 December	2013 RM'000	2012 RM'000	2011 RM'000	2010 RM'000	2009 RM'000
Financial Results					
Revenue	3,514,418	3,255,669	2,984,614	2,894,482	2,747,782
Retailing	3,041,717	2,822,575	2,609,070	2,524,330	2,394,886
Property management services	472,701	433,094	375,544	370,152	352,896
EBITDA	484,031	438,795	411,919	386,467	338,382
Profit before tax	331,828	299,478	277,272	240,294	194,372
Profit after tax	230,962	212,825	195,353	165,301	133,529
Net dividend	77,220	64,058	51,773	42,120	31,590
Financial Positions					
Assets					
Property, plant and equipment and Intangible assets	2,060,684	1,700,661	1,650,707	1,496,013	1,507,772
Investments	51,960	44,276	23,619	9,668	1,075
Current assets	908,176	937,235	763,156	727,024	532,366
Total assets	3,020,820	2,682,172	2,437,482	2,232,705	2,041,213
Equity					
Share capital	351,000	351,000	351,000	351,000	351,000
Non-distributable reserves	44,543	36,865	16,772 *	39,742	31,666
Retained earnings	1,248,094	1,081,190	920,138 *	735,756	601,528
Total equity attributable to owners of the Company	1,643,637	1,469,055	1,287,910	1,126,498	984,194
Liabilities					
Deferred tax liabilities	24,574	20,188	21,146	28,303	30,698
Current liabilities	1,352,609	1,192,929	1,128,426	1,077,904	1,026,321
Total equity and liabilities	3,020,820	2,682,172	2,437,482	2,232,705	2,041,213
Financial Indicators					
Earnings per share (sen)	65.8	60.6	55.7	47.0	38.0
Net dividend per share (sen)	22.00	18.25	14.75	12.00	9.00
Net assets per share (RM)	4.68	4.19	3.67	3.21	2.80
Return on equity (%)	14.05	14.49	15.17	14.67	13.57
Price earnings ratio	21.28	23.30	13.00	12.96	13.04
Share price as at the financial year end (RM)	14.00	14.12	7.24	6.09	4.96

Notes:

* Comparative figure as at 31 December 2011 has been adjusted upon adoption of MFRSs.

Share Price and Financial Charts

Share Price

2013

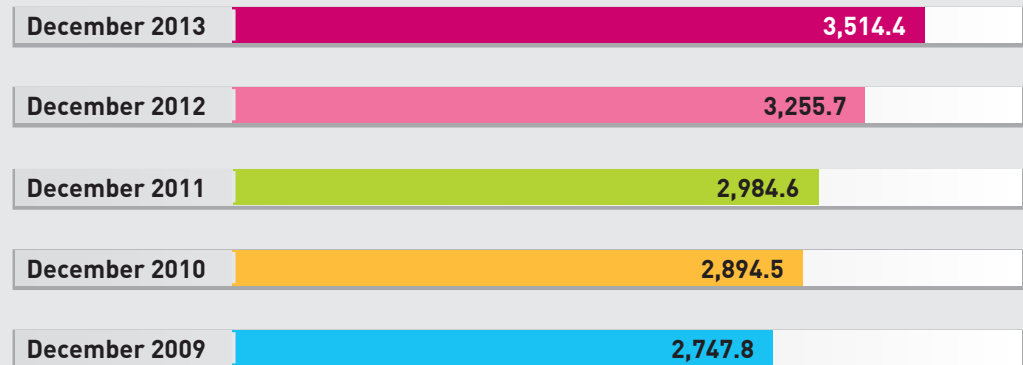
STOCK CODE : **6599**

STOCK NAME : **AEON**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
High (RM)	13.80	13.38	13.70	14.60	18.58	17.80	16.30	15.88	16.00	16.00	16.10	15.30
Low (RM)	12.30	12.70	12.62	12.66	14.02	14.80	14.72	13.60	14.02	14.48	15.02	13.78
Volume ('000)	11,768	8,646	6,264	6,514	3,083	2,543	3,762	2,524	4,553	1,027	4,509	2,339

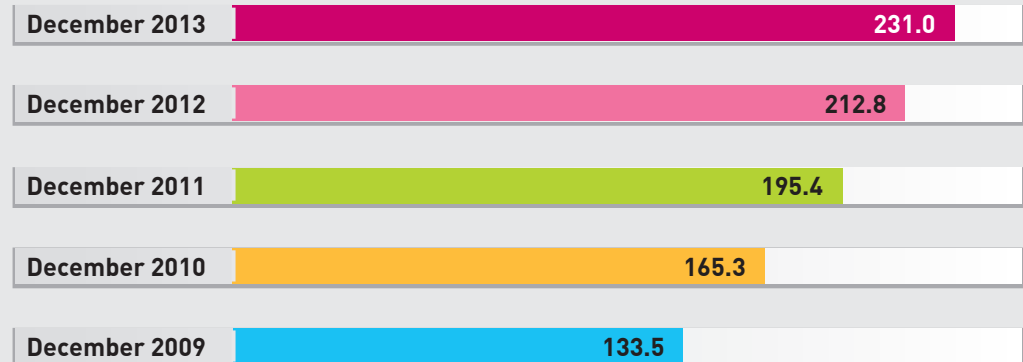
Revenue

RM million



Profit Attributable to Owners

RM million





AEON CO. (M) BHD. officially launched the celebration of its 30th Anniversary on 20 February 2014, marking the start of a new chapter with a commemoration of past successes and a promise to continue enriching customers' lives with new and innovative ideas to enhance their shopping experience.

Themed 'A New Beginning with You', the year long celebration will see AEON pursuing various initiatives to express gratitude to its loyal customers especially AEON members, business partners, shareholders and the local community.

Enriching Lives

Moving forward, AEON aspires to be the leading retailer in providing customers with a complete lifestyle experience by focusing their efforts in key areas. The first, is to provide higher quality products sourced from ethical suppliers, both locally and internationally in order to offer more variety, fresher selections and greater value to the customers.

The other areas that AEON will be focusing on include enhancing customers' entertainment and shopping experience. AEON will continue transforming its malls into a lifestyle hub, allowing customers to shop, socialise, dine and play, making every visit to the mall an all-encompassing escapade for anyone and everyone.

Customer service is another focus of AEON. The Company's success in the last 30 years was also because of the tireless and valuable contribution of its people and the Company place great importance in helping them to grow together with the Company. Retail employees at AEON undergo stringent in-house training and selected employees are also sent to Japan to further hone their skills.

One of the key distinctions of AEON from other retailers is its integral role in contributing to the local community. As the only retailer in Malaysia with its own charity foundation, 'With All Our Hearts' Malaysian AEON Foundation, AEON will continue to advocate programmes and initiatives for the betterment of the community especially for children.

The "Butterfly" has been assimilated into AEON's 30th Anniversary, signifying rebirth and changing for the better. Just like the butterfly, AEON will emerge from the chrysalis to spread its wings to fly high, striving to reach out and enrich the lives of people and the communities.

To further symbolise the "Butterfly" and at the same time to reward customers, AEON is also launching an interactive mobile application called iButterfly Asia. Incorporating the augmented reality technology, it allows users to redeem a range of exciting offers from participating outlets when the "butterfly" is caught using their smart phones.

AEON will also be focusing on extending its reach and presence, touching the lives of those in the suburban areas.





27 November 2013



AEON Mall Kulaijaya

AEON Mall Kulaijaya, the Company's 27th general merchandise store, opened its business to the residents of Kulaijaya and surrounding communities on 27 November 2013. The grand opening ceremony was officiated by Dato' Abdullah bin Mohd Yusof.

The mall which the Company owned, has four levels comprising two retail floors and two car park floors with approximate 429,727 square feet in net lettable area, 1,872 car parking bays and 714 motorcycles bays. Besides AEON general merchandise store and supermarket, there are more than 150 other retail shops providing, among others, varieties of food, fashion, family amusement and lifestyle products.

AEON Mall Kulaijaya is the first AEON mall to introduce a Bazaar Street which encompasses stalls selling items at low prices. The mall is also proud of continuing AEON's signature tradition of setting up children library for children to read while their parents shop. There is also an interactive playground for children in the children's department called Kidzone.

Human Resource Development

Highlights of the Year

The success of any retailer, besides offering suitable merchandise and other services, would also be inevitably linked to having competent human capital as its assets, especially so in an industry that thrives on customer service and human interactions. As such, human resource development remains an inherent key strategy for AEON in its pursuit to be the best in the industry and as it continues on its growth path.

Efforts are continuously being made to raise the level of competencies and quality in its staff through its recruitment strategy, trainings and structured career development plans. The Company's Management Trainee and Retail Trainee programme allow the Company to identify suitable fresh graduates to be part of AEON family. Investment into structured trainings for all levels of staff are continuously being made, be it for technical or management skills, in house or external or with attachments to the Company's affiliates in Japan.



Human Resource Transformation Project

In response to the changing labour market and to ensure that the Company's human capital development process are being upgraded to a level that will allow the Company to achieve a strategically aligned high performance organisation, AEON had in 2012 embarked on a project to revamp its organisation structure design, job grades, revisiting staffs' job duties and remuneration packages. The objective is to transform and revamp the current process and benefits to a new organisation structure that is geared towards a high performance culture with key performance indicators and performance based incentives. The blue print was completed in 2013 and is currently being progressively implemented across the Company at the divisional and operational levels. The transformation will further allow the Company a platform to focus on continuously improving its human capital management, career development and leadership development for staff.



AEON Business Academy

To further complement its human resource transformation goals and AEON's continuous objective of developing human capital in line with the Company's vision and rapid expansion, AEON had set up a modern and well- equipped training facility centre named AEON Business Academy (A.B.A.) to serve as a comprehensive training and education centre for its staff in various courses. The academy was officially launched by Mr Akihito Tanaka, AEON's former managing director on 17 September 2013.

AEON Ceria Club

AEON staff's well-being is important and the Company continues to take conscious steps to encourage work-life balance. Part of our wellness plan is to create fun working environment and build good rapport amongst staff. AEON Ceria Club was set up in 2013 and is an effective platform on which the staff are actively involved in organising and participating in recreational and welfare activities. Organised events such as sports tournaments, talentime contests and cooking competitions help facilitate staff interaction and teamwork.





AEON Towards Sustainable Living

AEON is committed to achieve a sustainable society with stakeholders, based on our basic principles of **“Pursuing peace, Respecting humanity and Contributing to local communities, centred on Customers.”**

AEON Environmental Focus are:

1. **Preservation of Biodiversity**
2. **Efficient Use of Resources**
3. **Realisation of Low Carbon Society**
4. **Stakeholder Engagement**
5. **Awareness and Education**

AEON in Green Action

Preservation of Biodiversity

10 Million Trees Planted with Customers

2013 marked a significant milestone to AEON’s passionate commitment towards sustaining a greener environment. 10 million trees have been planted worldwide since 1991.

The Great Wall of China was the venue in celebration of this feat. In Japan, the event was held in AEON Makuhari Shintoshin. In Malaysia, tree-planting events with educational elements were organised by AEON Malaysia Cheers Club across nationwide at all AEON shopping centres together with customers.



More Tree Planting with Asian Students at Malaysia–Japan Friendship Forest, Paya Indah Wetlands

At the Sri Aman International Environmental Youth Leadership Summit 2013, on 3 April 2013, 80 delegates from various countries planted a total of 200 trees at

“Bukit AEON”, Paya Indah Wetlands in Dengkil. It is hoped that these leaders of tomorrow will bring home the important message of the need to preserve and care for the environment. The youth delegates were also invited for an Eco Tour in Paya Indah Wetlands to complete their hands-on experience at the Leadership Summit.





AEON in Green Action

Preservation of Biodiversity

AEON in Partnership with Forest Research Institute Malaysia (FRIM)

True to the cause, AEON signed a Memorandum of Understanding on 6 June 2013 with FRIM for more collaborations in the future. Representing FRIM at the ceremony was its Director-General, Dato' Dr. Abd Latiff Mohmod. Current projects under the supervision of AEON and FRIM include the reforestation and rehabilitation of Orang Utan

in Lahad Datu, Sabah, firefly breeding project in Kuala Selangor, reforestation in Paya Indah Wetlands, Dengkil and AEON Hometown Forest programme in Malaysia.

Reforestation and Rehabilitation of Orang Utan in Lahad Datu, Sabah

AEON's joint efforts with World Wide Fund for Nature (WWF) Malaysia, for the creation of a better shelter for the estimated 500 Orang Utans living in North Ulu Segama, Lahad Datu, Sabah, continues to progress with the completed planting of 11,351 trees across 77 hectares of land in the area.



AEON Multiplies Firefly Population with Firefly Breeding Project at Kuala Selangor

AEON continues to take active role in the programme for the preservation of the firefly colony and its habitat. The joint efforts with Selangor State Government and FRIM to encourage firefly breeding through tree planting at Kuala Selangor had seen considerable success with reportedly three times increased in the firefly population.



AEON Hometown Forest Programme

Tree Planting Ceremony at AEON Mall Kulaijaya

Tree planting event officiated by the Chief Minister of Johor, Y.A.B. Datuk Seri Mohamed Khaled Nordin, marked the opening of AEON Mall Kulaijaya. Also celebrating the event with the local community were representatives from various government departments and students. Another highlight of the event was the contribution of books by Malaysian AEON Foundation to five selected schools.



AEON in Green Action

Preservation of Biodiversity

AEON joined AEON ASEAN companies on Tree Planting Activities



During the year under review, AEON had also participated and supported tree planting activities organised and carried out by companies under AEON ASEAN group.

Efficient Use of Resources

AEON Promote 3R Programme with Customers

AEON is always encouraging shoppers to go green and in its latest green initiative, "Go Green With Us", roadshow was organised in AEON Mahkota Cheras Shopping Centre from 26-28 April 2013. The roadshow was a collaboration with the universities of UPM, USM and UTM to promote recycling through education, to create awareness of the impact of recycling and to instill such habits in all households. Activities during the roadshow included exhibitions by environmental NGOs, eco-fashion shows and others.



AEON
Bring
Your Own
Shopping
Bag
Campaign





AEON in Green Action

Realisation of Low Carbon Society

AEON Solar Panel Installation Project at Schools

In a continuous effort to educate and raise awareness among school children, AEON Environmental Foundation is installing solar panel systems in selected schools in Peninsular Malaysia.

100 VIPs and 200 students were present at the handover ceremony at SMK Damansara Jaya, Selangor on 30 April 2013. AEON Environmental



Foundation is targeting to install these solar panels in 10 schools, and SMK Damansara Jaya and SMK Maxwell, Kuala Lumpur were the first two schools installed with the said solar panels. Present at the handover ceremony were Datuk Loo Took Gee, Secretary General of keTTHA; Dato' Wan Khazanah binti Ismail, Deputy Secretary General of MOE, His Excellency Mr. Shigeru Nakamura, Ambassador of Japan, Mr. Takuya Okada, Chairman and Founder of AEON Environmental Foundation and Dato' Abdullah bin Mohd Yusof.

Stakeholder Engagement – AEON Cares

3R Awareness Campaign with Taman Impian Ehsan Community

Community development is in the forefront of AEON's CSR Programmes. Hard work and commitment saw a total of 346kg of recyclable items collected during a one-day project in Taman Impian Ehsan, Balakong on 16 February 2013. An enthusiastic 450 people comprising the



local community, AEON business partners and staff from AEON stores

in Mahkota Cheras, Cheras Selatan, Taman Equine, Bandar Puchong as well as AEON Big Sdn. Bhd. dedicated their entire day to a worthy cause. Activities such as collection of recyclable items, art attack and mini recycling games ruled the day. The happy occasion was officiated by En Mohd Sairi bin Mokhtar, the Chairman of Department of Occupational Safety and Health, Taman Impian Ehsan, Balakong.



Saving Rivers, One at the Time

Telling the rivers we care were the 100 participants who chipped in to make 100 Effective Microorganism (E.M) mud balls to clean up Sungai Rambai, the upper stream of Sungai Juru, Penang, on 19 May 2013. Volunteers, young and old, helped in producing the E.M mud balls which are made of E.M liquid, rice husks and clay soil. These mud balls are an environmentally friendly way to reduce water pollutants as the fermentation emitted from the mud balls will alleviate or destroy ammonia nitrogen found in sewerage leakages. The mud balls were ceremoniously thrown into Sungai Rambai riverbank. AEON Malaysia Cheers Club members from Penang were on hand to participate with the volunteers.



Stakeholder Engagement – AEON Cares

AEON Annual Lantern Parade

It was lanterns galore at AEON Kinta City Shopping Centre, Ipoh on 14 September 2013. The annual AEON Lantern Festival was also celebrated simultaneously at all AEON stores and shopping centres. Whilst bringing the vibrance of festivities, the event also cemented goodwill and unity amongst Malaysians. Lantern making contests using recyclable items and a lantern parade were held.



Giving the Gift of Life

The aspiration to enrich the lives of the communities that AEON served was certainly put into action. 4,969 pints of blood were collected from generous shoppers, AEON staff and management over four days from 30 June 2013. Held during the Hari Raya period, the blood donation drive was conducted in 21 AEON shopping centres and 11 AEON Big outlets. The event was launched in AEON Cheras Selatan Shopping Centre and was officiated by YB Dato' Hj. Razali Ibrahim Deputy Minister of Prime Minister Department. A truly Big Thank You to all the noble hearts for their priceless gift of life.

Awareness and Education

AEON ASIA ECO Leaders

AEON in collaboration with AEON 1% Club of Japan, is spreading its eco-care message far and wide. To promote and encourage environmental awareness in the younger generation, the AEON 1% Club initiated a forum for high school and university students. Aptly titled 'International Students Forum for Environmental Problems', the inaugural forum was attended by 180 students from six countries, namely China, Japan, Malaysia, Thailand, Indonesia and Vietnam. The topic chosen for the forum was 'Waste Recycle Problem'. The 180 students, hosted in Indonesia for nine days, included 10 high school students and 10 university students from Malaysia who were winners of the AEON Eco Quiz 2013.



Awareness and Education

Nationwide Coastal Cleanup



In conjunction with 43rd Earth Day on 21 April 2013, AEON again organised its “Pantai Ku Indah” coastal clean-up project at 8 selected coasts, namely Pantai Jerejak in Pulau Pinang, Pantai Kampung Baharu in Perak, Pantai Remis, Pantai Morib and Pantai Bagan Lalang in Selangor, Pantai Cahaya Negeri in Negeri Sembilan, Pantai Padang Kemunting in Melaka and Pantai Tanjung Balau in Johor. Participating for a worthy cause were a total of 800 people comprising volunteers from AEON Malaysia Cheers Club (AMCC), business partners and staff. Their efforts were rewarded by 1,757kg of discarded coastal waste. Indeed, the volunteers have played a pivotal role in instilling awareness in the importance of preserving nature for today and the future generations.



AEON & Me Day



Getting to know Mother Earth. This was the invitation for the 1,050 AMCC members to all AEON shopping centres on 26 May 2013. The in-house excursion on AEON & Me Day offered games and activities that promote a better understanding of the environment and the need for preservation of Mother Earth. It was also an opportunity to understand the role AEON has been advocating for environmental conservation. Our guests were also invited to see how the different departments within AEON operates.

ECO Tour 2014

Members of AMCC attended a 4 days 3 nights camp at the Kingfisher Hulu Langat Camp. With the objective of educating the future generation on the importance of preserving Mother Nature through fun learning and hands-on outdoors activities, this camp was themed “My Cheerful Discovery Adventure”. The 152 participants comprised 102 AMCC members from eight different states and 50 coordinators from AEON. With visits to the National Zoo, Bukit Nenas Educational Forest and KL Tower, it was hoped that the children would take home a wealth of knowledge and understanding of Mother Nature and the need to protect her for generations to come.





Taste of Malaysia (TOM) 2013

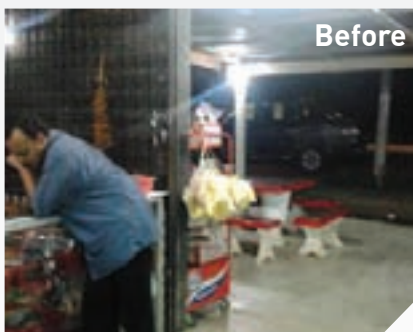
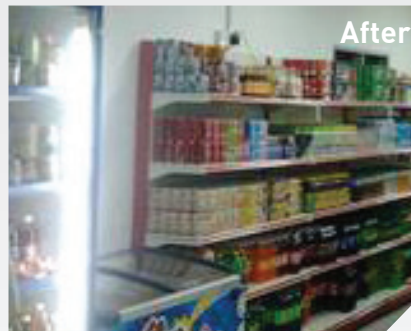
The best of Malaysian food products were showcased at AEON Taste of Malaysia (TOM) Fair in Japan from 27-29 September 2013. For the third consecutive year, AEON played host to Malaysian SMEs in their quest to promote their products to the Japanese public and global markets.

Leading the Malaysian delegation to the launch at AEON Tsudanuma, Narashino was YB Dato' Sri Hasan bin Malek, Minister of Domestic Trade, Co-Operatives and Consumerism (MDTCC). The other four TOM venues were AEON Makuhari, AEON Shinagawa, AEON Shinonome and AEON Funabashi.



This successful collaboration between AEON CO. (M) BHD., AEON Japan and MDTCC will augur well for the promotion of quality Malaysian products internationally.

Supporting Government's Initiatives Transformation of Kedai Runcit (TUKAR)



Transformation of Kedai Runcit (TUKAR) is an Entry Point Project (EPP) under the Economic Transformation Programme that aimed at modernising traditional 'pop and mom' shops. Again in 2013, AEON acted in a consulting role to support the government's transformation programme for the traditional shops. From upgrading shop exteriors to merchandising logistics, AEON assisted to improve the retail knowledge of all TUKAR participants. The ultimate goal is to enhance sales and performance of their shops. This year, AEON has completed 22 shops at Trengganu and Pahang, allowing the shops to enjoy better sales than before.

MALAYSIAN AEON FOUNDATION

'With All Our Hearts' Malaysian AEON Foundation (MAF) is the charity arm of which AEON CO. (M) BHD. and AEON Credit Service (M) Berhad (ACS) play major roles to run all the major charity events and community services, in making contributions and fund raising activities. The Foundation, which started up as a charity fund, has been operating for 10 years and benefits many Malaysian in needs especially children. AEON is the first and the only retailer which has its own charity foundation in Malaysia.



OUR MISSION

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

To date, MAF has contributed almost RM4 million and its events and activities are organised along these four areas:



Donation

BEST Project (Basic Education Support T)

The BEST Project is the Malaysian AEON Foundation's biggest donation project in the field of education. The pilot project started in 2013 at three schools in Sarawak. The objective of the project is to provide and create a conducive learning environment for school children. In 2014, there were further three schools situated in Orang Asli settlement in Perak which has been selected to receive grant under the project. The schools are Sekolah Kebangsaan Batu Tujuh, Tapah, Sekolah Kebangsaan Batu 14, Tapah and Sekolah Kebangsaan Pos Dipang, Kampar.



Malaysian Flood Relief Effort

In response to the flood situation in the East Coast of Peninsular Malaysia, the Foundation distributed RM120,000 worth of daily necessities to the residents of the affected areas in December 2013. Volunteers from the AEON Cares team were mobilised for assistance. Donation-in-kind, such as rice, cooking oil, rice cookers and electric kettles were distributed to relief centres and villages in Kemaman, Terengganu; Kuantan and Pekan, Pahang and Segamat, Johor.

Typhoon Haiyan Philippines Relief

RM100,000 was raised for the victims of Typhoon Haiyan that devastated the Philippines. The nationwide donation drive from 15 November – 1 December 2013 saw generous contributions from shoppers, business partners as well as AEON staff and management. Donation boxes were placed at all AEON general merchandise stores, AEON shopping centres, MaxValu supermarkets, AEON Credit Service counters and branch offices, AEON Big hypermarkets and Molly Fantasy cashier counters throughout the country.

The donation was presented to Mercy Malaysia on 31 December 2013.



Fund Raising Activities

Throughout 2013, the Foundation has worked together with Lam Soon Group, Sangla Foods Sdn. Bhd. and Nestle (Malaysia) Berhad to offer selected products to AEON customers, in which a fraction of the sales made were channeled into the Foundation.



A major fund raising activity was the Charity Gala Dinner, held at the Sunway Resort Hotel & Spa. Themed "Paint Me with Music and Love" the event was graced by Y.B. Dato' Sri Hasan bin Malek, Minister of Domestic Trade, Co-Operatives and Consumerism. The net proceeds from the sales of tickets was contributed towards the Foundation's many worthy causes.

Festive Celebrations

On 6 February 2013, during the Chinese New Year celebrations, the Foundation handed over RM10,000 worth of daily necessities including ang pow and mandarin oranges to the 130 residents of Pusat Jagaan Persatuan Kebajikan Warga Tua Seri Bahagia, Ipoh and Pusat Harian Kanak-Kanak Spastik Ipoh, Perak.

On 20 July 2013, the Foundation treated 170 children and 26 single mothers from villages in Seri Manjung and Lumut to a Hari Raya shopping trip at AEON Seri Manjung store and later to a Majlis Berbuka Puasa at Swiss-Garden Golf Resort & Spa in Damai Laut.

The Foundation similarly treated 250 children and senior citizens to a shopping trip at AEON Seberang Prai City store on 26 October 2013 in conjunction with Deepavali celebration.

For Christmas, the Foundation brought cheers to 912 children from various homes by presenting them with gifts from customers and also the Foundation through the Foundation's "Starry Smile For Children" event organised at selected AEON shopping centres.



Community Activities – Holiday Events

Jalinan Kasih at Hospital Serdang

The Foundation's outreach programme, "Jalinan Kasih" was organised at Hospital Serdang, Selangor on 4 July 2013, in partnership with Bonia Corporation Berhad.

Children at the pediatric ward of the Hospital received much cheers as they were treated to an array of fun activities. The happy occasion was graced by Puan Sri Datin Hajah Noorainee binti Abdul Rahman, the wife of the Yang Amat Berhormat Timbalan Perdana Menteri.

A total of RM10,000 has been donated to the Hospital to purchase chair beds at the Pediatric Ward and RM20,000 was contributed to Yayasan Nurul Yaqeen for their upcoming project of "Sekolah Dalam Hospital".



"FROZEN" Movie Day Out

"Frozen" movie arrived on 5 December 2013 to warm the hearts of 80 children from Rumah Keluarga Kami, Rumah Bakti Al-Kausar and Rainbow Homes. The Foundation's young guests watched the much anticipated movie at TGV cinema in AEON Cheras Selatan Shopping Centre. They were also later treated to fun activities at Molly Fantasy and also presented with goodie bags.

Tea Talk Series 2013

2013 marked the dawn of a new activity by the Foundation. A series of tea talks focusing on health were organised with free admission to customers and public. The talk was co-organised with AEON business partner, Euro-Atlantic Sdn. Bhd. and Open University Malaysia (OUM) and received overwhelming response.

The first tea talk series topic focused on Parkinson Disease in conjunction with World Parkinson Day and was held on 11 April 2013 at AEON Business Academy in AEON Alpha Angle Shopping Centre. The guest speaker was Dr. Chew Nee Kong, Neurologist & Consultant Physician from Pantai Cheras Medical Centre.

The second tea talk series topic "Prolonging Your Youth" by Dr Cyril Gunapala was conducted at the same venue on 30 November 2013.

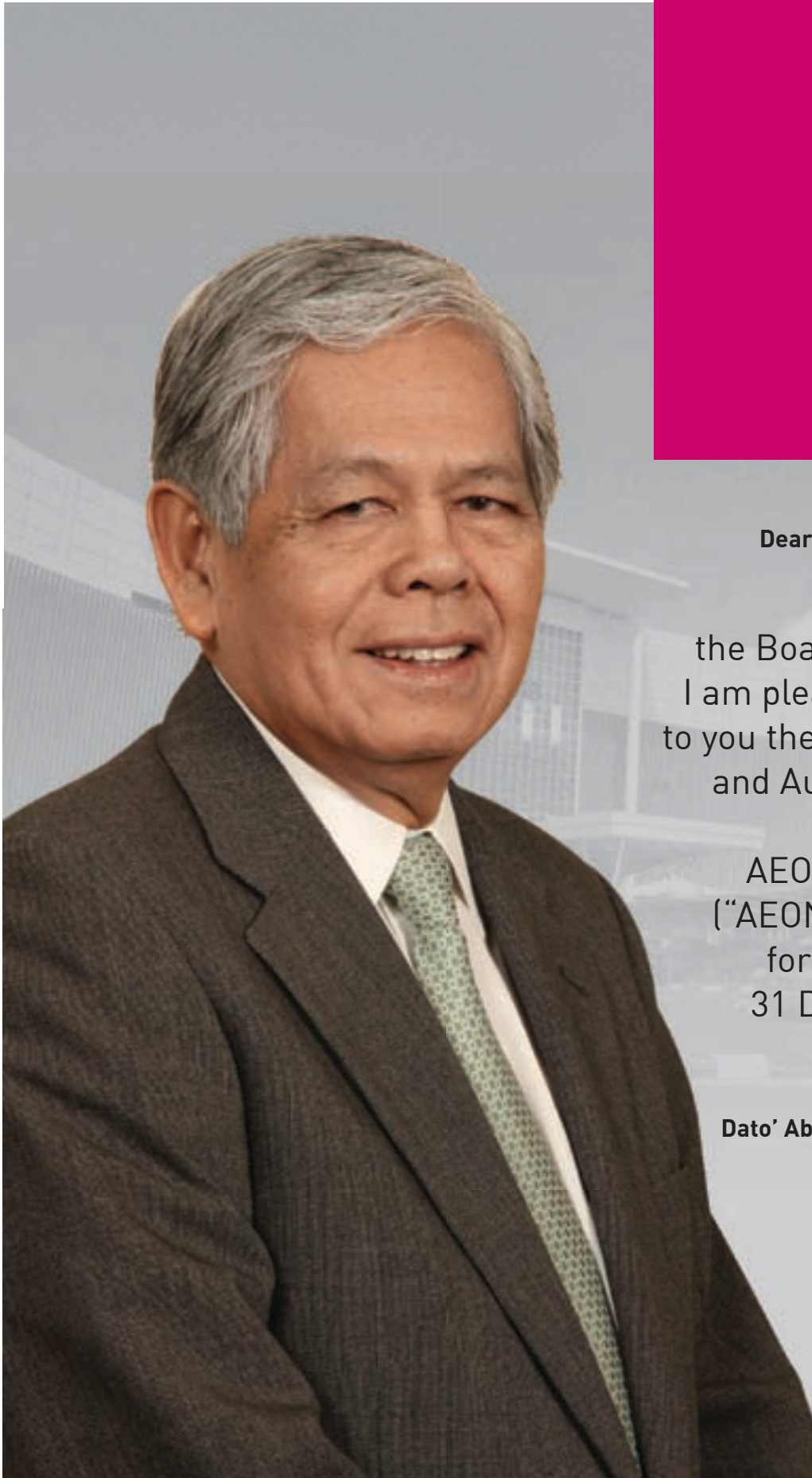


Chairman's Statement

Dear Valued Shareholders,

On behalf of
the Board of Directors,
I am pleased to present
to you the Annual Report
and Audited Financial
Statements of
AEON CO. (M) BHD.
("AEON or Company")
for the year ended
31 December 2013.

Dato' Abdullah bin Mohd Yusof
Chairman



Chairman's Statement

FINANCIAL REVIEW

AEON continues on its growth path by registering another year of creditable results. For the financial year ended 31 December 2013, the Company achieved a record revenue of RM3.514 billion which is 7.9% higher compared to RM3.256 billion for the previous financial year. Correspondingly, AEON registered strong commendable profit before tax of RM331.8 million and profit after tax of RM231.0 million representing 10.8% and 8.5% growth respectively over the previous year's performance.

AEON's financial position as at 31 December 2013 remains healthy without any borrowings and with shareholders' funds totaling RM1.644 billion which provides a net asset value per share of RM4.68 (2012 : RM4.19). Earnings per share improved to 65.8 sen per share (2012: 60.6 sen).

REVIEW OF PERFORMANCE

In Year 2013, despite the challenging external environment, Malaysian economy grew by 4.7% supported by private sector demand and improvement in export. Household spending continued to be supported by stable employment conditions and sustained wage growth despite the upward adjustment to prices of products and basic commodities such as petroleum and sugar.

With such strong private sector demand, AEON continued to register good results in its businesses of retail and property management services. For the year under review, retail sales contributed RM3.042 billion and the property management services contributed RM472.7 million, which respectively represented growth of 7.8% and 9.1% against their previous year's results.

On its retail operations, the overall better performance was mainly contributed by new stores that opened in the previous year as well as commendable performance from existing stores which registered a same scale growth of 4.7%. For the year under review, the Company further expanded its general merchandise store business with the opening of its 27th general merchandise store at AEON Mall Kulaijaya on 27 November 2013, extending its reach to the communities of Kulaijaya and its surrounding areas, providing them with new lifestyle and shopping experience.



AEON's property management services revenue at RM472.7 million also registered a healthy growth of 9.1% over the previous year with a same scale performance of 3.2%. The overall better performance was due to higher contribution from its new shopping centres that opened in previous year and higher rental rates achieved due to tenants revamp. The revenue's growth was also due to contribution from its shopping centres in AEON Ipoh Station 18 and AEON Seri Manjung, both of which opened in 2012.



SUSTAINABLE CORPORATE SOCIAL RESPONSIBILITY

In line with AEON basic principles of pursuing peace, respecting humanity and contributing to local communities, all of which centred on customers, AEON continues to play active roles in its corporate social responsibility activities.

AEON remains active for its part in preservation of biodiversity through its efforts in, among others, tree planting tradition for its new store in AEON Mall Kulaijaya, reforestation and rehabilitation of Orang Utan and firefly habitats, as well as various community projects with the surrounding communities in which it operates.

Chairman's Statement



In October 2013, in conjunction with AEON Group of Japan's 10 million trees planted under its AEON Hometown Forest Program worldwide, the Company also organised tree planting activities across all its shopping centres in Malaysia filled with educational themes together with its AEON Malaysia Cheers Club members and customers.

The Company continues to actively create awareness among the customers on the need for environmental protection by encouraging them to go green via its active "3R" promotions and educational campaigns, focusing on areas such as on the reduction in the use of plastic bags and the promotion on use of recycling and reuse materials.

The Company had also entered into a joint collaboration with the Ministry of Education (MOE) and Ministry of Energy, Green Technology and Water (KeTTHA) for the installation of solar panel-powered systems in selected schools in a further effort to increase awareness and educate young students on renewable energy sources.

Besides assisting the underprivileged individuals, Malaysian AEON Foundation, had also during the year under review, acted and committed to build better facilities for selected schools in rural areas so that students can enjoy studying under more conducive environment.

CORPORATE DEVELOPMENT

The Company had, during the year under review, entered into a joint venture arrangement with Index Living Mall Company Limited, a Thailand based furniture company, to jointly set up a company selling home and office furnishings in Malaysia. The first outlet is scheduled to open by the end of 2014. The Company believes the joint venture would further enhance the Company's competitiveness in offering merchandise choices for its customers and also complement its shopping centre's tenant mix.

The Company had also during the year under review entered into a synergistic arrangement with AEON REIT Investment Corporation of Japan for the sale and leaseback of 18.18% share of the Company's AEON Taman Universiti Shopping Centre's land and building which will allow the Company to unlock cash value of its assets and derive future synergistic benefits through collaboration and funding needs.

30TH YEAR ANNIVERSARY



The Company is celebrating its 30th Year Anniversary in 2014 to mark its success as a leading retailer in the country known for its wide range of quality selections, service standards and great value proposition to its customers nationwide. The Company had officially launched the celebration on 20 February 2014,

marking the start of a new chapter with a commemoration of the past successes and a promise to continue enriching customers' lives with new and innovative ideas to enhance their shopping experience. Themed 'A New Beginning with You', a year-long celebration will see AEON pursuing various initiatives to express gratitude to the loyal customers especially AEON members, business partners, shareholders and the local community.



FUTURE PROSPECTS AND OUTLOOK

The Malaysian economy is expected to remain resilient in 2014. Even though domestic consumption remains stable, retail industry in Malaysia will be facing challenges from consumers conscious of rising cost of living and reduced purchasing power as a result of evident increase in prices

Chairman's Statement

of goods and services, despite the government initiatives such as BRIM. The industry itself remains very competitive with the proliferation of new retail players and continuous addition of new retail space.

However, AEON remains optimistic of its prospects and believes that consumer sentiments will continue to remain positive, boosted in part by the steady employment and income. The Company, further leveraging on its 30th anniversary, its activities as well as its competitive strengths, will continue to work towards providing customers with complete lifestyle experience, focusing on providing quality products with multitude of choices including developing strong merchandise categories presence and enhancing customers' shopping experience.

The Company remains committed to its long term plan of opening stores in strategic locations. The Company is on schedule to open three stores this year at Bukit Mertajam, Taiping and also as an anchor tenant in a shopping mall in the business district of Kuala Lumpur. The Company had also during the year announced the purchase of another piece of land in Johor for its future expansion. The Company will continue to undertake refurbishment to upgrade its existing stores and shopping centres so as to remain competitive and continue to offer quality products at affordable prices.

DIVIDEND

The Board of Directors is pleased to recommend for your approval a first and final single tier dividend of 22% for the year ended 31 December 2013 at the forthcoming Annual General Meeting.

APPRECIATION

The Board of Directors is pleased to announce that in conjunction with its 30th Anniversary and in appreciation of the shareholders' loyalty, support and confidence in the Company, it is recommending for your approval a proposed bonus issue of 351,000,000 new ordinary shares of RM1.00 each on the basis of one bonus share for every one existing held and subsequent to that, a proposed share split involving the subdivision of each ordinary share held on the entitlement after the proposed bonus issue into two ordinary shares of RM0.50 each in the Company.



The Board of Directors is of the opinion that the exercise will better reflect the level of operation in the Company besides making the shares more liquid and affordable. It is also in the best interests of the Company and its shareholders.

ACKNOWLEDGEMENT

I would like to welcome our newly appointed Directors who joined the Board in August 2013, Encik Abdul Rahim bin Abdul Hamid and Mr Charles Tseng @ Charles Tseng Chia Chun, who with their combined expertise and wealth of experience will be able to provide guidance and leadership which will add further strength to the Board.

On behalf of the Board, I also wish to thank the management and staff for their invaluable contribution, efforts, commitment and hard work in taking AEON through another challenging year. Finally, I also would like to express my gratitude to our valued customers, business associates, bankers, government authorities, our valued shareholders and my fellow directors for their continuous support and confidence in AEON.

Dato' Abdullah bin Mohd Yusof
Chairman



Dato' Abdullah bin Mohd Yusof

DATO' ABDULLAH BIN MOHD YUSOF

Independent Non-Executive Chairman Malaysian 75

Dato' Abdullah bin Mohd Yusof was appointed as the Non-Independent Non-Executive Chairman of AEON CO. (M) BHD. on 26 October 1984 and redesignated as Independent Non-Executive Chairman on 26 May 2011.

Dato' Abdullah holds a Bachelor of Law (Honours) from University of Singapore, which he obtained in 1968. He has more than forty (40) years of experience as an Advocate & Solicitor. Dato' Abdullah started his career with Skrine & Co., as a Legal Assistant in 1968 before starting his own partnership under the name of Tunku Zuhri Manan & Abdullah, Advocates & Solicitors in 1969 and subsequently renamed the law firm to Abdullah & Zainuddin, Advocates and Solicitors.

Dato' Abdullah sits on the Board of Directors of MMC Corporation Berhad, Zelan Berhad and AEON Credit Service (M) Berhad, all of which are companies listed on Bursa Malaysia Securities Berhad. He also sits on the Board of Directors of THR Hotel (Selangor) Bhd and several private limited companies.

Dato' Abdullah is a member of the Nomination Committee and Remuneration Committee of the Board.

Dato Abdullah has attended all the five (5) Board Meetings held in the financial year.

NAGAHISA OYAMA

Non-Independent Non-Executive Vice Chairman Japanese 59



Mr Nagahisa Oyama

Mr Nagahisa Oyama was appointed as the Managing Director of AEON CO. (M) BHD. on 22 June 2005 and redesignated as Non-Independent Non-Executive Vice Chairman on 26 May 2011.

Mr Oyama holds a Bachelor's Degree in Business Management from Kinki University, Japan which he obtained in 1977. He joined AEON Co., Ltd. in 1977 as a Management Trainee and was promoted to be Softline Merchandiser in 1980. He was seconded to Siam JUSCO, Thailand to set up the GMS Merchandising Division. Following his appointment at Siam JUSCO, Thailand from 1989 to 1991, he was promoted to General Manager of Tonami Regional Shopping Centre in 1991. Mr Oyama was next appointed as the General Manager of Kaga Regional Shopping Centre in 1996 and next transferred to Kochi Regional Shopping Centre in 2000. In 2002, he served as General Manager of Higashi Mikawa and Shizuoka Prefecture, Japan, where he was in charge of the overall planning, opening and operations of three (3) new Regional Shopping Centres and the operations of seven (7) existing Regional Shopping Centres in the Shizuoka Prefecture. Mr Oyama was appointed as the Managing Director of AEON Big (M) Sdn. Bhd. on 31 October 2012. He is now the Senior Executive Vice President, CEO, ASEAN Business of AEON Co., Ltd..

Mr Oyama is the Chairman of the Nomination Committee and Remuneration Committee of the Board.

Mr Oyama has attended all the five (5) Board Meetings held in the financial year.

Note: Save as disclosed in this annual report, the Directors mentioned in pages 24 to 28 have no conflict of interest with AEON CO. (M) BHD., have no family relationship with any Director and/or major shareholder and have not been convicted of any offences within the past 10 years, except for traffic summons, if any.



Ms Nur Qamarina Chew
binti Abdullah

NUR QAMARINA CHEW BINTI ABDULLAH

Managing Director Malaysian 53

Ms Nur Qamarina Chew binti Abdullah was appointed as the Executive Director of AEON CO. (M) BHD. on 25 February 2011 and redesignated as Managing Director on 26 May 2011.

Ms Nur Qamarina Chew holds a Master Degree in Business Administration (Entrepreneurship). She joined AEON CO. (M) BHD. in 1985 and was a Merchandising Manager from 1990 to 1993 and Store Manager of JUSCO Bandar Utama in 1998 and then JUSCO Mid Valley in 1999. She was promoted to Senior Manager in 2001 and then General Manager in 2002 to head the Store Operations Division. In 2006, she was transferred to be General Manager in charge of the New Business Development Division and in 2008, promoted to Senior General Manager to head the Neighborhood Shopping Centre Business Division. Ms Nur Qamarina Chew was the Senior General Manager of the Merchandising Division in 2009 and in 2010 as Senior General Manager of the Store Operations Division.

Ms Nur Qamarina Chew has attended all the five (5) Board Meetings held in the financial year.

POH YING LOO

Executive Director Malaysian 52



Mr Poh Ying Loo

Mr Poh Ying Loo was appointed as the Executive Director of AEON CO. (M) BHD. on 26 May 2011.

Mr Poh is a Fellow member of the Chartered Institute of Management Accountants and a member of Malaysian Institute of Accountants. He was the Audit Semi-Senior of Ong Boon Bah & Co from 1986 to 1988 and joined Dreamland Holdings Berhad as an Accounts Executive in February 1988. He joined CPC/AJI (M) Sdn Bhd as Assistant Accountant and was the Senior Accountant in June 1996. Mr Poh joined AEON CO. (M) BHD. on July 1996 as the Finance Manager and then promoted as the Financial Controller in 2002. He was the Senior General Manager in charge of Business Support in January 2008 and the Senior General Manager in charge of Corporate Finance and Investor Relations in February 2010. Mr Poh is currently in charge of the Corporate Finance, Investor Relations, Administration, IT & SCM Division.

Mr Poh has attended all the five (5) Board Meetings held in the financial year.



Mr Naoki Hayashi

NAOKI HAYASHI

Non-Independent Non-Executive Director Japanese 66

Mr Naoki Hayashi was appointed as the Non-Independent Non-Executive Director of AEON CO. (M) BHD. on 13 August 2009.

Mr Hayashi holds a Bachelor Degree in Economics from Keio University, Japan. He joined AEON Co., Ltd. in March 1970 and promoted to General Manager, Executive Secretary Office in March 1987. In September 1990, he assumed the post of General Manager, General Affair Division and subsequently transferred to be the General Manager in charge of Kanto Regional Operations. He was promoted as Director of AEON Co., Ltd. in May 1996 and then in February 1997 as Director for Kanto Regional Company. Mr Hayashi was promoted as Executive Vice President in May 1998 and subsequently in May 2004 as Senior Executive Vice President and then as Executive Vice President in charge of SC Development Business and Chairman of AEON Co., Ltd.'s subsidiary Diamond City Co., Ltd. in May 2006. In May 2007, he was assigned as Director of AEON Mall Co., Ltd. and in May 2008 as Director and Executive Vice President for the Office of the President, AEON Co., Ltd.. Mr Hayashi is now a Director, Vice President, Office of the President, Chief Environmental Affairs Office of AEON Co., Ltd..

Mr Hayashi has attended all the five (5) Board Meetings held in the financial year.

MITSURU NAKATA

Non-Independent Non-Executive Director Japanese 53

Mr Mitsuru Nakata was appointed as the Executive Director of AEON CO. (M) BHD. on 26 May 2011 and redesignated as Non-Independent Non-Executive Director on 28 February 2013.

Mr Nakata holds a Bachelor Degree in Business Management of Ritsumeikan University. He joined AEON Co. Ltd. in March 1985 as a Section Leader of Ikoma store in Nara prefecture and then Group Leader of Yamato Kohriyama store in April 1986. In April 1987, he was the Division Leader of Kongou store in Osaka prefecture and in April 1991, as the Store Manager of Takami store. He was the Foodline Manager of Katabiranotuji store in Kyoto prefecture in April 1993 and the Store Manager of Nagayoshi store in April 1996. In April 1998, he was the Store Manager of Fujiidera store in Osaka Prefecture and then in April 2001, the Store Manager of Shinnabari store in Mie Prefecture. He was the Store Manager of Hamamatsu Shitoro in Shizuoka prefecture in September 2003. He was seconded to AEON CO. (M) BHD. in October 2006 and was the General Manager in charge of Merchandising Division. He was the Senior Executive General Manager, GMS Business Division in 2009. Mr Nakata was appointed as the Executive Director of AEON Big (M) Sdn. Bhd. on 31 October 2012.

Mr Nakata is a member of the Audit and Risk Management Committee of the Board.

Mr Nakata has attended all the five (5) Board Meetings held in the financial year.



Mr Mitsuru Nakata



Datuk Syed Ahmad Helmy
bin Syed Ahmad

DATUK SYED AHMAD HELMY BIN SYED AHMAD

Independent Non-Executive Director Malaysian 67

Datuk Syed Ahmad Helmy bin Syed Ahmad was appointed as the Independent Non-Executive Director of AEON CO. (M) BHD. on 16 April 2013.

Datuk Syed Ahmad Helmy holds a Bachelor of Laws (LL.B) Honours from University of Singapore, which he obtained in 1971. He has forty (40) years of experience as legal practitioner and judicial officer in Malaysia and Singapore. Datuk Syed Ahmad Helmy started his legal career in 1972 before starting his own partnership under the name of Yahya Helmy & Co in 1985 and subsequently renamed the law firm to S.A. Helmy & Partners. He was then appointed as High Court Judge for High Court of Malaya – Johor Bahru, High Court Judge for High Court of Malaya – Shah Alam and Court of Appeal Judge for Court of Appeal, Putrajaya in year 2000, 2007 and 2009 respectively. He retired as a Judge in December 2012 and appointed as the Chairman of Advocates & Solicitors Disciplinary Board.

Datuk Syed Ahmad Helmy is a member of the Nomination Committee and Remuneration Committee of the Board.

Datuk Syed Ahmad Helmy has attended three (3) Board Meetings held during his term in office in the financial year.

DATO' TUNKU PUTRA BADLISHAH IBNI TUNKU ANNUAR

Independent Non-Executive Director Malaysian 49



Dato' Tunku Putra Badlishah
Ibni Tunku Annuar

Dato' Tunku Putra Badlishah Ibni Tunku Annuar was appointed as the Independent Non-Executive Director of AEON CO. (M) BHD. on 16 April 2013.

Dato' Tunku holds a Bachelor of Science (Hons) in Business Administration. He started his career as Account Manager in J.Walter Thompson Advertising in 1987 and subsequently joined DMIB Berhad as Senior Executive and thereafter promoted as Marketing Manager. From January 1992 to December 1995, he worked in Sandestin Resort, Florida, United States of America as Manager of Marketing and Development. He joined Kumpulan Sime Darby Berhad Group (KSDB) in January 1996 and has held various senior positions within the KSDB, amongst them act as Senior Manager in Sales & Marketing of Sime Darby Land Sdn. Bhd. (January 1996 to July 2000), General Manager – Sales & Marketing of Auto Bavaria (August 2000 to March 2004), Managing Director of Auto Bavaria (February 2004 to March 2005), Director of Operations of Sime UEP Properties Berhad (April 2005 to December 2005) and Director-Group Property of Sime Darby Berhad – Group Property (January 2006 – October 2007). Dato' Tunku was appointed as the Executive Vice President in Property Development & Strategic Investments, Property Division of Sime Darby Property Berhad from November 2007 to July 2008 and as Managing Director and Member of the Board of Sime Darby Healthcare Sdn Bhd and Sime Darby Property Berhad from August 2008 to July 2011, prior to venturing into his current business practices. Currently, he is the Managing Director of Putra Ventures Sdn Bhd.

Dato' Tunku has attended two (2) Board Meetings held during his term in office in the financial year.



Abdul Rahim bin Abdul Hamid

ABDUL RAHIM BIN ABDUL HAMID

Independent Non-Executive Director Malaysian 63

En Abdul Rahim bin Abdul Hamid was appointed as the Independent Non-Executive Director and Audit and Risk Management Chairman of AEON CO. (M) BHD. on 16 August 2013.

En Abdul Rahim is a Fellow of the Association of Chartered Certified Accountants, Member of the Malaysian Institute of Certified Public Accountants and Member of the Malaysian Institute of Accountants. He started his career in Coopers & Lybrand (previously known as Cooper Brothers & Co.) in 1971. He rose in the firm to eventually become its Chief Executive in 1993. When the firm merged with Price Waterhouse in 1998 to form PricewaterhouseCoopers, he served as its Deputy Executive Chairman until he retired in June 2004. During the span of more than 3 decades in the firm, he was involved in audit, management consultancy and insolvency practice covering multiple industries including retail and manufacturing, construction, plantation, entertainment and banking in both public and private sectors. He was also appointed to the Council of the Malaysian Institute of Accountants ("MIA") and his election by the Council to hold office as President. In the education sector, he is an Adjunct Professor of Accountancy at Universiti Malaysia Terengganu; a member of the Senate at Open University Malaysia; a member of Advisory Panel at Universiti Kebangsaan Malaysia and Universiti Putra Malaysia and Industry Adviser at Universiti Tunku Abdul Rahman. He served as President of the MIA (2005-2007 and 2009-2011) and as President of the ASEAN Federation of Accountants (2010-2011).

En Abdul Rahim sits on the Board of Director of MIDF Amanah Asset Management Berhad, Malaysia Debt Ventures Berhad and Petra Energy Berhad.

En Abdul Rahim is also a member of the Remuneration Committee of the Board.

En Abdul Rahim has attended two (2) Board Meetings held during his term in office in the financial year.

CHARLES TSENG @ CHARLES TSENG CHIA CHUN

Independent Non-Executive Director Malaysian 63

Mr Charles Tseng was appointed as the Independent Non-Executive Director and Audit and Risk Management Member of AEON CO. (M) BHD. on 16 August 2013.

Mr Charles Tseng holds a Master of Business Administration from The Wharton School, University of Pennsylvania, United States of America and First Class Honors' Degree in Engineering from the University of Melbourne in Australia. He began his career with the Ford Motor Company as a manufacturing engineer in Australia and subsequently held other manufacturing and marketing positions with Ford in Asia including marketing director, Malaysia. He was with Cold Storage, a leading food and retail company in Southeast Asia, where he was appointed Group General Manager in Malaysia. He was with another global search firm, where he was senior partner for East Asia and a member of its board of directors practice group. Presently, Mr Charles Tseng is President, Asia Pacific for Korn/Ferry International. Based in Shanghai, he oversees 17 offices in a region encompassing Greater China, India, ASEAN, Australasia, Japan and Korea. He is also a member of the Firm's Global Operating Committee. He was voted by Business Week in 2008 as one of the 50 most influential search consultants in the world. He is the Chairman of the Wharton Executive Board for Asia and a fellow member of the Singapore Institute of Directors. He also serves on the Advisory Board of the Centre for Strategic Leadership at the National University of Singapore Business School.

Mr Charles Tseng is also a member of the Nomination Committee of the Board.

Mr Charles Tseng has attended two (2) Board Meetings held during his term in office in the financial year.



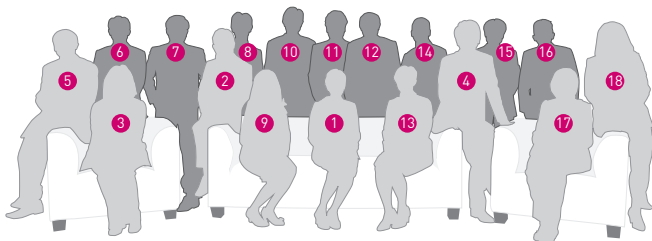
Charles Tseng @
Charles Tseng Chia Chun



Senior Management



- 1] **Ms Nur Qamarina Chew binti Abdullah**
Managing Director
- 2] **Mr Poh Ying Loo**
Executive Director
- 3] **Ms Yukiyo Komatsu**
Senior General Manager of
General Merchandise Store Business
- 4] **Mr Kenichi Suenami**
Senior General Manager of Shopping Centre Business
- 5] **Mr Ong Hock Heng**
General Manager of Operations, MaxValu
- 6] **Mr Vincent Ng Wei Chyun**
General Manager of Legal
- 7] **Mr Kenji Hiramatsu**
General Manager of Information Technology &
Supply Chain Management
- 8] **Mr Toshihiro Ozawa**
MaxValu Project Leader
- 9] **Ms Audrey Lim Suan Imm**
General Manager of Merchandising
- 10] **Mr Yoshihiro Kaya**
General Manager of Shopping Centre Development,
Property Management & Construction
- 11] **Mr Kazuhiro Kakura**
General Manager of Electrical Business
- 12] **Mr Mathavan Arjunan**
General Manager of General Merchandise Store Operations
- 13] **Ms Joanne Liew Wei Woon**
General Manager of Shopping Centre Leasing & Marketing
- 14] **Lt. Col (R) Yaacob bin Mahmud**
General Manager of Loss, Quality Management &
Risk Management
- 15] **Mr Hiroyoshi Ekinaga**
General Manager of New Business Development 1
- 16] **En Ahmad Fazli bin Abu Bakar**
General Manager of Shopping Centre Operations,
Facility, Security, Safety & Housekeeping
- 17] **Ms Lee Siew Tee**
General Manager of Finance
- 18] **Ms Etsuko Eto**
General Manager of Human Resource



Review of Operations

AEON achieved total revenue of **RM3.514 billion** for the year under review which represented a growth of **7.9%** over its previous year's performance. Retailing business contributed **RM3.042 billion** and property management services contributed **RM472.7 million**.



AEON continues to enrich the lives of Malaysians through initiatives that advocate true value of shopping experience. During the year under review, AEON continued to stay focus in its quest to grow and remains competitive for long term business sustainability.

RETAILING

For the year under review, revenue of retail business segment grew by 7.8% to RM3.042 billion. The growth was contributed mainly by the overall better performance from existing stores, higher contributions from new stores that opened in the last year. Same stores registered a growth of 4.7%.



The individual performance of the stores had been mixed, characterised by the unique characteristics of the store concerned and the local operating environment rather than the general retail industry trend.

During the year under review, AEON Kulaijaya store was opened for business to customers on 27 November 2013 and has contributed marginally to the overall revenue. AEON stores which have achieved double-digit growth ranging from 11.2% to 13.5% were Bukit Indah store, Rawang store and Bandaraya Melaka store, mainly due to the growing number of customers and loyalty members' base and the benefits they derived from the increased and completion of the surrounding housing developments.

AEON stores in Taman Universiti, Permas Jaya, Seremban 2, Tebrau City, Queensbay, Bukit Tinggi, Seberang Prai City, AU2 and Mahkota Cheras also enjoyed good performances ranging from 5.4% to 9.4%. Other AEON stores in Melaka, Bandar Utama, Mid Valley, Bandar Puchong, Metro Prima, Cheras Selatan and Taman Equine recorded smaller growth ranging from 2.1% to 4.7% against their previous year's performances.

Review of Operations



AEON Ipoh store which has undergone renovation during the year and which was affected by the opening of AEON Ipoh Station 18 store in March 2012 and the stiff competitions nearby, still managed to achieve a marginal growth of 0.5%. AEON Taman Maluri store's performance was flattish, in part due to infrastructure developments around its store which hamper customer traffic.

However, AEON stores in Wangsa Maju and Bandar Baru Klang, which had their general merchandise department undergone renovation during the year, registered lower performances of 3.8% and 0.9% respectively against their previous year's performances. AEON Bandar Sunway store also recorded a lower performance of 1.8% against its previous year, mainly due to the stiff competition within Sunway Pyramid shopping mall itself.

For the new retail business categories that the Company had ventured into since 2012, such as AEON Wellness pharmacy shops, DAISO lifestyle household products shops and Mister Donut outlets, they had contributed a total revenue of RM68.7 million for the year under review. MaxValu supermarkets' contributions remained marginal and registered in total a revenue of RM41.7 million for the year.



During the year under review, to keep abreast of the changing demands of consumers and at the same time, to counter competition and differentiate itself by offering customers the best value in terms of variety of merchandise, freshness and pricing, the Company embarked on a refurbishment programme to upgrade its general merchandise stores in

AEON Ipoh, Wangsa Maju, Bandar Baru Klang and Cheras Selatan, featuring new look layouts and merchandise assortment zoning for better customer shopping experience.

PROPERTY MANAGEMENT SERVICES

For the property management services business, the year under review was very challenging as the retail industry witnessed addition of new retail space and retail tenants were generally spoilt for choices.

Despite these challenges, the overall performance of AEON shopping centres remain steady and sustainable, with the occupancy rate maintained at 93.7%. The Company's property management services business achieved revenue of RM472.7 million for the financial year ended 31 December 2013, representing an increase of 9.1% over the same period last year. The main factors that boosted our revenue in this core business were the contributions from the operations of the newly opened shopping centres of AEON Ipoh Station 18 and AEON Seri Manjung which opened in March 2012 and December 2012 respectively, as well as additional income from AEON Mall Kulajaya which opened in November 2013. On same shopping centres basis, there was also a growth in revenue of 3.2% in the period under review.



The Company's vast experience in the management of shopping centres was largely responsible for this continuing strong performance. Riding on its well-designed shopping centres, AEON had continued to place emphasis on ensuring that its shopping centres are always well maintained and continuously enhance shoppers' shopping experience.

Some of the affirmative actions that the Company took during the year were to continually review the tenant mix, so as to successfully maintain the attractiveness of the malls to shoppers and tenants alike. During the year under review, the Company had also carried out major renovation to upgrade its old AEON Bukit Raja Shopping Centre so as to better position the shopping centre in its competitive environment and provide its loyal shoppers with a new refreshing look. The Company also made concerted efforts to improve operational efficiency in other areas such as car park management, security and safety measures for shoppers.

PROSPECTS AND OUTLOOK

Malaysia’s economic growth in 2014 is expected to be broader based, supported by exports and domestic demand, in tandem with the world economic recovery. Nevertheless there could be moderation in private consumption due to the ongoing subsidy rationalisation measures taken by the government which had resulted in higher cost of living. The higher prices of products and services could see inflation trending up in 2014.

Despite that, with steady income growth and healthy employment market conditions, consumer sentiment and spending is likely to remain positive though cautious in 2014. The short term outlook for retail industry will remain very challenging as competition increase and retailers compete for the consumer dollars and cope with changing consumers’ behavior.



The Company had, during the year under review, entered into a joint venture arrangement with Index Living Mall Company Limited, a Thailand based furniture company, to jointly set up a company selling home and office furnishings in Malaysia. The first outlet is scheduled to open by end of 2014. The Company is confident the joint venture would enhance its merchandise competitiveness and tenant mix.

On its property management business, revenues and earnings are expected to remain steady and consistent. The Company will continue to employ strategies to attract and increase shopper traffic to its malls through provision of right tenant mix, exciting promotional and thematic events, complemented by proper maintenance and customer services.

The Company remains committed to its mid term expansion plan. In 2014, the Company’s MaxValu Kota Kemuning’s operations which had ceased by end of March 2014 will be relocated before the end of the year to a new site at Gamuda Walk Kota Kemuning. The Company will also discontinue its store and property management business in AEON Seberang Prai City Shopping Centre and move the businesses to its new outlet at AEON Mall Bukit Mertajam. The Company is on schedule to open its new mall in Taiping, Perak and as an anchor store in a new mall in the central business district of Kuala Lumpur. The Company had also during the year announced the purchase of another piece of land in Johor for its future expansion. The Company will continue to identify strategic locations for its store and mall development.



AEON remains confident that it has the capacity to continue pursue its growth strategy in its core businesses and to sustain its momentum going forward despite the challenging economic and industry environment. The Company, will leverage on its 30th Anniversary celebrations and its competitive strengths to deliver variety of quality products and services, great shopping ambience and invaluable amenities for total enrichment of customers’ shopping experience. To this end, the Company will undertake to continue refurbish and uplift its selected general merchandise stores for a newer and fresher outlook with better merchandise assortment. The Company will further pursue expansions on certain merchandise categories such as pharmacy and electrical division with opening of more shops and outlets. Through its associate company, AEON TopValu Malaysia Sdn. Bhd., the Company is also actively seeking to accelerate and increase its private brand “TopValu” assortment in its stores.



Statement on Corporate Governance

The Board of Directors (the “Board”) of AEON CO. (M) BHD. (the “Company” or AEON) recognises the importance of corporate governance and is committed in ensuring the sustainability of the Company’s business and operations through the implementation of the Principles and Recommendations as promulgated by the Malaysian Code on Corporate Governance 2012 (“MCCG 2012”).

This statement outlines the key aspects on how the Company has applied all the Principles under the MCCG 2012 during financial year 2013 and any non-observation of the Recommendations of MCCG 2012, including the reasons thereof, has been included in this Statement in view of the transition to MCCG 2012.

Principle 1 – Establish clear roles and responsibilities of the Board and Management

The Board is accountable and responsible for the performance and affairs of the Company by overseeing and appraising the Company’s strategies, policies and performance.

Board Charter

All Board members are expected to show good stewardship and act in a professional manner, as well as upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities. The Board has adopted a Board Charter which clearly sets out the roles, functions, composition, operation and processes of the Board, having regard to the principles of good corporate governance and requirements of Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The Board Charter further defines the matters that are reserved for the Board and its committees as well as the roles and responsibilities of the Chairman and the Managing Director. Key matters reserved for the Board includes the approval of corporate strategic plans and capital budgets, material acquisitions and disposals of undertakings and properties, quarterly and annual financial statements for announcement, monitoring of operating performance and review of the Financial Authority Approving Limits.

As set out in the Board Charter, the Board is responsible for:

- reviewing and adopting the overall corporate strategy, plans and directions for the Company including its sustainability;
- overseeing and evaluating the conduct of business of the Company;
- identifying principal risks and ensuring implementation of a proper risk management system to manage such risks;
- monitoring and reviewing management processes aimed at ensuring the integrity and other reporting with the guidance of Audit and Risk Management Committee;
- promoting effective communication with shareholders and relevant stakeholders;
- approving major capital expenditure, acquisitions, disposals and capital management;
- reviewing the adequacy and the integrity of the management information and internal control systems of the Company; and
- performing such other functions as are prescribed by law or are assigned to the Board.

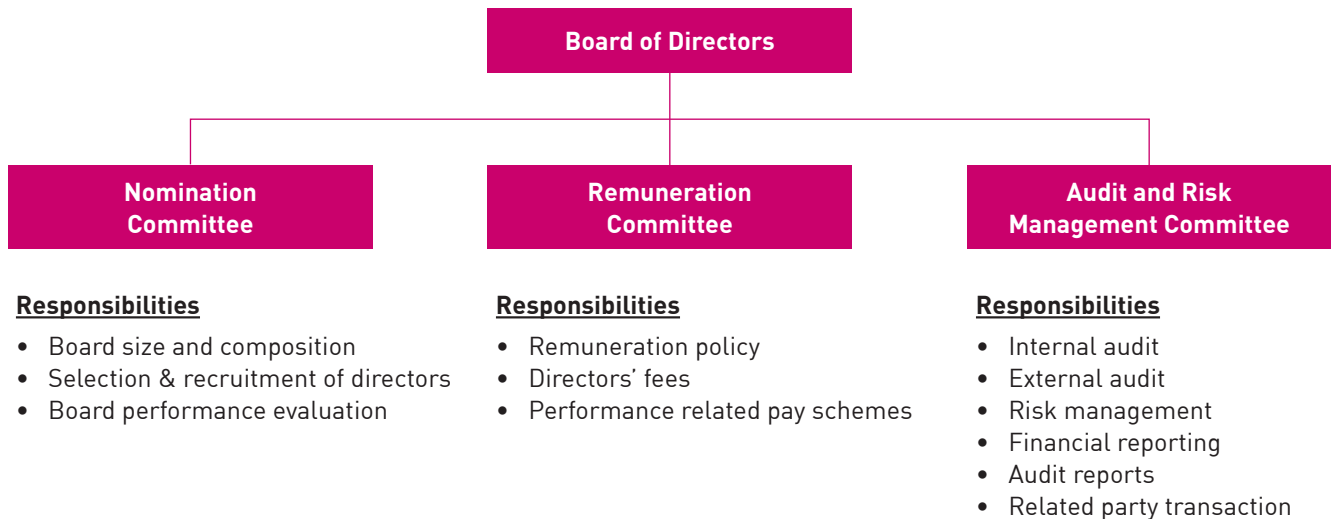
The Company is taking steps to make available the salient features of the Board Charter on the Company’s website at www.aeonretail.com.my.

The Board delegates the implementation of its strategy to the Company’s Management. However, the Board remains ultimately responsible for corporate governance and the affairs of the Company. While at all times the Board retains full responsibility for guiding and monitoring the Company, in discharging its responsibilities, the Board has established the following Board Committees to perform certain of its functions and to provide it with recommendations and advice:

- Nomination Committee;
- Remuneration Committee; and
- Audit and Risk Management Committee.

Statement on Corporate Governance

The following diagram shows a brief overview of the three main Board Committees of the Company's Board, each of which is explained in further detail as below:



Each Committee operates in accordance with the written terms of reference approved by the Board. The Board reviews the terms of reference of the committees from time to time. The Board appoints the members and the Chairman of each committee.

AEON Code of Conduct ("AEON COC")

The AEON COC which was established by AEON Co., Ltd. in Japan has been adopted by the Board to support the Company's objectives, vision and values. The basic principles have been carried out by having appropriate regard to the interests of the Company's customers, shareholders, people, business partners and the broader community in which the Company operates.

All employees are briefed and provided with a copy of the AEON COC on the commencement of their employment. All the employees will attend a refresher seminar on the AEON COC annually. The principles of AEON COC are being constantly made aware to employees through citation in staff assemblies and before the start of the Company's meetings. The AEON COC can be found on the Company's website at www.aeonretail.com.my.

The Board recognises the importance on adherence to the AEON COC by all personnel in the Company and has put in place a process to ensure its compliance. The Company further encourages its employees to provide feedback with any concerns regarding illegal or unethical conduct, or malpractice via its existing Code of Conduct Hotline (Whistle-Blowing Hotline).

Sustainability Policy

The Company has established a Sustainability Policy which is based on the three basic principles of AEON, which is to honor Peace, People and Community. With the aim to promote sustainable development, the Company focuses on key areas of environment conservation and social contribution. The Company is also actively engaging with the Company's customers, staff members, suppliers, tenants, stakeholders, Non-Governmental Organisations (NGOs) and local authorities in activities related to sustaining the environment. The Company's activities on environment, social and governance for the year under review are disclosed on pages 9 to 19 of this Annual Report.



Statement on Corporate Governance

Supply and Access to Information

The Board recognises that the decision-making process is highly dependent on the quality of information furnished. In furtherance to this, every Director has access to all information within the Company. The Directors have access to information through the following means:

- Members of Senior Management attend Board and Committee meetings by invitation to report areas of the business within their responsibility including financial, operational, corporate, regulatory, business development, audit matters and information technology updates, for the Board's informal decision making and effective discharge of the Board's responsibilities.
- The Board and Committee papers are prepared and are issued to the Directors or Committee Members at least seven (7) days before the Board and Committee meetings.
- The Audit and Risk Management Committee Chairman meets with the Management, Internal Auditors and External Auditors regularly to review the reports regarding internal control system and financial reporting.

The Directors have ready and unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Board is regularly updated and advised by the Company Secretaries who are qualified, experienced and knowledgeable on new statutory and regulatory requirements, and the resultant implications to the Company and the Directors in relation to their duties and responsibilities. The Company Secretaries, who oversee adherence with board policies and procedures, brief the Board on the proposed contents and timing of material announcements to be made to regulators. The Company Secretaries also keep the Directors and principal officers informed of the closed period for trading in the Company's shares.

Besides direct access to the Management, Directors may obtain independent professional advice at the Company's expense, if considered necessary, in accordance with established procedures set out in the Board Charter in furtherance of their duties. The Directors may also consult the Chairman and other Board members prior to seeking any independent advice.

Principle 2 - Strengthen Composition of the Board

The Board currently has ten (10) Directors, comprising the Chairman (Independent Non-Executive), one (1) Vice Chairman (Non-Independent Non-Executive Director), four (4) Independent Non-Executive Directors, two (2) Non-Independent Non-Executive Directors and two (2) Executive Directors. The Company fulfills Paragraphs 15.02(1) of the MMLR of Bursa Securities which stipulate that at least two (2) Directors or one third (1/3) of the Board, whichever is the higher, are Independent Directors.

The Board is satisfied that the current composition of Directors provides the appropriate balance and size in the Board necessary to promote all shareholders' interests and to govern the Company effectively. It also fairly represents the ownership structure of the Company, with appropriate representations of minority interests through the Independent Non-Executive Directors. En. Abdul Rahim bin Abdul Hamid is the Senior Independent Non-Executive Director to whom concerns on matters relating to Corporate Governance of the Company could be conveyed. The Independent Directors fulfill a pivotal role in providing unbiased and independent views, advice and judgement, taking into account the interest not only of the Company but also shareholders, employees, customers and communities in which the Company conducts business.

The profile of each Director is set out on pages 24 to 28 of this Annual Report.

Statement on Corporate Governance

Nomination Committee – Selection and Assessment of Directors

The Company's Nomination Committee comprised wholly Non-Executive Directors a majority of whom are independent and at least three (3) members in total. At the date of this Statement, the members are as follows:

<u>Name</u>	<u>Designation</u>
Nagahisa Oyama	Chairman of the Committee (Non-Independent Non-Executive Director)
Dato' Abdullah bin Mohd Yusof	Member (Independent Non-Executive Director)
Datuk Syed Ahmad Helmy bin Syed Ahmad (Appointed on 16 April 2013)	Member (Independent Non-Executive Director)
Charles Tseng @ Charles Tseng Chia Chun (Appointed on 16 August 2013)	Member (Independent Non-Executive Director)
Dato' Chew Kong Seng (Retired on 22 May 2013)	Member (Independent Non-Executive Director)

The Board is of the view that although the Chairman of the Nomination Committee is Non-Independent Non-Executive Director, Mr Nagahisa Oyama who was the former Managing Director of the Company is able to contribute effectively to the Nomination Committee in view of his wide and vast experience in the industry.

The Nomination Committee is responsible for making recommendations to the Board on the most appropriate Board size composition. In discharging its responsibilities, the Nomination Committee has developed certain criteria used in the recruitment process and annual assessment of Directors. In evaluating the suitability of candidates, the Nomination Committee considers the following factors:

- skills, knowledge, expertise and experience;
- professionalism and integrity;
- commitment (including time commitment) and contribution;
- background, character and competence;
- boardroom diversity; and
- in the case of candidates for the position of Independent Non-Executive Directors, the Nomination Committee shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors.

This responsibility includes making recommendations on the desirable competencies, experience and attributes of the Board members and strategies to address Board diversity.

The Board may appoint an individual to be a Director by having selection process for new appointees as recommended by the Nomination Committee to the Board. The appointed individual will stand for election at the next Annual General Meeting ("AGM") in accordance with the Articles of Association of the Company.

The Committee will arrange for the induction for any new appointment such as visits to the Company's significant businesses and meetings with Senior Management personnel, as appropriate, to enable them to have a full understanding of the nature of the business, current issues within the Company and corporate strategies as well as the structure and management of the Company.



Statement on Corporate Governance

The Board recognises that having a range of different skills, backgrounds and experience represented amongst its Directors is important in ensuring robust decision-making processes with a diversity of viewpoints and the effective governance of the Company. The Nomination Committee reviews annually the required mix of skills and experience of Directors; effectiveness of the Board as a whole; succession plans and boardroom diversity, including gender diversity; training courses for Directors and other qualities of the Board, including core-competencies which Non-Executive Directors should bring to the Board.

As boardroom diversity is concerned, the Board does not have a specific policy on setting targets for women candidates. The evaluation of the suitability of candidates is solely based on the candidates' competency, character, time commitment, integrity and experience in meeting the needs of the Company. The assessment and comments by Directors are summarised in a questionnaire regarding the effectiveness of the Board and its Board Committees and discussed at the Nomination Committee meeting and reported at the Board Meeting by the Nomination Committee Chairman. All assessments and evaluations carried out by the Nomination Committee in the discharge of its functions are properly documented.

The Nomination Committee meets at least once in a year with additional meetings to be convened, if necessary. During the financial year under review, the Nomination Committee had convened two (2) meetings in February 2013 and April 2013 and reviewed and assessed the mix of skills, expertise, composition, size and experience of the Board, including the core-competencies of both Executive and Non-Executive Directors, the contribution of each individual Director (including the Managing Director and Executive Director who assumed the roles of Chief Executive Officer and Chief Financial Officer respectively); effectiveness of the Board as a whole and the Board Committees; and the changes to the Board's composition.

Directors' Training

The Board, via the Nomination Committee, continues to identify and attend appropriate briefings, seminars, conferences and courses to keep abreast of changes in legislations and regulations affecting the Company.

All Directors have completed the Mandatory Accreditation Programme ("MAP"). The Directors are mindful that they continue to enhance their skills and knowledge to maximise their effectiveness as Directors during their tenure. Throughout their period in office, the Directors are continually updated on the Company's business and the regulatory requirements.

The Directors have attended individually or collectively the various training programmes and briefings, amongst others, the following:

- Board Charter and Terms of Reference for Board Committee and Role of Nominating Committee for public listed companies
- Ethics and Board of Directors
- Nominating Committee Programme
- Amendments to Listing Requirements of Bursa Malaysia
- The Malaysian Code on Corporate Governance 2012
- Risk Management
- Tax Budgeting and Accounting Standards
- Malaysian Financial Reporting Standards Updates

The Company Secretaries highlight the relevant guidelines on statutory and regulatory requirements from time to time to the Board. The External Auditors also briefed the Board members on any changes to the Malaysian Financial Reporting Standards that affect the Company's financial statements during the year.

Remuneration Committee – Directors' Remuneration

The Remuneration Committee established sets of policy, framework and reviews the remuneration of Directors to ensure that the Company is able to attract and retain capable Directors. The Remuneration Committee adopts the ultimate holding company's employee compensation plan to set the remuneration of its Executive Directors. The Executive Directors' remunerations are structured to link rewards to corporate and individual performance. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken.

Statement on Corporate Governance

The Remuneration Committee consists of the following members:

Name	Designation
Nagahisa Oyama	Chairman of the Committee (Non-Independent Non-Executive Director)
Dato' Abdullah bin Mohd Yusof	Member (Independent Non-Executive Director)
Datuk Syed Ahmad Helmy bin Syed Ahmad (Appointed on 16 April 2013)	Member (Independent Non-Executive Director)
Abdul Rahim bin Abdul Hamid (Appointed on 16 August 2013)	Member (Independent Non-Executive Director)
Datuk Ramli bin Ibrahim (Retired on 22 May 2013)	Member (Independent Non-Executive Director)

The Company's Remuneration Committee comprises wholly Non-Executive Directors and number at least three (3) in total. The Remuneration Committee met once during the financial year under review to discuss the remuneration packages of all Directors.

The determination of the remuneration packages is a matter for the Board as a whole. The Executive Directors concerned play no part in deciding their own remuneration but may attend the Remuneration Committee meetings at the invitation of the Chairman of the Remuneration Committee if their presence is required.

During the year under review, the Remuneration Committee reviewed and recommended the remuneration for the Managing Director and Executive Director of the Company and further recommended for the Non-Executive Directors' fees to the Board subject to shareholders' approval at the Company's forthcoming AGM pursuant to the Articles of Association of the Company.

The breakdown of the remuneration of the Directors during the financial year under review is as follows:

- Aggregate remuneration of the Directors categorised into appropriate components:

	Executive Directors RM'000	Non-Executive Directors RM'000
Fees	–	1,241
Salaries	1,376	–
Benefits-in-kind	92	–
Total	1,468	1,241

- The number of Directors of the Company in each remuneration band is as follows:

Range of Remuneration	Executive Directors	Non-Executive Directors	Total
Less than RM100,000	–	9	9
RM250,001 – RM300,000	–	2	2
RM500,001 – RM550,000	1	–	1
RM850,001 – RM900,000	1	–	1
Total	2	11	13



Statement on Corporate Governance

Principle 3 - Reinforce Independence of the Board

The Board is mindful on the importance of independence and objectivity in its decision making process which is in line with MCCG 2012.

The roles of the Chairman and the Managing Director are distinct and separate to engender accountability and facilitate clear division of responsibilities for ensuring there is a balance of power and authority in the Company. The Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board whilst the Managing Director is responsible for day-to-day management of the business with powers, discretions and delegations authorised from time to time by the Board. The detail of the responsibilities of the Managing Director is clearly set out in the Board Charter.

The Board delegates to the Managing Director who are supported by an Executive Management team, implements the Company's strategic plan, policies and decision adopted by the Board to achieve the Company's objective of creating long-term value for its shareholders through excelling in customer service and providing sustainable best-in-industry performance in retail industry, community, reputation and environment impact.

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

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

Dato' Abdullah bin Mohd Yusof is the Independent Non-Executive Chairman of the Board who provide a strong leadership and responsible for ensuring the adequacy and effectiveness of the Board's governance process.

During the financial year under review, the Board assessed the independence of its Independent Non-Executive Directors based on criteria set out in the MMLR of Bursa Securities.

The Board is aware of the recommended tenure of an Independent Director which should not exceed a cumulative term of nine (9) years as recommended by MCCG 2012 and that an Independent Director may continue to serve the Board if the Independent Director is re-designated as a Non-Independent Non-Executive Director upon completion of nine (9) years tenure. Furthermore, the Board must justify the decision and seek shareholders' approval at general meeting if the Board intends to retain the Director as Independent after the respective Independent Director has served a cumulative term of nine (9) years.

The Board further wishes to highlight that in accordance with the Company's Articles of Association, all the Directors are subject to retirement at the AGM every year.

Principle 4 - Foster commitment of Directors

The Board endeavours to meet at least four (4) times a year, at quarterly intervals which scheduled well in advance before the end of the preceding financial year to facilitate the Directors in planning their meeting schedule for the year. Additional meetings are convened where necessary to deal with urgent and important matters that require attention of the Board. All Board meetings are furnished with proper agendas with due notice issued and board papers and reports are prepared by the Management which provides updates on financial, operational, legal and circulated prior to the meetings to all Directors with sufficient time to review them for effective discussions and decision making during the meetings.

All pertinent issues discussed at the Board meetings in arriving at the decisions and conclusions are properly recorded by the Company Secretaries.

Statement on Corporate Governance

The Board met five (5) times during the financial year under review. The details of Directors' attendance are set out as follows:

No	Name	Number of Board meetings attended/held during the Director's term in office
1.	Dato' Abdullah bin Mohd Yusof (Independent Non-Executive Chairman)	5/5
2.	Nagahisa Oyama (Non-Independent Non-Executive Vice Chairman)	5/5
3.	Nur Qamarina Chew binti Abdullah (Managing Director)	5/5
4.	Poh Ying Loo (Executive Director)	5/5
5.	Naoki Hayashi (Non-Independent Non-Executive Director)	5/5
6.	Mitsuru Nakata (Redesignated as Non-Independent Non-Executive Director on 28 February 2013)	5/5
7.	Datuk Syed Ahmad Helmy bin Syed Ahamd (Appointed as Independent Non-Executive Director on 16 April 2013)	3/3
8.	Dato' Tunku Putra Badlishah Ibni Tunku Annuar (Appointed as Independent Non-Executive Director on 16 April 2013)	2/3
9.	Abdul Rahim bin Abdul Hamid (Appointed as Independent Non-Executive Director on 16 August 2013)	2/2
10.	Charles Tseng @ Charles Tseng Chia Chun (Appointed as Independent Non-Executive Director on 16 August 2013)	2/2
11.	Dato' Chew Kong Seng (Retired as Independent Non-Executive Director on 22 May 2013)	2/2
12.	Datuk Ramli bin Ibrahim (Retired as Independent Non-Executive Director on 22 May 2013)	2/2
13.	Brig Jen (B) Dato' Mohamed Idris bin Saman (Retired as Independent Non-Executive Director on 28 February 2013)	1/1

The Nomination Committee had assessed and recommended the redesignation of Mitsuru Nakata from Executive Director to Non-Independent Non-Executive Director and the appointment of new Directors.

The Board, via Nomination Committee reviewed annually the time commitment of the Directors and ensures that they are able to carry out their own responsibilities and contributions to the Board. It is the Board's policy for Directors to notify the Chairman before accepting any new directorship notwithstanding that the MMLR allows a Director to sit on the board of five listed issuers. Such notification is expected to include an indication of time that will be spent on the new appointment.

In order to enable Directors to sustain active participation in board deliberations, the Directors have access to continuing education programmes or trainings. The Directors have devoted sufficient time to update their knowledge and enhance their skills by attending trainings, details as set out in page 37 of this Statement.

Furthermore, the Directors from time to time visited existing stores and/or new sites to familiarise and have a thorough understanding of the Company's operations.



Statement on Corporate Governance

Principle 5 - Uphold integrity in financial reporting by the Company

The Board upholds the integrity in financial reporting. The Audit and Risk Management Committee (“ARMC”) is entrusted to provide advice and assistance to the Board in fulfilling its statutory and fiduciary responsibilities relating to the Company’s internal and external audit functions, risk management and compliance systems and practice, financial statements, accounting and control systems and matters that may significantly impact the financial condition or affairs of the business. The ARMC is also responsible in ensuring that the financial statements of the Company comply with the applicable financial reporting standards in Malaysia.

The ARMC also provides a forum for communication between the Board, Management and both the Internal and External Auditors and provides a conduit to the Board on audit, risk management and compliance matters.

The ARMC comprises three members of whom majority are Independent and all are Non-Executive Directors, with En. Abdul Rahim bin Abdul Hamid as the ARMC Chairman. The composition of the ARMC, including its roles and responsibilities are set out on pages 43 to 48 under Audit and Risk Management Committee Report of this Annual Report.

The Board recognised the value of an effective ARMC in ensuring the Company’s financial statements are reliable source of financial information by establishing the procedures, via the ARMC, in assessing the suitability and independence of the External Auditors. The External Auditors has confirmed in writing that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out by the Malaysian Institute of Accountants.

Principle 6 - Recognise and Manage Risks

The Board has ultimate responsibility for reviewing the Company’s risks, approving the risk management framework policy and overseeing the Company’s strategic risk management and internal control framework.

The ARMC assists the Board in discharging these responsibilities by overseeing and reviewing the risk management framework and the effectiveness of risk management of the Company. The ARMC processes are designed to establish a proactive framework and dialogue in which the ARMC, the Management and External and Internal Auditors review and assess the risk management framework. The Company’s Risk Management Working Committee reports to ARMC on quarterly basis.

The ARMC met with External Auditors twice a year without the presence of the Management during the financial year to allow discussion of any issues arising from the audit exercise or any other matters, which the External Auditors wished to raise.

The Board has established an independent internal audit function previously that reports directly to the ARMC. The scope of work covered by the internal audit function during the financial year under review, including its observations and recommendations, is provided in the Statement on Risk Management and Internal Control of the Company set out on pages 49 to 50 of this Annual Report.

Principle 7 – Ensure timely and high quality disclosure

The Board has formalised a pertinent corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosures relating to the Company to the regulators, shareholders and stakeholders not only to comply with the disclosure requirements as stipulated in the MMLR, but also setting out the persons authorised and responsible to approve and disclose material information to shareholders and stakeholders in compliance with the MMLR of Bursa Securities.

The Board has established a dedicated section for corporate information on the Company’s website (www.aeonretail.com.my) where information on the Company’s announcements, financial information, share prices and the Company’s annual report may be accessed.

Statement on Corporate Governance

Principle 8 – Strengthen relationship between the Company and shareholders

It has always been the Company's practice to maintain good relationship with its shareholders. Major corporate developments and happenings in the Company have always been duly and promptly announced to all shareholders, in line with Bursa Securities's objectives of ensuring transparency and good corporate governance practices.

The Company's financial performance, major corporate developments and other relevant information are promptly disseminated to shareholders and investors via announcements of its quarterly results, annual report, corporate announcements to Bursa Securities and press conferences. Further update of the Company's activities and operations are also disseminated to shareholders and investors through dialogue with analysts, fund managers, investor relations roadshows and the media.

Besides highlighting retail business promotional activities, the Company's website (www.aeonretail.com.my) also contains all announcements made to Bursa Securities as well as the contact details of designated persons to cater to any queries.

During the AGM, there was a presentation on the Company's performance and major activities that were carried out by the Company during the financial year under review. During the meeting, shareholders have the opportunities to enquire and comment on the Company's performance and operations.

The Notice of AGM is circulated at least twenty one (21) days before the date of the meeting to enable shareholders to go through the Annual Report and papers supporting the resolutions proposed. Shareholders are invited to ask questions both about the resolutions being proposed before putting a resolution to vote as well as matters relating to the Company's operations in general.

During the last AGM, the Executive Director also provided shareholders with a brief review of the Company financial year's performance and operations. The Chairman also shared with shareholders at the meeting responses to questions submitted in advance by the Minority Shareholder Watchdog Group.

All the resolutions set out in the Notice of the Twenty-Eighth AGM were put to vote by show of hands and duly passed. The shareholders were informed of their right to demand for a poll. The outcome of the AGM was announced to Bursa Securities on the same meeting day.



Terms of Reference of the Audit and Risk Management Committee

COMMITTEE MEMBER

- Abdul Rahim bin Abdul Hamid
- Charles Tseng @ Charles Tseng Chia Chun
- Mitsuru Nakata

Designation

Chairman (Independent Non-Executive Director)
Member (Independent Non-Executive Director)
Member (Non-Independent Non-Executive Director)

CONSTITUTION

The Board hereby resolves to establish a Committee of the Board to be known as the Audit and Risk Management Committee with the following terms of reference.

COMPOSITION OF AUDIT AND RISK MANAGEMENT COMMITTEE

The Committee shall be appointed by the Board from among its members and shall consists of not less than three (3) members of whom a majority shall be Independent Directors and all shall be Non-Executive Directors.

The Committee shall include at least one person who is a member of the Malaysian Institute of Accountants (MIA) or alternatively a person who must have at least three (3) years' working experience and have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967 or is a member of the associations of accountants specified in Part II of the said Schedule or fulfills such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.

No alternate director shall be appointed as a member of the Committee.

The Committee shall elect a chairperson from amongst its members. In the event that a member of the Audit and Risk Management Committee resigns, dies or for any other reason ceases to be a member, with the result that the number of members is reduced to below three, the Board of Directors shall, within three months of that event, appoint such number of new members as may be required to make up the minimum number of three members.

The Board shall review the terms of office and performance of Committee members at least once in every three (3) years.

MEETINGS

The Committee shall meet at least four (4) times a year. In addition, the Chairman shall convene a meeting of the Committee if requested to do so by any member, the management or the Internal or External Auditors to consider any matter within the scope and responsibilities of the Committee.

The Committee shall meet at least two (2) times a year with the External Auditors and/or the Internal Auditor without presence of any Executive Board members, management or employees.

QUORUM

A quorum shall consist of a majority of committee members present at the meeting who are Independent Directors. In the absence of the Chairman, the members present at the meeting shall elect a Chairman for the meeting from amongst the members present.

Terms of Reference of the Audit and Risk Management Committee

ATTENDANCE AT MEETINGS

The Head of Finance, the Head of Internal Audit, the Company Secretaries, the Head of Legal, the Senior Finance Manager and a representative of the External Auditors shall normally attend meetings. However, the Committee shall invite any person to be in attendance to assist it in its deliberations.

Non-member Directors shall not attend unless specifically invited to by the Committee.

The Audit and Risk Management Committee may deal with matters by way of circular reports and resolutions in lieu of convening a formal meeting. A resolution in writing signed by all members in lieu of convening a formal meeting shall be as valid and effectual as it had been passed at a meeting of the Audit and Risk Management Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more members.

SECRETARY TO AUDIT AND RISK MANAGEMENT COMMITTEE

The Company Secretaries shall be the Secretary of the Committee and shall be responsible for drawing up the agenda in consultation of the Chairperson. The agenda together with the relevant explanatory papers and documents shall be circulated to the Committee members prior to each meeting.

The Secretary shall be responsible for recording attendance of all members and invitees, keeping minutes of the meeting of the Committee, circulating them to Committee members and to the other members of the Board of Directors and for ensuring compliance with Bursa Malaysia Securities Berhad's requirements.

AUTHORITY

The Committee is authorised by the Board to:

- Investigate any activity within its terms of reference.
- Have resources, which are reasonably required to enable it to perform its duties.
- Have full and unrestricted access to all information and documents it requires for the purpose of discharging its functions and responsibilities.
- Have direct communication channels with the External Auditors, the Internal Auditor and Senior Management of the Company.
- Obtain outside legal or other independent professional advice and secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.
- Convene meetings with the External Auditors at least twice a year, excluding the attendance of the Executive Board members, whenever deemed necessary.
- Convene meetings with the Internal Auditors, excluding the attendance of the Executive Board members, whenever deemed necessary.

REPORTING PROCEDURES

The Committee shall prepare an annual report to the Board that provides a summary of the activities of the Committee for inclusion in the Company's Annual Report.

Where the Committee is of the view that a matter reported by it to the Board of Directors has not been satisfactorily resolved resulting in a breach of the Listing Requirements of Bursa Malaysia Securities Berhad, the Committee shall promptly report such matter to Bursa Malaysia Securities Berhad.



Terms of Reference of the Audit and Risk Management Committee

DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Committee shall be:

- To review any financial information for publication, including quarterly and annual financial statements before submission to the Board.
- The review shall focus on: -
 - Any changes in accounting policies and practices.
 - Major judgmental areas.
 - Significant audit adjustments from the External Auditors.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with stock exchange and legal requirements.
- To review with the External Auditors their audit plan, scope and nature of audit for the Company.
- To review and discuss the External and Internal Audits' audit reports, areas of concern arising from the audit and any other matters the External and Internal Auditors may wish to discuss in the absence of management, if necessary.
- To assess the adequacy and effectiveness of the risk management processes, system of internal controls and accounting control procedures of the Company.
- To review External Auditors' management letters and management responses.
- To discuss problems and reservations arising from the audits and any matters the auditors may wish to discuss including the assistance given by the employees in the absence of management, if necessary.
- To review the internal audit plan, consider the major findings of Internal Audit, fraud investigations and actions and steps taken by management in response to audit findings.
- To review the adequacy and relevance of the scope, functions and resources of Internal Audit and the necessary authority to carry out its work, including any appraisal or assessment of the competency of the internal audit function.
- To take cognisance of resignations of Internal Audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.
- To review any related party transactions and conflict of interest situations that may arise within the Company.
- To consider the appointment of the External Auditors, the terms of reference of its appointment and any question of resignation and dismissal before making a recommendation to the Board.
- To review the statement with regard to the state of risk management and internal controls of the Company for inclusion in the Annual Report and report the same to the Board.
- To review the adequacy of Company's risk management framework and assess the resources and knowledge of the Management and employee involved in the risk management process.
- To review the effectiveness of internal control systems deployed by the Management to address those risks.
- To review and recommend corrective measures undertaken to remedy failings and/or weaknesses.
- To review and further monitor principal risks that may affect the Company directly or indirectly that if deemed necessary, recommend additional course of actions to mitigate such risks.
- Communication and monitoring of risk assessment results to the Board.

OVERSEEING THE INTERNAL AUDIT FUNCTION

The Committee shall oversee all internal audit functions and is authorised to commission investigations to be conducted by Internal Audit as it deems fit. The Head of Internal Audit shall report directly to the Committee and shall have direct access to the Chairman of the Committee.

All proposals by management regarding the appointment and transfer or dismissal of the Head of Internal Audit shall require the prior approval of the Committee.

Audit and Risk Management Committee Report

The Board is pleased to present the Audit and Risk Management Committee Report for the financial year ended 31 December 2013.

COMPOSITION

The Audit and Risk Management Committee comprises the following members:

<u>Name</u>	<u>Designation</u>
Abdul Rahim bin Abdul Hamid (Appointed on 16 August 2013)	Chairman (Independent Non-Executive Director)
Charles Tseng @ Charles Tseng Chia Chun (Appointed on 16 August 2013)	Member (Independent Non-Executive Director)
Mitsuru Nakata (Appointed on 8 November 2013)	Member (Non-Independent Non-Executive Director)
Dato' Tunku Putra Badlishah Ibni Tunku Annuar (Appointed on 16 April 2013 and resigned on 8 November 2013)	Member (Independent Non-Executive Director)
Dato' Chew Kong Seng (Retired on 22 May 2013)	Chairman (Independent Non-Executive Director)
Datuk Ramli bin Ibrahim (Retired on 22 May 2013)	Member (Independent Non-Executive Director)

TERMS OF REFERENCE OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

During the financial year under review, there were no changes to the terms of reference of the Audit and Risk Management Committee.

The Board shall review the terms of office and performance of the Audit and Risk Management Committee and each of its members at least once every three (3) years to determine whether the Audit and Risk Management Committee and the members have carried out their duties in accordance with the terms of reference. During the financial year under review, the Board had reviewed the terms of office and performance of the Audit and Risk Management Committee and each of the Audit and Risk Management Committee members.



Audit and Risk Management Committee Report

MEETINGS

During the financial year under review, the Audit and Risk Management Committee convened four (4) meetings. The attendance records of the members of the Audit and Risk Management Committee are as follows:

Name	Number of meetings attended/held during the member's term in office
Abdul Rahim bin Abdul Hamid – Chairman (Appointed on 16 August 2013)	2/2
Charles Tseng @ Charles Tseng Chia Chun (Appointed on 16 August 2013)	2/2
Mitsuru Nakata (Appointed on 8 November 2013)	1/1
Dato' Tunku Putra Badlishah Ibni Tunku Annuar (Appointed on 16 April 2013 and resigned on 8 November 2013)	1/2
Dato' Chew Kong Seng (Retired on 22 May 2013)	2/2
Datuk Ramli bin Ibrahim (Retired on 22 May 2013)	2/2
Brig Jen (B) Dato' Mohamed Idris bin Saman (Retired on 28 February 2013)	1/1

The meetings were structured through the use of agendas, which were distributed to members with sufficient notification.

The Company Secretary was present in all the meetings. A representative of the External Auditors, Messrs KPMG Desa Megat & Co., the Head of Finance, the Head of Internal Audit, the Head of Legal and the Senior Finance Manager attended the meetings. The Audit and Risk Management Committee meetings were also attended by other Board members and Senior Management members as and when deemed necessary.

SUMMARY OF THE AUDIT AND RISK MANAGEMENT COMMITTEE'S ACTIVITIES DURING THE YEAR UNDER REVIEW

During the year under review, the Audit and Risk Management Committee carried out its duties in accordance with its terms of reference as follows:

- a. Reviewed the unaudited quarterly financial results and audited financial statements for the financial year before submission to the Board for consideration and approval.
- b. Reviewed the External Auditors' scope of work and audit plan for the year.
- c. Reviewed and discussed the External Auditors' audit report of the Financial Statements and areas of concern.
- d. Considered the appointment of the External Auditors, the terms of reference of their appointment and reviewed the External Auditor's independence and their audit fees.
- e. Reviewed the internal audit plan, considered the major findings of Internal Audit, fraud investigations and actions taken by management in response to the audit findings.
- f. Assessed the adequacy and effectiveness of the system of internal controls and accounting control procedures of the Company by reviewing the internal audit findings and management actions taken and External Auditors' management letter and management responses.

Audit and Risk Management Committee Report

- g. Reviewed the adequacy and relevance of scope, functions and resources of Internal Audit and that it has the necessary authority to carry out its work.
- h. Reviewed the related party transactions on a quarterly basis and also the internal audit reports to ascertain that the review procedures established to monitor the related party transactions have been complied with in accordance to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").
- i. Reported to the Board on its activities and significant findings and results of the External and Internal Audit recommendations.
- j. Monitored the compliance requirements in line with the new updates of Bursa Securities, Securities Commission, Malaysian Accounting Standards Board and other legal and regulatory bodies.
- k. Reviewed the risks identified by Risk Management Working Committee to ascertain the adequacy of actions taken to address and mitigate the risks.
- l. Reviewed and discussed the Japanese Sarbanes Oxley (J-SOX) Compliance Assessment Progress Report for the Company.
- m. Engaged an external consultant to work together with the Risk Management Working Committee to review the risk management framework of the Company.

In the financial year under review, the Audit and Risk Management Committee held two (2) meetings with the External Auditors without the presence of the management, to allow the External Auditors to discuss any issues arising from the audit exercise or any other matters, which the External Auditors wished to raise.

During the year under review, the Internal Audit Department had effectively carried out the following activities:

- a. Presented and obtained approval from Audit and Risk Management Committee, the annual internal audit plan, its audit strategy and audit scope of work.
- b. Reviewed and analysed certain key business processes identified in the annual audit plan, reported ineffective and inadequate controls, and made recommendations to improve their effectiveness.
- c. Monitored and ensured management implemented corrective action plans.
- d. Monitored compliance with policies, procedures, rules and regulations.
- e. Reviewed the adequacy and effectiveness of the internal control structures of the Company.
- f. Assisted the Board of Directors and Management on compliance matters required by the Malaysian Code on Corporate Governance 2012.
- g. Assisted the Board of Directors and Management by reviewing the risk policy and control strategies in the organisation.
- h. Assisted the Risk Management Working Committee on internal and operational audits.
- i. Carried out investigative assignments.
- j. Continued inculcating good risk management practices throughout the Company.
- k. Reviewed the related party transactions and reports to ascertain that the review procedures established to monitor the related party transactions have complied with the Main Market Listing Requirements of Bursa Securities.



Statement on Risk Management and Internal Control

BOARD'S RESPONSIBILITIES

The Board recognises its responsibilities over the Company's system of internal controls, covering all its financial and operating activities to safeguard shareholders' investment and the Company's assets.

The Board has an established on-going process for identifying, evaluating and managing the significant risks encountered by the Company. The Board through its Audit and Risk Management Committee regularly reviews this process.

In view of the limitations inherent in any system of internal controls, the system is designed to manage, rather than to eliminate the risk of failure to achieve the Company's corporate objectives.

The Audit and Risk Management Committee assists the Board to review the adequacy and effectiveness of the system of internal controls in the Company and to ensure that a mix of techniques is used to obtain the level of assurance required by the Board. The Audit and Risk Management Committee presents its findings to the Board.

The Board has received assurance from the Managing Director and the Chief Financial Officer that the Company's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Company during the financial year under review and up to the date of this Statement.

INTERNAL AUDIT FUNCTION

The Audit and Risk Management Committee, assisted by the in-house Internal Audit Department, provides the Board with the assurance it requires on the adequacy and effectiveness of the system of internal controls. In the year under review, the total cost incurred for the Internal Audit Function was RM689,777. The Internal Audit Department independently reviews the risk identification procedures and control processes implemented by the Management, conducts audits that encompass reviewing critical areas that the Company faces, and reports to the Audit and Risk Management Committee on a quarterly basis.

The Internal Audit Department also carried out internal control reviews on key activities of the Company's business on the basis of an annual internal audit plan that was presented and approved by the Audit and Risk Management Committee. The internal audit function adopts a risk-based approach and prepares its audit strategy and plan based on the risk profiles of the major business units of the Company.

RISK MANAGEMENT AND SYSTEM OF INTERNAL CONTROLS

The Board is responsible for managing the key business risks of the Company and implementing appropriate internal control system to manage those risks. The Board reviewed the adequacy and effectiveness of the system of internal controls as it operated during the year under review. The following are the key elements of the Company's risk management and system of internal controls:

- The management structure of the Company formally defines lines of responsibility and delegation of authority for all aspect of the Company's affairs. Senior management and business unit's managers submit and present their operational performance reviews as well as business plans and strategic measures in Divisional Head Meetings and Store and Shopping Centre Managers Meetings;
- The Board approves the annual budget and reviews key business indicators and monitors the achievements of the Company's performance on a quarterly basis;
- The authorisation limits and approvals authority threshold of the Company encompasses internal control procedures. These procedures are subject to review by the Management to incorporate changing business risks and operational efficiency;
- The Audit and Risk Management Committee is responsible for reviewing the statutory annual financial statements and the quarterly announcements and recommends to the Board for approval prior to submission to Bursa Malaysia Securities Berhad;

Statement on Risk Management and Internal Control

- The Internal Audit Department periodically audits the effectiveness and evaluates the proper functioning of the internal control system to ascertain compliance with the control procedures and policies of the Company. The Head of Internal Audit reports to Audit and Risk Management Committee on the conditions of internal control systems on a quarterly basis;
- Project teams are set up from time to time to address business and operational issues to meet the business objectives and operational requirements of the Company;
- The Risk Management Working Committee has been established and met quarterly to review the risk management process with the business operating units which include risk identification, assessment, mitigation and monitoring; and
- The Head of Internal Audit has been appointed to provide an independent assessment of the adequacy of the risk management process. Periodically, he reports to the Audit and Risk Management Committee on the effectiveness of the risk management.

All the above-mentioned processes have been in place and provide reasonable assurance on the effectiveness of the risk management and internal control systems.

CONCLUSION

The Board reviewed the adequacy and effectiveness of the system of internal controls and risk management that provides reasonable assurance to the Company in achieving its business objectives. As the development of a sound system of internal controls is an on-going process, the Board and the Management maintain an on-going commitment and continue to take appropriate measures to strengthen the risk management and internal control environment of the Company.

The Board is in the view that the risk management and internal control systems have been in place for the year under review and up to the date of approval of this statement is adequate and effective to safeguard the shareholders' investment, the interest of customers, regulators and employees, and the Company's assets.



Additional Compliance Information

Pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

MATERIAL CONTRACTS

There were no material contracts entered into by the Company involving Directors' and major shareholders' interest 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 (not being contracts entered into in the ordinary course of business) except as disclosed below and in Notes 23 to the financial statements under "Related Parties" on pages 93 to 94 of this Annual Report.

On 20 September 2013, the Company entered into a Joint Venture Agreement with Index Living Mall Company Limited (ILM), a company incorporated in Thailand, to jointly incorporate and register a private limited company in Malaysia in the name of "AEON Index Living Sdn. Bhd." to engage in a business as furniture retailer. The authorised share capital consists of 50,000,000 ordinary shares of RM1.00 each and the paid up capital shall be 45,000,000 ordinary shares of RM1.00 each. The Company will subscribe for 70 per cent of AEON Index Living Sdn. Bhd.'s shares for a cash consideration of RM31.5 million, and ILM will subscribe for the remaining 30 per cent of AEON Index Living Sdn. Bhd.'s shares for a cash consideration of RM13.5 million. At the end of the reporting period, the Joint Venture Agreement has not been completed yet.

On 2 October 2013, the Company entered into a Sale and Purchase Agreement with AEON REIT Investment Corporation, a company incorporated in Japan, for the disposal of 18.18% undivided share of a piece of land held under Geran Hakmilik No. 76558, Lot No. 49045, Mukim Pulai, Daerah Johor Bahru, Negeri Johor measuring approximately 35,070 square meters together with 18.18% undivided share of the AEON Taman Universiti Shopping Centre erected thereon at the disposal price of RM20.0 million. At the end of the reporting period, RM2.0 million has been received as part of the sale consideration and the sale transaction has not been completed yet.

NON-AUDIT FEES

The amount of non-audit fees paid and payable to External Auditors and its affiliates during the financial year ended 31 December 2013 was RM226,000 comprising advisory, review and tax services.

SHARE BUY-BACK

There was no share buy-back effected during the financial year ended 31 December 2013.

OPTIONS OR CONVERTIBLE SECURITIES

There were no options or convertible securities issued by the Company during the financial year ended 31 December 2013.

DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any Depository Receipt Programme during the financial year ended 31 December 2013.

IMPOSITION OF SANCTIONS AND/OR PENALTIES

There were no sanctions and/or penalties imposed on the Company, directors or management, by the relevant regulatory bodies during the financial year ended 31 December 2013.

PROFIT GUARANTEE

There were no profit guarantees during the financial year ended 31 December 2013.

CONTRACTS RELATING TO LOANS

There were no contracts relating to loans by the Company involving Directors' and major shareholders' interests during the financial year ended 31 December 2013.

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

At the Twenty-Eighth Annual General Meeting ("AGM") held on Wednesday, 22 May 2013, 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 31 December 2013 is set out on page 94 of the Annual Report.

CORPORATE SOCIAL RESPONSIBILITY

The disclosure on the Corporate Social Responsibility ("CSR") activities or practices undertaken during the financial year ended 31 December 2013 is stated on pages 9 to 19 of the Annual Report.

Statement of Directors' Responsibility

Pursuant to paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

The Board of Directors is responsible for ensuring that the annual audited financial statements of the Economic Entity and of the Company are prepared with reasonable accuracy from the accounting records so as to give a true and fair view of the financial position of the Economic Entity and of the Company as at 31 December 2013, and of their financial performance and cash flows for the year then ended.

The Board is also responsible for ensuring that the annual audited financial statements of the Economic Entity and of the Company are drawn up in accordance with the requirements of the applicable approved Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board, the requirements of the Companies Act, 1965, the Listing Requirements of Bursa Malaysia Securities Berhad and other regulatory bodies.

In preparing the annual audited financial statements, the Directors and Management have ascertained that the relevant accounting policies and reasonable prudent judgement and estimates have been consistently applied. The Directors and Management also have a general responsibility for taking reasonable steps to safeguard the assets of the Company to prevent and detect fraud and other irregularities.



Financial Statements

For The Year Ended 31 December 2013

Directors' Report

for the year ended 31 December 2013

The Directors have pleasure in submitting their report and the audited financial statements of the Economic Entity and of the Company for the year ended 31 December 2013.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the operations of a chain of departmental stores and supermarkets selling a broad range of goods ranging from clothing, food, household goods, other merchandise and shopping centre operation. There has been no significant change in the nature of these activities during the financial year.

RESULTS

	Economic Entity RM'000	Company RM'000
Profit attributable to owners of the Company	230,962	231,311

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

DIVIDEND

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

- i) a first and final dividend of 23% less income tax of 25% totalling RM60,547,500 (17.25 sen net per ordinary share) in respect of the year ended 31 December 2012 on 11 July 2013; and
- ii) a special tax exempt dividend of 1% totalling RM3,510,000 (1.00 sen per ordinary share) in respect of the year ended 31 December 2012 on 11 July 2013.

A first and final dividend recommended by the Directors in respect for the year ended 31 December 2013 is a single tier dividend of 22% totalling RM77,220,000 (22.00 sen per ordinary share) subject to the approval of the members at the forthcoming Annual General Meeting of the Company.

DIRECTORS OF THE COMPANY

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

Dato' Abdullah bin Mohd Yusof
 Nagahisa Oyama
 Nur Qamarina Chew binti Abdullah
 Poh Ying Loo
 Naoki Hayashi
 Mitsuru Nakata
 Datuk Syed Ahmad Helmy bin Syed Ahmad (Appointed on 16 April 2013)
 Dato' Tunku Putra Badlishah Ibni Tunku Annuar (Appointed on 16 April 2013)
 Abdul Rahim bin Abdul Hamid (Appointed on 16 August 2013)
 Charles Tseng @ Charles Tseng Chia Chun (Appointed on 16 August 2013)
 Dato' Chew Kong Seng @ Chew Kong Huat (Retired on 22 May 2013)
 Datuk Ramli bin Ibrahim (Retired on 22 May 2013)



Directors' Report

for the year ended 31 December 2013

DIRECTORS' INTERESTS

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

	Nominal value per share	Number of ordinary shares			
		At 1.1.2013	Bought	Sold	At 31.12.2013
Shareholdings in which Directors have direct interests					
Interest of Dato' Abdullah bin Mohd Yusof in:					
AEON CO. (M) BHD.	RM1.00	526,000	-	-	526,000
AEON Credit Service (M) Berhad	RM0.50	271,080	-	(10,900)	260,180
Interest of Nagahisa Oyama in:					
AEON CO. (M) BHD.	RM1.00	20,000	-	-	20,000
AEON Co., Ltd.	-	5,368	1,009	-	6,377
Interest of Naoki Hayashi in:					
AEON Co., Ltd.	-	30,410	3,000	-	33,410
AEON Mall Co., Ltd.	-	1,600	-	-	1,600
Interest of Poh Ying Loo in:					
AEON CO. (M) BHD.	RM1.00	20,000	-	-	20,000
AEON Credit Service (M) Berhad	RM0.50	1,200	-	-	1,200
Interest of Mitsuru Nakata in:					
AEON CO. (M) BHD.	RM1.00	7,000	-	-	7,000
AEON Co., Ltd.	-	8,707	908	-	9,615
Shareholdings in which Directors have deemed interests					
Interest of Dato' Abdullah bin Mohd Yusof in:					
AEON CO. (M) BHD.	RM1.00	1,067,800	-	(97,800)	970,000
AEON Credit Service (M) Berhad	RM0.50	102,000	-	(10,000)	92,000
Interest of Poh Ying Loo in:					
AEON CO. (M) BHD.	RM1.00	24,000	-	-	24,000

None of the other Directors holding office at 31 December 2013 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

Directors' Report

for the year ended 31 December 2013

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

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

ISSUE OF SHARES

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

OPTIONS GRANTED OVER UNISSUED SHARES

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

OTHER STATUTORY INFORMATION

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

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

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

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



Directors' Report

for the year ended 31 December 2013

OTHER STATUTORY INFORMATION (continued)

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

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

No contingent liability 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 substantially affect the ability of the Economic Entity and of the Company to meet its obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Economic Entity and of the Company for the financial year ended 31 December 2013 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 26 to the financial statements.

SUBSEQUENT EVENTS

Significant events subsequent to end of the financial year is disclosed in Note 27 to the financial statements.

AUDITORS

The auditors, Messrs KPMG Desa Megat & Co., have indicated their willingness to accept re-appointment.

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

Dato' Abdullah bin Mohd Yusof

Nur Qamarina Chew binti Abdullah

Kuala Lumpur,

Date: 17 March 2014

Statements of Financial Position

as at 31 December 2013

	Note	Economic Entity		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Assets					
Property, plant and equipment	3	2,048,373	1,685,768	2,048,373	1,685,768
Intangible assets	4	12,311	14,893	12,311	14,893
Investment in associates	5	6,387	6,336	9,200	8,800
Available-for-sale investments	6	45,573	37,940	45,573	37,940
Total non-current assets		2,112,644	1,744,937	2,115,457	1,747,401
Inventories	7	460,725	372,834	460,725	372,834
Receivables, deposits and prepayments	8	128,884	109,874	128,884	109,874
Cash and cash equivalents	9	313,560	454,527	313,560	454,527
Assets classified as held for sale	10	5,007	–	5,007	–
Total current assets		908,176	937,235	908,176	937,235
Total assets		3,020,820	2,682,172	3,023,633	2,684,636
Equity					
Share capital		351,000	351,000	351,000	351,000
Fair value reserve		44,543	36,865	44,543	36,865
Retained earnings		1,248,094	1,081,190	1,250,907	1,083,654
Total equity attributable to owners of the Company	11	1,643,637	1,469,055	1,646,450	1,471,519
Liabilities					
Deferred tax liabilities	12	24,574	20,188	24,574	20,188
Total non-current liabilities		24,574	20,188	24,574	20,188
Payables and accruals	13	1,335,462	1,173,934	1,335,462	1,173,934
Taxation		17,147	18,995	17,147	18,995
Total current liabilities		1,352,609	1,192,929	1,352,609	1,192,929
Total liabilities		1,377,183	1,213,117	1,377,183	1,213,117
Total equity and liabilities		3,020,820	2,682,172	3,023,633	2,684,636

The notes on pages 64 to 103 are an integral part of these financial statements.



Statements of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2013

	Note	Economic Entity		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Continuing operations					
Revenue	14	3,514,418	3,255,669	3,514,418	3,255,669
Other operating income		6,251	8,947	6,365	8,947
Change in inventories		87,990	18,408	87,990	18,408
Net purchases		(2,201,648)	(1,985,943)	(2,201,648)	(1,985,943)
Staff costs		(238,536)	(212,193)	(238,536)	(212,193)
Depreciation of property, plant and equipment	3	(152,517)	(140,535)	(152,517)	(140,535)
Amortisation of intangible assets	4	(5,724)	(5,437)	(5,724)	(5,437)
Operating expenses		(684,209)	(646,657)	(684,209)	(646,657)
Results from operating activities	15	326,025	292,259	326,139	292,259
Interest expense		(20)	-	(20)	-
Interest income		6,058	6,655	6,058	6,655
Share of results of associates		(235)	564	-	-
Profit before tax		331,828	299,478	332,177	298,914
Tax expense	17	(100,866)	(86,653)	(100,866)	(86,653)
Profit attributable to owners of the Company		230,962	212,825	231,311	212,261
Other comprehensive income, net of tax					
Item that may be reclassified subsequently to profit or loss					
Fair value of available-for-sale financial assets		7,678	20,093	7,678	20,093
Total comprehensive income attributable to owners of the Company		238,640	232,918	238,989	232,354
Basic earnings per ordinary share (sen)	18	65.8	60.6	65.9	60.5

The notes on pages 64 to 103 are an integral part of these financial statements.

Statements of Changes in Equity

for the year ended 31 December 2013

Economic Entity	← Non-distributable →		Distributable	Total RM'000
	Share capital RM'000	Fair value reserve RM'000	Retained earnings RM'000	
At 1 January 2012	351,000	16,772	920,138	1,287,910
Fair value of available-for-sale financial assets	–	20,093	–	20,093
Profit for the year	–	–	212,825	212,825
Total comprehensive income for the year	–	20,093	212,825	232,918
Final dividend in respect of year ended 31 December 2011 (Note 19)	–	–	(51,773)	(51,773)
At 31 December 2012/1 January 2013	351,000	36,865	1,081,190	1,469,055
Fair value of available-for-sale financial assets	–	7,678	–	7,678
Profit for the year	–	–	230,962	230,962
Total comprehensive income for the year	–	7,678	230,962	238,640
Final dividend in respect of year ended 31 December 2012 (Note 19)	–	–	(64,058)	(64,058)
At 31 December 2013	351,000	44,543	1,248,094	1,643,637
	Note 11	Note 11		

The notes on pages 64 to 103 are an integral part of these financial statements.



Statements of Changes in Equity

for the year ended 31 December 2013 (continued)

Company	← Non-distributable →		Distributable	Total RM'000
	Share capital RM'000	Fair value reserve RM'000	Retained earnings RM'000	
At 1 January 2012	351,000	16,772	923,166	1,290,938
Fair value of available-for-sale financial assets	–	20,093	–	20,093
Profit for the year	–	–	212,261	212,261
Total comprehensive income for the year	–	20,093	212,261	232,354
Final dividend in respect of year ended 31 December 2011 (Note 19)	–	–	(51,773)	(51,773)
At 31 December 2012/1 January 2013	351,000	36,865	1,083,654	1,471,519
Fair value of available-for-sale financial assets	–	7,678	–	7,678
Profit for the year	–	–	231,311	231,311
Total comprehensive income for the year	–	7,678	231,311	238,989
Final dividend in respect of year ended 31 December 2012 (Note 19)	–	–	(64,058)	(64,058)
At 31 December 2013	351,000	44,543	1,250,907	1,646,450
	Note 11	Note 11		

The notes on pages 64 to 103 are an integral part of these financial statements.

Statements of Cash Flows

for the year ended 31 December 2013

	Note	Economic Entity		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Cash flows from operating activities					
Profit before tax		331,828	299,478	332,177	298,914
Adjustments for:					
Amortisation of intangible assets	4	5,724	5,437	5,724	5,437
Depreciation of property, plant and equipment	3	152,517	140,535	152,517	140,535
Dividend income		(1,295)	(929)	(1,409)	(929)
Impairment loss on property, plant and equipment	3.1	1,452	1,013	1,452	1,013
Interest expense		20	–	20	–
Interest income		(6,058)	(6,655)	(6,058)	(6,655)
Gain on disposal of property, plant and equipment		(662)	(332)	(662)	(332)
Property, plant and equipment written off		719	2,099	719	2,099
Gain on disposal of available-for-sale investment		(20)	–	(20)	–
Share of results of associates		235	(564)	–	–
Operating profit before changes in working capital		484,460	440,082	484,460	440,082
Changes in working capital:					
Inventories		(87,891)	(19,279)	(87,891)	(19,279)
Receivables, deposits and prepayment		(7,997)	9,172	(7,997)	9,172
Payables and accruals		161,528	65,430	161,528	65,430
Cash generated from operations		550,100	495,405	550,100	495,405
Tax paid		(98,328)	(88,538)	(98,328)	(88,538)
Net cash from operating activities		451,772	406,867	451,772	406,867
Cash flows from investing activities					
Acquisition of property, plant and equipment	3	(522,381)	(198,927)	(522,381)	(198,927)
Acquisition of intangible assets	4	(3,142)	(461)	(3,142)	(461)
Deposit paid as part of purchase consideration for acquisition of land		(11,013)	(50,497)	(11,013)	(50,497)
Investment in an associate	5	(400)	–	(400)	–
Proceeds from disposal of available-for-sale investment		65	–	65	–
Proceeds from disposal of property, plant and equipment		743	679	743	679
Proceeds from disposal of intangible assets		–	3	–	3
Dividend received		1,409	929	1,409	929
Interest received		6,058	6,655	6,058	6,655
Net cash used in investing activities		(528,661)	(241,619)	(528,661)	(241,619)



Statements of Cash Flows

for the year ended 31 December 2013 (continued)

	Note	Economic Entity		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Cash flows from financing activities					
Dividend paid to owners of the Company		(64,058)	(51,773)	(64,058)	(51,773)
Interest paid		(20)	-	(20)	-
Net cash used in financing activities		(64,078)	(51,773)	(64,078)	(51,773)
Net (decrease) / increase in cash and cash equivalents		(140,967)	113,475	(140,967)	113,475
Cash and cash equivalents at 1 January		454,527	341,052	454,527	341,052
Cash and cash equivalents at 31 December	(i)	313,560	454,527	313,560	454,527

(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	Economic Entity		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Cash and bank balances	9	190,469	213,277	190,469	213,277
Deposits with licensed financial institutions	9	123,091	241,250	123,091	241,250
		313,560	454,527	313,560	454,527

The notes on pages 64 to 103 are an integral part of these financial statements.

Notes to the Financial Statements

AEON CO. (M) BHD. is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad. The address of its registered office which is also the principal place of business is as follows:

3rd Floor, AEON Taman Maluri Shopping Centre
Jalan Jejaka, Taman Maluri
Cheras
55100 Kuala Lumpur

The financial statements of the Economic Entity as at and for the financial year ended 31 December 2013 comprise the Company and its interest in associates (together referred to as the "Economic Entity"). The financial statements of the Company as at and for the financial year ended 31 December 2013 do not include other entities.

The Company is principally engaged in the operations of a chain of departmental stores and supermarkets selling a broad range of goods ranging from clothing, food, household goods, other merchandise and shopping centre operation.

The holding company during the financial year is AEON Co., Ltd., a company incorporated in Japan.

The financial statements were authorised for issue by the Board of Directors on 17 March 2014.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Economic Entity and the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

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

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

- Amendments to MFRS 10, *Consolidated Financial Statements: Investment Entities*
- Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Investment Entities*
- Amendments to MFRS 127, *Separate Financial Statements (2011): Investment Entities*
- Amendments to MFRS 132, *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*
- Amendments to MFRS 136, *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets*
- Amendments to MFRS 139, *Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting*
- IC Interpretation 21, *Levies*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2014

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)*
- Amendments to MFRS 2, *Share-based Payment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 8, *Operating Segments (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 13, *Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 119, *Employee Benefits – Defined Benefit Plans: Employee Contributions*
- Amendments to MFRS 124, *Related Party Disclosures (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 138, *Intangible Assets (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 140, *Investment Properties (Annual Improvements 2011-2013 Cycle)*



Notes to the Financial Statements

1. BASIS OF PREPARATION (continued)

(a) Statement of compliance (continued)

MFRSs, Interpretations and amendments effective for a date yet to be confirmed

- MFRS 9, *Financial Instruments* (2009)
- MFRS 9, *Financial Instruments* (2010)
- MFRS 9, *Financial Instruments – Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139*
- Amendments to MFRS 7, *Financial Instruments: Disclosures – Mandatory Effective Date of MFRS 9 and Transition Disclosures*

The Economic Entity and the Company plan to apply the abovementioned accounting standards, amendments and interpretations:

- from the annual period beginning on 1 January 2014 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2014, except for Amendments to MFRS 139 and IC Interpretation 21 which are not applicable to the Economic Entity and the Company.
- from the annual period beginning on 1 January 2015 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 July 2014 and 1 January 2015, except for Amendments to MFRS 2, Amendments to MFRS 119 and Amendments to MFRS 140 which are not applicable to the Economic Entity and the Company.

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the Economic Entity and the Company except as mentioned below:

MFRS 9, Financial Instruments

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

The Economic Entity and the Company are currently assessing the financial impact that may arise from the adoption of MFRS 9.

MFRS 132, Financial Instruments: Presentation

The amendments to MFRS 132 clarify the criteria for offsetting financial assets and financial liabilities.

The Economic Entity and the Company are currently assessing the financial impact that may arise from the adoption of MFRS 132.

(b) Basis of measurement

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

(c) Functional and presentation currency

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

Notes to the Financial Statements

1. BASIS OF PREPARATION (continued)

(d) Use of estimates and judgements

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

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

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in Note 2 (i), Impairment.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, unless otherwise stated.

(a) Associates

Associates are entities, including unincorporated entities, in which the Company has significant influence, but not control, over the financial and operating policies.

Investment in associates are accounted for in the Economic Entity's financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transaction costs. The financial statements of the Economic Entity include the Company's share of the profit or loss and other comprehensive income of the equity-accounted associate, after adjustments if any, to align the accounting policies with those of the Company, from the date that significant influence commences until the date that significant influence ceases.

When the Company's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Company has obligation or has made payments on behalf of the associate.

When the Company ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the Company's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in the profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to the profit or loss on the disposal of the related assets or liabilities.

Investment in associates are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.



Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currency of the Economic Entity and of the Company at exchange rates at the dates of the transactions.

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

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

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

(c) Financial instruments

(i) Initial recognition and measurement

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

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

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

(ii) Financial instrument categories and subsequent measurement

The Economic Entity and the Company categorise financial instruments as follows:

Financial assets

(a) Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market.

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

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial instruments (continued)

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

Financial assets (continued)

(b) Available-for-sale financial assets

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

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

Loans and receivables and available-for-sale financial assets are subject to review for impairment (see Note 2(i)).

Financial liabilities

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

Fair value through profit or loss category comprises financial liabilities that are held for trading, derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

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

(iii) 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 the financial asset is transferred to another party without retaining control or without retaining substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

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



Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Property, plant and equipment

(i) Recognition and measurement

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

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets includes the cost of materials and direct labour. 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 property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

(ii) Subsequent costs

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

(iii) Depreciation

Depreciation is 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 the profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, 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 Economic Entity or the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

• Leasehold land	74 - 97 years
• Buildings	25 - 50 years
• Structures	10 years
• Office equipment	10 years
• Machinery and equipment	3 - 10 years
• Furniture, fixtures and fittings	5 years
• Motor vehicles	5 years
• IT equipment	3 - 5 years

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

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Leased assets

(i) Finance leases

Leases in terms of which the Economic Entity or the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment.

(ii) Operating leases

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

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

(f) Intangible assets

(i) Recognition and measurement

Intangible assets represent software and franchise fees acquired by the Economic Entity and the Company and are stated at cost less any accumulated amortisation and any impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

(iii) Amortisation

Amortisation is based on the cost of an asset less its residual value.

Intangible assets are amortised from the date they are available for use. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of the assets.

The estimated useful lives for the current and comparative periods are as follows:

- capitalised software 3 to 5 years
- franchise fees 15 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period, and adjusted, if appropriate.



Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Inventories

Inventories are measured at the lower of cost and net realisable value with weighted average cost being the main basis for cost. Cost comprises the weighted average cost of merchandise derived at by using the Retail Inventory Method. Weighted average cost includes related charges incurred in purchasing such merchandise.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sales.

(h) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Economic Entity and the Company in the management of their short term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

(i) Impairment

(i) Financial assets

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

An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

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

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the 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 losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale is not reversed through profit or loss.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Impairment (continued)

(ii) Other assets

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

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

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

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

Impairment losses are recognised in the profit or loss.

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

(j) Equity instruments

Instruments classified as equity are stated at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.



Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Employee benefits

Short-term employee benefits

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

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

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

(l) Revenue

(i) Retail sales - goods sold, commission and distribution charges earned

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and discounts. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods. Distribution centre charges earned is included as part of revenue.

When the Economic Entity or the Company acts in a capacity of an agent rather than as the principal in a transaction, the revenue is recognised upon the sale of goods and is the net amount of commission made by the Economic Entity or the Company.

Award credits from sale of goods transacted under customer loyalty programmes are accounted for as a separately identifiable component of the sales transactions in which they are granted (the "initial sale"). The fair value of the consideration received in respect of the initial sale is allocated between the cost of award credits earned by customers and the other components of the sale. The consideration allocated to award credits is recognised as revenue when award credits are redeemed and the Economic Entity or the Company fulfills its obligations to supply awards.

(ii) Property management services

Revenue from shopping centre operation which include rental income, service charge, sales commission and car park charges are recognised on an accrual basis.

(m) Dividend income

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

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Interest income and borrowing costs

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying assets which is accounted for in accordance with the accounting policy on borrowing costs.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(o) Income tax

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

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

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

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

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



Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Earnings per share

The Economic Entity and the Company present basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

No diluted EPS is disclosed in these financial statements as there are no dilutive potential ordinary shares.

(q) Operating segments

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

(r) Non-current asset held for sale

Non-current assets that are expected to be recovered primarily through sales rather than through continuing use are classified as held for sale.

Immediately before classification as held for sale, the assets are remeasured in accordance with the Company's accounting policies. Thereafter generally the assets are measured at the lower of their carrying amount and fair value less costs of disposal.

Impairment losses on initial classification as held for sale and subsequently gains or losses on remeasurement are recognised in the profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Property, plant and equipment once classified as held for sale are not depreciated.

(s) Fair value measurement

From 1 January 2013, the Economic Entity adopted MFRS 13, *Fair Value Measurement* which prescribed that fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as 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. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In accordance with the transitional provision of MFRS 13, the Economic Entity applied the new fair value measurement guidance prospectively, and has not provided any comparative fair value information for new disclosures. The adoption of MFRS 13 has not significantly affected the measurements of the Economic Entity's assets or liabilities other than the additional disclosures.

Notes to the Financial Statements

3. PROPERTY, PLANT AND EQUIPMENT

Economic Entity and Company	Land RM'000	Buildings RM'000	Structures RM'000	Office equipment RM'000	Machinery and equipment RM'000	Furniture, fixtures and fittings RM'000	Motor vehicles RM'000	IT equipment RM'000	Construction work in progress RM'000	Total RM'000
Cost/Valuation										
At 1 January 2012	432,502	759,898	259,182	15,074	564,759	314,189	9,010	25,782	147,824	2,528,220
Additions	-	34,355	21,996	1,488	49,245	52,840	1,300	9,497	28,206	198,927
Disposals	-	-	(233)	(169)	(251)	(22)	(1,139)	(23)	-	(1,837)
Written off	-	-	(1,359)	(1,498)	(20,398)	(23,336)	-	(51)	-	(46,642)
Transfer in/(out)	-	82,059	10,261	25	52,285	1,384	-	-	(146,014)	-
At 31 December 2012/										
1 January 2013	432,502	876,312	289,847	14,920	645,640	345,055	9,171	35,205	30,016	2,678,668
Additions	83,976	73,070	48,539	1,116	85,567	54,315	1,763	7,586	166,449	522,381
Disposals	-	-	-	(190)	(375)	(32)	(1,593)	-	-	(2,190)
Written off	-	-	(1,987)	(53)	(5,965)	(13,709)	(7)	(28)	-	(21,749)
Transfer in/(out)	9,001	9,626	6,317	-	9,475	2,012	-	-	(36,431)	-
Transfer to assets held for sale	(2,513)	(2,961)	(523)	-	-	-	-	-	-	(5,997)
At 31 December 2013	522,966	956,047	342,193	15,793	734,342	387,641	9,334	42,763	160,034	3,171,113



Notes to the Financial Statements

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Economic Entity and Company	Land RM'000	Buildings RM'000	Structures RM'000	Office equipment RM'000	Machinery and equipment RM'000	Furniture, fixtures and fittings RM'000		Motor vehicles RM'000	IT equipment RM'000	Construction work in progress RM'000	Total RM'000
Depreciation and impairment loss											
At 1 January 2012											
- Accumulated depreciation	22,049	142,791	115,682	8,224	335,970	237,059	6,390	9,977	-	-	878,142
- Accumulated impairment loss	-	-	6,546	632	5,581	6,281	-	203	-	-	19,243
Depreciation for the year	22,049	142,791	122,228	8,856	341,551	243,340	6,390	10,180	-	-	897,385
Impairment loss	2,558	17,877	22,263	1,205	57,559	31,430	1,243	6,400	-	-	140,535
Disposals	-	-	302	2	572	129	-	8	-	-	1,013
Written off	-	-	(10)	(167)	(152)	(12)	(1,139)	(10)	-	-	(1,490)
	-	-	(1,263)	(1,416)	(19,365)	(22,457)	-	(42)	-	-	(44,543)
At 31 December 2012/ 1 January 2013											
- Accumulated depreciation	24,607	160,668	136,672	7,846	374,012	246,020	6,494	16,325	-	-	972,644
- Accumulated impairment loss	-	-	6,848	634	6,153	6,410	-	211	-	-	20,256
Depreciation for the year	24,607	160,668	143,520	8,480	380,165	252,430	6,494	16,536	-	-	992,900
Impairment loss	2,637	18,570	25,034	1,293	61,864	33,939	1,170	8,010	-	-	152,517
Disposals	-	-	-	4	113	1,322	-	13	-	-	1,452
Written off	-	-	(1,666)	(42)	(346)	(17)	(1,593)	-	-	-	(2,109)
Transfer to assets held for sale	-	(660)	(330)	-	(5,689)	(13,614)	(7)	(12)	-	-	(21,030)
	-	-	(330)	-	-	-	-	-	-	-	(990)
At 31 December 2013											
- Accumulated depreciation	27,244	178,578	159,710	8,944	429,841	266,328	6,064	24,323	-	-	1,101,032
- Accumulated impairment loss	-	-	6,848	638	6,266	7,732	-	224	-	-	21,708
	27,244	178,578	166,558	9,582	436,107	274,060	6,064	24,547	-	-	1,122,740

Notes to the Financial Statements

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Economic Entity and Company	Land RM'000	Buildings RM'000	Structures RM'000	Office equipment RM'000	Machinery and equipment RM'000	Furniture, fixtures and fittings RM'000	Motor vehicles RM'000	IT equipment RM'000	Construction work in progress RM'000	Total RM'000
Carrying amounts										
At 1 January 2012	410,453	617,107	136,954	6,218	223,208	70,849	2,620	15,602	147,824	1,630,835
At 31 December 2012/ 1 January 2013	407,895	715,644	146,327	6,440	265,475	92,625	2,677	18,669	30,016	1,685,768
At 31 December 2013	495,722	777,469	175,635	6,211	298,235	113,581	3,270	18,216	160,034	2,048,373



Notes to the Financial Statements

3. PROPERTY, PLANT AND EQUIPMENT (continued)

3.1 Impairment loss

During the year, the Economic Entity and the Company decided to discontinue the operations of the two existing stores for subsequent relocation in 2014.

The Economic Entity and the Company assessed the recoverable amount of all the property, plant and equipment of these stores and wrote down the carrying amount with respect of plant and equipment by RM1,452,000 (31.12.2012: RM1,013,000).

3.2 Land

Included in the carrying amounts of land are:

	Economic Entity and Company	
	2013 RM'000	2012 RM'000
Freehold land	201,199	203,711
Leasehold land with unexpired lease period of more than 50 years	294,523	204,184
	<hr/> 495,722	<hr/> 407,895

Notes to the Financial Statements

4. INTANGIBLE ASSETS

Economic Entity and Company	Information technology software RM'000	Franchise fees RM'000	Total RM'000
Cost			
At 1 January 2012	26,842	585	27,427
Additions	461	–	461
Disposal	(3)	–	(3)
At 31 December 2012/1 January 2013	27,300	585	27,885
Additions	3,142	–	3,142
At 31 December 2013	30,442	585	31,027
Accumulated amortisation			
At 1 January 2012	7,539	16	7,555
Amortisation for the year	5,398	39	5,437
At 31 December 2012/1 January 2013	12,937	55	12,992
Amortisation for the year	5,685	39	5,724
At 31 December 2013	18,622	94	18,716
Carrying amount			
At 1 January 2012	19,303	569	19,872
At 31 December 2012/1 January 2013	14,363	530	14,893
At 31 December 2013	11,820	491	12,311



Notes to the Financial Statements

5. INVESTMENT IN ASSOCIATES

	Economic Entity		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
At cost:				
Unquoted shares	9,200	8,800	9,200	8,800
Add: Share of post-acquisition reserves	372	721	-	-
Less: Share of gain on disposal of business	(3,185)	(3,185)	-	-
	6,387	6,336	9,200	8,800

Details of the associates are as follows:

Name of associate	Country of incorporation	Principal activities	Effective ownership interest	
			2013 %	2012 %
AEON Fantasy (Malaysia) Sdn. Bhd.	Malaysia	Operating indoor amusement park business	20	20
AEON TopValu Malaysia Sdn. Bhd.	Malaysia	Product development of AEON private brand	20	-

The summarised financial information of the Economic Entity's investment in the associates are as follows:

	Revenue (100%) RM'000	Profit/(Loss) (100%) RM'000	Total assets (100%) RM'000	Total liabilities (100%) RM'000
2013				
AEON Fantasy (Malaysia) Sdn. Bhd.	38,090	2,083	76,599	(27,483)
AEON TopValu Malaysia Sdn. Bhd.	11,102	(3,254)	6,947	(8,201)
2012				
AEON Fantasy (Malaysia) Sdn. Bhd.	29,111	2,819	54,639	(7,037)

AEON Fantasy (Malaysia) Sdn. Bhd. has a financial year end of 28 February, which is not coterminous with that of the Company. For the purpose of applying the equity method, the associate is accounted for using the management accounts for the period ended 31 December 2013.

Notes to the Financial Statements

6. AVAILABLE-FOR-SALE INVESTMENTS

	Economic Entity and Company	
	2013 RM'000	2012 RM'000
Non-current		
Unquoted equities	–	45
Quoted equities in Malaysia	45,573	37,895
	45,573	37,940
Representing items:		
At fair value:		
Unquoted	–	45
Quoted	45,573	37,895
	45,573	37,940
Market value of quoted investments	45,573	37,895

7. INVENTORIES

	Economic Entity and Company	
	2013 RM'000	2012 RM'000
Retail merchandise	246,067	206,668
Food and others	214,658	166,166
	460,725	372,834



Notes to the Financial Statements

8. RECEIVABLES, DEPOSITS AND PREPAYMENTS

		Economic Entity and Company	
	Note	2013 RM'000	2012 RM'000
Trade			
Trade receivables		32,833	28,709
Amount due from a related company	8.1	937	1,332
		33,770	30,041
Non-trade			
Other receivables and prepayments	8.2	82,467	68,486
Rental and utility deposits		12,000	10,055
Amount due from related companies	8.1	647	1,292
		95,114	79,833
		128,884	109,874

8.1 Amount due from related companies

The amount due from related companies is unsecured, interest free and subject to normal trade terms.

8.2 Other receivables and prepayments

Included in other receivables and prepayments is a deposit of RM75,271,000 (31.12.2012: RM64,258,000) paid as part of the purchase consideration for the acquisition of land for the purpose of constructing shopping centres.

9. CASH AND CASH EQUIVALENTS

	Economic Entity and Company	
	2013 RM'000	2012 RM'000
Cash and bank balances	190,469	213,277
Deposits with licensed financial institutions	123,091	241,250
	313,560	454,527

Notes to the Financial Statements

10. ASSETS CLASSIFIED AS HELD FOR SALE

On 2 October 2013, the Economic Entity and the Company entered into a Sale and Purchase Agreement to sell 18.18% undivided share of land and building AEON Taman Universiti Shopping Centre to AEON REIT Investment Corporation. AEON Co., Ltd., the holding company of the Company, is also the holding company of AEON REIT Investment Corporation.

	Economic Entity and Company 2013 RM'000
Carrying amount	
At 1 January	–
Transfer from property, plant and equipment (Note 3)	5,007
At 31 December	5,007

11. CAPITAL AND RESERVES

Share capital

	Economic Entity and Company			
	Amount 2013 RM'000	Number of shares 2013 '000	Amount 2012 RM'000	Number of shares 2012 '000
Authorised:				
Ordinary shares of RM1 each	500,000	500,000	500,000	500,000
Issued and fully paid:				
Ordinary shares of RM1 each	351,000	351,000	351,000	351,000

11.1 Fair value reserve

The fair value reserve relates to fair valuation of financial assets categorised as available-for-sale.



Notes to the Financial Statements

12. DEFERRED TAX LIABILITIES

Deferred tax assets and liabilities are attributable to the following:

Economic Entity and Company	Assets		Liabilities		Net	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Property, plant and equipment						
- capital allowance	3,373	503	(26,437)	(18,613)	(23,064)	(18,110)
- revaluation	-	-	(10,191)	(10,392)	(10,191)	(10,392)
Provisions	8,681	8,314	-	-	8,681	8,314
Net tax assets/(liabilities)	12,054	8,817	(36,628)	(29,005)	(24,574)	(20,188)

Movement in temporary differences during the year

Economic Entity and Company	At 1.1.2012	Recognised in profit or loss (Note 17)	At 31.12.2012/ 1.1.2013	Recognised in profit or loss (Note 17)	At 31.12.2013
	RM'000	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment					
- capital allowance	(13,179)	(4,931)	(18,110)	(4,954)	(23,064)
- revaluation	(10,593)	201	(10,392)	201	(10,191)
Provisions	2,626	5,688	8,314	367	8,681
	(21,146)	958	(20,188)	(4,386)	(24,574)

Notes to the Financial Statements

13. PAYABLES AND ACCRUALS

	Note	Economic Entity and Company	
		2013 RM'000	2012 RM'000
Trade			
Trade payables		751,754	691,723
Amount due to an associate	13.1	3,862	–
		755,616	691,723
Non-trade			
Other payables and accrued expenses		313,610	264,462
Progress claims by contractors		47,790	22,416
Rental and utility deposits		181,030	166,386
Amount due to holding company	13.1	28,434	27,868
Amount due to an associate	13.1	1,302	1,070
Amount due to related companies	13.1	7,680	9
		579,846	482,211
		1,335,462	1,173,934

13.1 Amounts due to holding company, associates and related companies

The amounts due to holding company, associates and related companies are unsecured, interest free and repayable on demand.

14. REVENUE

	Economic Entity and Company	
	2013 RM'000	2012 RM'000
Sale of goods and others	2,646,712	2,439,308
Net commission from concessionaire sales	395,005	383,267
Property management services	472,701	433,094
	3,514,418	3,255,669



Notes to the Financial Statements

15. RESULTS FROM OPERATING ACTIVITIES

	Economic Entity		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Operating profit is arrived at after charging:				
Auditors' remuneration				
- audit fees				
- KPMG Malaysia	200	180	200	180
- non-audit fees				
- KPMG Malaysia	24	31	24	31
Amortisation of intangible assets	5,724	5,437	5,724	5,437
Depreciation of property, plant and equipment	152,517	140,535	152,517	140,535
Impairment loss				
- property, plant and equipment	1,452	1,013	1,452	1,013
- trade receivables	-	264	-	264
Personnel expenses (including key management personnel)				
- contributions to Employees Provident Fund	26,729	23,572	26,729	23,572
- wages, salaries and others	211,807	188,622	211,807	188,622
Property, plant and equipment written off	719	2,099	719	2,099
Rental expense				
- land and buildings	180,283	160,023	180,283	160,023
- equipment	3,223	3,718	3,223	3,718
- fixtures and fittings	195	175	195	175
- hostel	93	48	93	48
Royalty	28,028	26,370	28,028	26,370
after crediting:				
Dividend income from:				
- quoted shares in Malaysia	1,295	929	1,295	929
- associate	-	-	114	-
Gain on disposal of property, plant and equipment	662	332	662	332
Gain on disposal of available-for-sale investment	20	-	20	-
Gain on foreign exchange - realised	179	35	179	35
Property management services				
- rental income on shopping centre operation	416,936	382,045	416,936	382,045
- other property management services income	55,765	51,049	55,765	51,049
Reversal of impairment loss				
- trade receivables	309	-	309	-

Notes to the Financial Statements

16. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensations are as follows:

	Economic Entity and Company	
	2013 RM'000	2012 RM'000
Directors:		
Fees	1,241	1,050
Remuneration	1,376	2,077
Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	92	125
Total short-term employee benefits	2,709	3,252

17. TAX EXPENSE

	Economic Entity		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Current tax expense				
- current year	96,480	87,611	96,480	87,611
Deferred tax expense				
- Origination of temporary differences	3,207	2,810	3,207	2,810
- Under/(over) provision in prior year	1,179	(3,768)	1,179	(3,768)
	4,386	(958)	4,386	(958)
Tax expense	100,866	86,653	100,866	86,653
Reconciliation of tax expense				
Profit before tax	331,828	299,478	332,176	298,914
Tax calculated using Malaysian tax rate of 25% (2012: 25%)	82,957	74,870	83,044	74,729
Non-deductible expenses	17,273	16,142	17,273	16,142
Non-taxable income	(400)	(249)	(429)	(249)
Others	(201)	(201)	(201)	(201)
Share of results of associates	58	(141)	-	-
	99,687	90,421	99,687	90,421
Under/(over) provision in prior year - deferred tax expense	1,179	(3,768)	1,179	(3,768)
Tax expense	100,866	86,653	100,866	86,653



Notes to the Financial Statements

18. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 December 2013 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

	Economic Entity		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Profit for the year attributable to owners	230,962	212,825	231,311	212,261
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	351,000	351,000	351,000	351,000
Basic earnings per ordinary share (sen)	65.8	60.6	65.9	60.5

19. DIVIDEND

Dividend recognised by the Company is as follows:

	Sen per share (net of tax)	Total amount RM'000	Date of payment
2013			
Final 31.12.2012 ordinary dividend	17.25	60,548	11 July 2013
Final 31.12.2012 tax exempt dividend	1.00	3,510	11 July 2013
	18.25	64,058	
2012			
Final 31.12.2011 ordinary dividend	12.75	44,753	11 July 2012
Final 31.12.2011 tax exempt dividend	2.00	7,020	11 July 2012
	14.75	51,773	

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

	Sen per share	Total amount RM'000
Final proposed 31.12.2013 single tier dividend	22.00	77,220

This dividend will be recognised in the subsequent financial period upon approval by the owners of the Company.



Notes to the Financial Statements

20. OPERATING SEGMENTS

The Economic Entity has two main reportable segments as described below, which are based on the Economic Entity's management and internal reporting structure. Results from each of the segments are reviewed regularly by the Managing Director and Board of Directors of the Economic Entity.

Reportable segments

The two main reportable segments are:

Retailing The operations of a chain of departmental stores and supermarkets selling a broad range of goods ranging from clothing, food, household goods, and other merchandise.

Property management services Shopping centre operation.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly interest-earning assets and related revenue, loans and borrowings and related expenses and tax assets and liabilities. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets.

Economic Entity	Retailing		Property management services		Total	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Business segments						
Revenue from external customers	3,041,717	2,822,575	472,701	433,094	3,514,418	3,255,669
Total revenue	3,041,717	2,822,575	472,701	433,094	3,514,418	3,255,669
Segmental profit	170,380	154,640	175,104	156,111	345,484	310,751
Less: Unallocated expenses					(19,459)	(18,492)
Operating profit					326,025	292,259
Interest expense					(20)	–
Interest income					6,058	6,655
Share of results of associates					(235)	564
Profit before tax					331,828	299,478
Tax expense					(100,866)	(86,653)
Profit for the year					230,962	212,825



Notes to the Financial Statements

20. OPERATING SEGMENTS (continued)

Economic Entity	Retailing		Property management services		Total	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Segment assets	999,894	889,329	1,897,835	1,551,593	2,897,729	2,440,922
Unallocated assets					123,091	241,250
Total assets					3,020,820	2,682,172
Segment liabilities	(1,062,373)	(955,487)	(273,089)	(218,447)	(1,335,462)	(1,173,934)
Unallocated liabilities					(41,721)	(39,183)
Total liabilities					(1,377,183)	(1,213,117)
Capital expenditure	99,950	30,956	425,573	168,432	525,523	199,388
Depreciation and amortisation	69,357	68,501	88,884	77,471	158,241	145,972
Non-cash (income)/expenses other than depreciation and amortisation	(140)	981	1,649	1,798	1,509	2,779

Company	Retailing		Property management services		Total	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Business segments						
Revenue from external customers	3,041,717	2,822,575	472,701	433,094	3,514,418	3,255,669
Total revenue	3,041,717	2,822,575	472,701	433,094	3,514,418	3,255,669
Segmental profit	170,494	154,640	175,104	156,111	345,598	310,751
Less: Unallocated expenses					(19,459)	(18,492)
Operating profit					326,139	292,259
Interest expense					(20)	-
Interest income					6,058	6,655
Profit before tax					332,177	298,914
Tax expense					(100,866)	(86,653)
Profit for the year					231,311	212,261

Notes to the Financial Statements

20. OPERATING SEGMENTS (continued)

Company	Retailing		Property management services		Total	
	2013	2012	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment assets	1,002,707	891,793	1,897,835	1,551,593	2,900,542	2,443,386
Unallocated assets					123,091	241,250
Total assets					3,023,633	2,684,636
Segment liabilities	(1,062,373)	(955,487)	(273,089)	(218,447)	(1,335,462)	(1,173,934)
Unallocated liabilities					(41,721)	(39,183)
Total liabilities					(1,377,183)	(1,213,117)
Capital expenditure	99,950	30,956	425,573	168,432	525,523	199,388
Depreciation and amortisation	69,357	68,501	88,884	77,471	158,241	145,972
Non-cash (income)/expenses other than depreciation and amortisation	(140)	981	1,649	1,798	1,509	2,779

21. OPERATING LEASES

Leases as lessee

Non-cancellable operating lease rental payables are as follows:

	Economic Entity and Company	
	2013	2012
	RM'000	RM'000
Less than one year	162,281	163,225
Between one and five years	393,227	412,729
More than five years	151,583	209,106
	707,091	785,060

The Company leases a number of land, buildings and premises under operating leases. The leases have initial years ranging from 3 to 25 years, with options to renew the respective leases after expiry.



Notes to the Financial Statements

22. CAPITAL COMMITMENTS

	Economic Entity and Company	
	2013 RM'000	2012 RM'000
Property, plant and equipment		
Authorised but not contracted for	3,191,563	1,645,034
<hr/>		
Contracted but not provided for and not payable:		
Within one year	195,519	264,272
One year or later and no later than five years	57,621	38,536
<hr/>		

23. RELATED PARTIES

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Economic Entity and the Company if the Economic Entity or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Economic Entity or 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 defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Economic Entity and of the Company either directly or indirectly. The key management personnel include all the Directors of the Economic Entity and of the Company.

The Economic Entity has related party relationship with its holding company, related companies and associates.

Notes to the Financial Statements

23. RELATED PARTIES (continued)

Significant related party transactions

The significant related party transactions of the Economic Entity and of the Company (other than key management personnel compensation as disclosed in Note 16) are as follows:

	← Economic Entity →			← Company →		
	Transactions value	Balance outstanding	Balance outstanding	Transactions value	Balance outstanding	Balance outstanding
	2013	2012	2013	2013	2012	2013
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Director with companies in which Dato' Abdullah bin Mohd Yusof has interest:						
Legal fees payable	(2)	(64)	-	(2)	(64)	-
Holding company:						
Royalty expenses	(28,028)	(26,370)	(28,028)	(28,028)	(26,370)	(28,028)
Retail support services	-	810	-	-	810	-
Rental income	-	65	-	-	65	-
Related companies:						
Purchase of merchandise	(2,015)	(3,006)	(230)	(2,015)	(3,006)	(230)
Consultation fees	-	(94)	-	-	(94)	-
Sales through easy payment scheme financing	7,151	6,744	603	7,151	6,744	603
Rental income	2,866	1,897	132	2,866	1,897	132
Retail support services	1,986	270	514	1,986	270	514
Sales through AEON credit card	100,628	103,145	334	100,628	103,145	334
Convertible AEON Member card point income	2,044	1,886	-	2,044	1,886	-
Credit card sales commission expenses	(1,471)	(1,492)	-	(1,471)	(1,492)	-
Supply chain & distribution centre management fee	(18,835)	-	(6,181)	(18,835)	-	(6,181)
Associates:						
Purchase of merchandise	(6,120)	-	(3,862)	(6,120)	-	(3,862)
Rental income	6,928	6,132	-	6,928	6,132	-
Retail support services	11	-	-	11	-	-
Dividend income	-	-	-	114	-	-

The terms and conditions for the above transactions are based on normal trade terms. All the amounts outstanding are unsecured and expected to be settled in cash.



Notes to the Financial Statements

24. FINANCIAL INSTRUMENTS

24.1 Categories of financial instruments

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

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

Economic Entity and Company	Carrying amount RM'000	L&R RM'000	AFS RM'000
Financial assets			
2013			
Investments	45,573	-	45,573
Receivables (excluding prepayments)	126,203	126,203	-
Cash and cash equivalents	313,560	313,560	-
	485,336	439,763	45,573
2012			
Investments	37,940	-	37,940
Receivables (excluding prepayments)	106,430	106,430	-
Cash and cash equivalents	454,527	454,527	-
	598,897	560,957	37,940
Economic Entity and Company	Carrying amount RM'000	OL RM'000	
Financial liabilities			
2013			
Payables and accruals		(1,335,462)	(1,335,462)
2012			
Payables and accruals		(1,173,934)	(1,173,934)

Notes to the Financial Statements

24. FINANCIAL INSTRUMENTS (continued)

24.2 Net gain/(loss) arising from financial instruments

	Economic Entity and Company	
	2013 RM'000	2012 RM'000
Available-for-sale financial assets - recognised in other comprehensive income	7,678	20,093

24.3 Financial risk management

The Economic Entity and the Company have exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

24.4 Credit risk

Credit risk is the risk of a financial loss to the Economic Entity and the Company if a customer, tenant or counterparty to a financial instrument fails to meet its contractual obligations. The Economic Entity's and the Company's exposure to credit risk arise from its shopping center tenants and credit card receivables.

Receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on shopping centre tenants and the Economic Entity and the Company require all tenants to place adequate security deposits as stipulated under the tenancy agreement. In terms of its credit card receivables, which are basically from banking institutions, the Economic Entity and the Company have in place an ongoing process to monitor closely and ensure risk exposure is always minimal.

Exposure to credit risk and credit quality

As at the end of the reporting date, the Economic Entity and the Company do not have any major concentration of credit risk on its shopping centre tenants or credit card receivables and the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statements of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. These receivables are credit card receivables from banking institution and regular tenants that have been transacting with the Economic Entity and the Company. The Economic Entity and the Company use ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 120 days, which are deemed to have higher credit risk, are monitored individually.



Notes to the Financial Statements

24. FINANCIAL INSTRUMENTS (continued)

24.4 Credit risk (continued)

Receivables (continued)

Impairment losses

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

Economic Entity and Company	Gross RM'000	Individual impairment RM'000	Collective impairment RM'000	Net RM'000
2013				
Not past due	31,616	-	-	31,616
Past due 0 - 30 days	256	-	-	256
Past due 31 - 120 days	437	-	-	437
Past due more than 120 days	1,910	(1,386)	-	524
	34,219	(1,386)	-	32,833
2012				
Not past due	27,946	-	-	27,946
Past due 0 - 30 days	255	-	-	255
Past due 31 - 120 days	260	-	-	260
Past due more than 120 days	1,943	(1,695)	-	248
	30,404	(1,695)	-	28,709

Other receivables, rental and utility deposits are neither past due nor impaired. Therefore, these receivables are stated at their realisable values.

The movements in the allowance for impairment losses of trade receivables during the financial year were:

	Economic Entity and Company	
	2013 RM'000	2012 RM'000
At 1 January	1,695	1,431
Impairment loss recognised	340	264
Impairment loss reversed	(649)	-
At 31 December	1,386	1,695

Notes to the Financial Statements

24. FINANCIAL INSTRUMENTS (continued)

24.5 Liquidity risk

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

Risk management objectives, policies and processes for managing the risk

The Economic Entity and the Company monitor and maintain a level of cash and cash equivalents, and banking facilities that are deemed adequate by management for the Economic Entity's and the Company's operational needs and mitigate effects of fluctuations in cash flows and liquidity. The Economic Entity's and the Company's deposits are also placed with licensed financial institutions which are highly liquid.

Maturity risk

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

Economic Entity and Company	Carrying amount RM'000	Under 1 year RM'000
2013		
Payables and accruals	1,335,462	1,335,462
2012		
Payables and accruals	1,173,934	1,173,934

24.6 Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and other prices will affect the Economic Entity's and the Company's financial position or cash flows.

24.6.1 Interest rate risk

The Economic Entity's and the Company's exposure to interest rate risk relates to its short-term borrowings such as overdraft and trade financing facilities. Interest-earning financial assets are mainly deposits placed with financial institutions that generate interest income.

Risk management objectives, policies and processes for managing the risk

The management monitors closely the prevailing interest rates at regular intervals and ensure that the Economic Entity and the Company obtain competitive rates for its banking facilities and interest earning deposits.

In view of the competitive rates that are available from the prevailing banking facilities granted to the Economic Entity and the Company to finance its working capital requirements and the prevailing low interest rate scenario, the interest rate risk is not expected to have a material impact on the Economic Entity and the Company.



Notes to the Financial Statements

24. FINANCIAL INSTRUMENTS (continued)

24.6 Market risk (continued)

24.6.1 Interest rate risk (continued)

Exposure to interest rate risk

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

Economic Entity and Company	Effective interest rate p.a. %	Total RM'000	Within 1 year RM'000
2013			
Fixed rate instruments			
Deposits placed with licensed financial institutions	3.21	123,091	123,091
2012			
Fixed rate instruments			
Deposits placed with licensed financial institutions	3.20	241,250	241,250

The Economic Entity and the Company do not have any interest-bearing financial liabilities as at the end of the reporting period.

Fair value sensitivity analysis for fixed rate instruments

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

24.6.2 Foreign currency risk

The Economic Entity and the Company do not have any significant exposure to foreign currency risk as its transactions and balances are substantially denominated in Ringgit Malaysia.

24.6.3 Other price risk

Equity price risk arises from the Economic Entity's and the Company's investments in equity securities.

Risk management objectives, policies and processes for managing the risk

The Economic Entity's and the Company's equity investments are monitored regularly and subject to periodical review. Transaction decisions are approved by the Board.

Equity price risk sensitivity analysis

A 1% (2012: 1%) increase in the market price of the investment as at the end of the reporting period would have increased equity by RM456,000 (2012: RM379,000). A 1% (2012: 1%) decrease in market price would have had equal but opposite effect on equity.

Notes to the Financial Statements

24. FINANCIAL INSTRUMENTS (continued)

24.7 Fair value of financial instruments

24.7.1 Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables reasonably approximate their fair values due to the relatively short term nature of these financial instruments. The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments carried at fair value				Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
Economic Entity and Company						
2013						
Financial Asset						
Investment in quoted equities	45,573	–	–	45,573	45,573	45,573
2012						
Financial Asset						
Investment in quoted equities	37,895	–	–	37,895	37,895	37,895

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2012: no transfer in either direction).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.



Notes to the Financial Statements

25. CAPITAL MANAGEMENT

The Economic Entity's and the Company's objectives when managing capital is to maintain a strong capital base and safeguard the Economic Entity's and the Company's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business.

There were no changes in the Economic Entity's and the Company's approach to capital management during the year. Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Economic Entity is required to maintain shareholders' equity equal to or not less than 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Economic Entity and the Company have complied with this requirement.

26. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- 26.1 On 19 April 2013, the Company entered into a Subscription and Relationship Agreement with AEON TopValu Malaysia Sdn. Bhd. ("ATM") and AIC Inc. to subscribe for 399,998 ordinary shares of RM1.00 each in ATM for a cash consideration of RM399,998 and to acquire 2 ordinary shares of RM1.00 each at ATM for a cash consideration of RM2.00 from AIC Inc. in which AIC Inc. has subscribed for RM1.00 each on 14 February 2013. At the end of the reporting period, the Subscription and Relationship Agreement had been completed and the Company had subscribed 20% of the ordinary shares in ATM for the total consideration of RM400,000. ATM is now an associate of the Company.
- 26.2 On 17 July 2013, the Company entered into a Sale and Purchase Agreement with Johor Land Berhad to acquire a piece of freehold land measuring in total area of approximately 20.93 acres in Mukim Tebrau, Daerah Johor Bahru, Negeri Johor for the purpose of constructing a mall with car parks and departmental stores cum supermarket, at the purchase price of RM70.2 million. At the end of the reporting period, RM7.0 million has been paid as part of the purchase consideration. The completion of the Sale and Purchase Agreement is subject to the fulfillment of certain condition precedents.
- 26.3 On 20 September 2013, the Company entered into a Joint Venture Agreement with Index Living Mall Company Limited ("ILM"), a company incorporated in Thailand, to jointly incorporate and register a private limited company in Malaysia in the name of "AEON Index Living Sdn. Bhd." to engage in a business as furniture retailer. The authorised share capital consists of 50,000,000 ordinary shares of RM1.00 each and the paid-up capital shall be 45,000,000 ordinary shares of RM1.00 each. The Company will subscribe 70% of AEON Index Living Sdn. Bhd.'s shares for a cash consideration of RM31.5 million, and ILM will subscribe for the remaining 30% of AEON Index Living Sdn. Bhd.'s shares for a cash consideration of RM13.5 million. At the end of the reporting period, the Joint Venture Agreement has not been completed yet.
- 26.4 On 2 October 2013, the Company entered into a Sale and Purchase Agreement with AEON REIT Investment Corporation for the disposal of 18.18% undivided share of a piece of land held under Geran Hakmilik No. 76558, Lot No. 49045, Mukim Pulai, Daerah Johor Bahru, Negeri Johor measuring approximately 35,070 square meters together with 18.18% undivided share of the AEON Taman Universiti Shopping Centre erected thereon at the disposal price of RM20.0 million. At the end of the reporting period, RM2.0 million has been received as part of the sale consideration and the sale transaction has not been completed yet.

Notes to the Financial Statements

27. SUBSEQUENT EVENTS

27.1 On 27 February 2014, the Company announced the following proposals:

- (i) proposed bonus issue of 351,000,000 new ordinary shares of RM1.00 each of the Company ("AEON shares") ("bonus shares") to be credited as fully paid-up on the basis of one (1) bonus share for every one (1) existing AEON share held on an entitlement date to be determined ("proposed bonus issue");
- (ii) proposed share split involving the subdivision of one (1) AEON share held on the entitlement date after the proposed bonus issue into two (2) ordinary shares of RM0.50 each in the Company ("subdivided shares") ("proposed share split"); and
- (iii) proposed amendments to the memorandum and articles of association of the Company to facilitate the proposed bonus issue and proposed share split ("proposed amendments").

The above proposals are conditional upon the approvals being obtained from Bursa Securities Malaysia Berhad, shareholders of the Company and any other relevant authorities and/or parties, if required.

27.2 On 28 February 2014, AEON Index Living Sdn. Bhd. ("AEON Index") has been incorporated and pursuant to the Joint Venture Agreement, the Company will subscribe for the 70% of AEON Index's total paid-up share capital of RM45.0 million comprising 45,000,000 ordinary shares of RM1.00 each for a cash consideration of RM31.5 million.

Upon the Company's subscription of the 70% of the total issued and paid-up share capital, AEON Index becomes a subsidiary of the Company in accordance with terms and conditions as stipulated in the Agreement.



Notes to the Financial Statements

28. SUPPLEMENTARY FINANCIAL INFORMATION ON THE BREAKDOWN OF REALISED AND UNREALISED PROFITS OR LOSSES

The breakdown of the retained earnings of the Economic Entity and of the Company as at 31 December, into realised and unrealised profits, pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements, are as follows:

	Economic Entity		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Total retained earnings:				
- realised	1,240,258	1,067,845	1,243,443	1,071,030
- unrealised	7,464	12,624	7,464	12,624
Total share of retained earnings of associates:				
- realised	372	721	-	-
Total retained earnings	1,248,094	1,081,190	1,250,907	1,083,654

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

Statement by Directors

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

In the opinion of the Directors, the financial statements set out on pages 58 to 102 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Economic Entity and of the Company as at 31 December 2013 and of its financial performance and cash flows for the year then ended.

The information set out in Note 28 on page 103 to the financial statements has been compiled in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

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

Dato' Abdullah bin Mohd Yusof

Nur Qamarina Chew binti Abdullah

Kuala Lumpur,

Date: 17 March 2014

Statutory Declaration

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

I, **Poh Ying Loo**, the Director primarily responsible for the financial management of AEON CO. (M) BHD., do solemnly and sincerely declare that the financial statements set out on pages 58 to 103 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named in Kuala Lumpur in the Federal Territory on 17 March 2014.

Poh Ying Loo

Before me:

Lee Chin Hin (W493)
Commissioner for Oaths
Kuala Lumpur



Independent Auditors' Report

to the members of AEON CO. (M) BHD.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of AEON CO. (M) BHD., which comprise the statements of financial position as at 31 December 2013 of the Economic Entity and of the Company and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Economic Entity and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 58 to 102.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Economic Entity and of the Company as of 31 December 2013 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Independent Auditors' Report

to the members of AEON CO. (M) BHD.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

OTHER REPORTING RESPONSIBILITIES

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information set out in Note 28 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, in accordance with the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

OTHER MATTERS

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

KPMG Desa Megat & Co.

Firm Number: AF 0759
Chartered Accountants

Mok Wan Kong

Approval Number: 2877/12/14[J]
Chartered Accountant

Date: 17 March 2014

Petaling Jaya



Analysis of Shareholdings

As at 25 March 2014

Authorised Share Capital	:	RM500,000,000
Issued and Paid-up Share Capital	:	RM351,000,000
Class of Shares	:	Ordinary Share of RM1.00 each
Voting Rights	:	1 vote per Ordinary Share

Size of Shareholdings	No. of Shareholders/ Depositors	% of Shareholders/ Depositors	No. of Issued Shares	% of Issued Shares
1 - 99	213	7.72	2,428	0.00
100 - 1,000	1,222	44.27	822,508	0.23
1,001 - 10,000	1,021	36.99	4,145,696	1.18
10,001 - 100,000	208	7.54	6,096,566	1.74
100,001 - 17,549,999 (*)	93	3.37	100,256,302	28.56
17,550,000 and above (**)	3	0.11	239,676,500	68.29
Total	2,760	100.00	351,000,000	100.00

Notes: * Less than 5% of Issued Shares
** 5% and above of Issued Shares

Substantial Shareholders

As Per Register of Substantial Shareholders as at 25 March 2014

No.	Name	Direct Interest		Indirect Interest	
		No. of Shares	% of Issued Shares	No. of Shares	% of Issued Shares
1	AEON Co., Ltd.	179,010,000	51.00	-	-
2	Aberdeen Asset Management PLC and its subsidiaries (together "The Group") on behalf of account managed by The Group	69,298,000	19.74	-	-
3	Mitsubishi UFJ Financial Group, Inc	-	-	69,302,366 ^{*i}	19.74
4	Aberdeen Asset Management Asia Limited	55,817,800 ^{*ii}	15.90	-	-
5	Employees Provident Fund Board	31,575,700 ^{*iii}	9.00	-	-
6	Aberdeen International Fund Managers Limited	40,950,000 ^{*ii}	11.67	-	-
7	Aberdeen Asset Managers Limited	21,297,800 ^{*ii}	6.07	-	-

Notes: ^{*i} Mitsubishi UFJ Financial Group, Inc is deemed interested in the shares by virtue of Mitsubishi UFJ Financial Group, Inc's wholly owned subsidiary, Mitsubishi UFJ Trust & Banking Corp, holding more than 15% in Aberdeen Asset Management PLC.
^{*ii} The disclosures include holdings of mandates delegated from other subsidiaries of Aberdeen Asset Management PLC.
^{*iii} 5,377,900 Ordinary Shares of RM1.00 each are registered in the name of Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (ABERDEEN)

Directors' Interest

As Per Register of Directors' Shareholdings as at 25 March 2014

No.	Name	Direct Interest		Indirect Interest	
		No. of Shares	% of Issued Shares	No. of Shares	% of Issued Shares
1	Dato' Abdullah bin Mohd Yusof	526,000	0.15	970,000 [*]	0.28
2	Nagahisa Oyama	20,000	0.01	-	-
3	Nur Qamarina Chew binti Abdullah	-	-	-	-
4	Poh Ying Loo	26,000	0.01	24,000 ^{**}	0.01
5	Naoki Hayashi	-	-	-	-
6	Mitsuru Nakata	7,000	-	-	-
7	Datuk Syed Ahmad Helmy bin Syed Ahmad	-	-	-	-
8	Dato' Tunku Putra Badlishah Ibni Tunku Annuar	-	-	-	-
9	Abdul Rahim bin Abdul Hamid	-	-	-	-
10	Charles Tseng @ Charles Tseng Chia Chun	-	-	-	-

Notes: ^{*} Indirect interest pursuant to Section 6A of the Companies Act, 1965
^{**} Indirect interest pursuant to Section 134(12)(c) of the Companies Act, 1965

List of Thirty (30) Largest Shareholders

As at 25 March 2014

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES HELD	% OF ISSUED SHARES
1.	AEON CO., LTD.	179,010,000	51.00
2.	HSBC NOMINEES (ASING) SDN BHD BNP PARIBAS SECS SVS LUX FOR ABERDEEN GLOBAL	41,015,500	11.68
3.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	19,651,000	5.60
4.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (U.S.A.)	7,039,100	2.00
5.	HSBC NOMINEES (ASING) SDN BHD BNP PARIBAS SECS SVS PARIS FOR ABERDEEN ASIAN SMALLER COMPANIES INVESTMENT TRUST PLC	5,810,300	1.66
6.	MAYBANK NOMINEES (ASING) SDN BHD DBS BANK FOR ALBIZIA ASEAN OPPORTUNITIES FUND (290127)	5,680,000	1.62
7.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ABERDEEN)	5,377,900	1.53
8.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD SSBT FUND AM4N FOR ABERDEEN INSTITUTIONAL COMMINGLED FUNDS LLC	4,975,900	1.42
9.	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM WAWASAN 2020	4,797,000	1.37
10.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (ABERDEEN)	4,761,300	1.36
11.	SYARIKAT MALURI SDN BHD	3,730,000	1.06
12.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	3,513,100	1.00
13.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (CIMB PRIN)	2,506,900	0.71
14.	TAKUYA OKADA	2,400,000	0.68
15.	CARTABAN NOMINEES (ASING) SDN BHD RBC INVESTOR SERVICES BANK FOR GLOBAL EMERGING MARKETS SMALLCAP (DANSKE INVEST)	2,373,100	0.68
16.	ROSHAYATI BINTI BASIR	2,310,000	0.66



List of Thirty (30) Largest Shareholders

As at 25 March 2014

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES HELD	% OF ISSUED SHARES
17.	ROZILAWATI BINTI HAJI BASIR	2,310,000	0.66
18.	HSBC NOMINEES (ASING) SDN BHD TNTC FOR CC ASIAN EVOLUTION FUND	2,282,400	0.65
19.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR DANSKE BANK A/S (CLIENT HOLDINGS)	1,950,000	0.56
20.	CIMB COMMERCE TRUSTEE BERHAD PUBLIC FOCUS SELECT FUND	1,837,700	0.52
21.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (GUERNSEY)	1,779,700	0.51
22.	AMSEC NOMINEES (TEMPATAN) SDN BHD AMTRUSTEE BERHAD FOR CIMB ISLAMIC DALI EQUITY GROWTH FUND (UT-CIMB-DALI)	1,626,900	0.46
23.	HSBC NOMINEES (ASING) SDN BHD BNYM SA/NV FOR INVESCO ASEAN EQUITY FUND	1,559,900	0.44
24.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (U.K.)	1,406,700	0.40
25.	AMSEC NOMINEES (TEMPATAN) SDN BHD ABERDEEN ASSET MANAGEMENT SDN BHD FOR TENAGA NASIONAL BERHAD RETIREMENT BENEFIT TRUST FUND (FM-ABERDEEN)	1,400,000	0.40
26.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR BNP PARIBAS SECURITIES SERVICES (SINGAPORE - SGD)	1,321,200	0.38
27.	HIDENORI FUTAGI	1,200,000	0.34
28.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR RAJA AZNIN BIN RAJA AHMAD (CEB)	1,200,000	0.34
29.	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DFA EMERGING MARKETS SMALL CAP SERIES	1,081,300	0.31
30.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (CIMB EQUITIES)	1,038,100	0.30
TOTAL		316,945,000	90.30

Particulars of Properties

As at 31 December 2013

Details of AEON's properties as at 31 December 2013 are set out below:

Location	Description/ Existing use	Land/ Built-up area (sq ft)	Date of Acquisition (A)/ Completion (C)/ Revaluation (R)	Approx. age of building (year)	Tenure (Year of expiry for leasehold)	Net book value as at 31/12/2013 (RM'000)
Lot 7041, Mukim of Bukit Baru, District of Melaka Tengah, Melaka.	Leasehold land/ Existing two-storey shopping centre Extention/Renovation with rooftop car park	436,036/ 200,316 179,989	February 1995 (R)	22 15½	99 years expiring on 19/12/2089	48,797
Lot 23551, Mukim of Setapak, District and State of Wilayah Persekutuan.	Leasehold land/ Two-storey shopping centre and three-storey car park	368,516/ 666,694	February 1995 (R)	21½	95 years expiring on 28/03/2085	75,210
Lot PT 21441, Mukim of Kapar, District of Klang, Selangor Darul Ehsan.	Leasehold land/ Two-storey shopping centre and two-storey car park	643,753/ 691,414	June 1994 (A)/ October 1995 (C)	18	99 years expiring on 09/05/2093	56,502
Lot 49045, Mukim of Pulai, District of Johor Bahru, Johor Darul Takzim.	Freehold land/ Two-storey shopping centre including covered car park	377,490/ 483,299	April 2002 (A)/ August 2002 (C)	11½	Freehold	21,600
Lot 62232, Mukim Batu, Daerah Kuala Lumpur, Wilayah Persekutuan.	Leasehold land/ Two-storey shopping centre and three-storey car park	409,577/ 906,497	January 2004 (C)	10	99 years expiring on 25/08/2103	80,828
Lot PTD 114179, Mukim of Tebrau, District of Johor Bahru, Johor Darul Takzim.	Freehold land/ Three-storey shopping centre with basement car park	1,308,035/ 1,468,693	March 2004 (A)/ January 2006 (C)	8	Freehold	146,447
Lot PT 41977	Leasehold land/	550,910/	April 2004 (A)	7	99 years expiring on 12/04/2103	76,739
Lot 3144, Mukim of Cheras, District of Ulu Langat, Selangor Darul Ehsan.	Freehold land/ Two-storey shopping centre and two-storey car park	113,451/ 893,819	April 2004 (A)/ December 2006 (C)		Freehold	
Lot 5106, Mukim Ulu Kelang, Kuala Lumpur.	Leasehold land/ Two-storey shopping centre with basement car park	631,620/ 895,449	March 2007 (A)/ December 2008 (C)	5	87 years expiring on 05/04/2083	131,053



Particulars of Properties

As at 31 December 2013

Details of AEON's properties as at 31 December 2013 are set out below: (continued)

Location	Description/ Existing use	Land/ Built-up area (sq ft)	Date of Acquisition (A)/ Completion (C)/ Revaluation (R)	Approx. age of building (year)	Tenure (Year of expiry for leasehold)	Net book value as at 31/12/2013 (RM'000)
Lot 136962, Mukim Pulai, District of Johor Bahru, Johor Darul Takzim.	Freehold land/ Three-storey shopping centre with open car park	1,645,671/ 845,634	October 2007 (A)/ December 2008 (C)	5	Freehold	233,786
PT Plot 55919, Mukim Cheras, District of Ulu Langat, Selangor Darul Ehsan.	Freehold land/ Two-storey shopping centre with rooftop car park	304,920/ 299,979	December 2008 (A)/ May 2010 (C)	3½	Freehold	59,847
PT 239099, Mukim Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan.	Leasehold land/ Three-storey shopping centre with two-storey car park	755,855/ 1,287,504	June 2010 (A)/ March 2012 (C)	2	99 years expiring on 03/11/2109	126,900
Lot 2437 Seksyen 13, Bandar Shah Alam, Daerah Petaling, Selangor Darul Ehsan.	Leasehold land	818,273	December 2012 (A)	–	99 years expiring on 26/10/2103	92,899
Lot 60243 & 60244, Mukim Kulai, Daerah Kulajaya, Johor Darul Takzim.	Two-storey shopping centre with two-storey car park	1,185,225	November 2013 (C)	–	Freehold	82,420

AEON Stores, Shopping Centres and MaxValu

CENTRAL



AEON TAMAN MALURI
Jalan Jejaka, Taman Maluri,
Cheras, 55100 Kuala Lumpur.
Tel: 03-9285 5222



**AEON TAMAN MALURI
SHOPPING CENTRE**
Tel: 03-9200 1004



AEON WANGSA MAJU
Jalan R1, Seksyen 1,
Bandar Baru Wangsa Maju,
53300 Kuala Lumpur.
Tel: 03-4149 7666



ALPHA ANGLE SHOPPING CENTRE
Tel: 03-4149 5288



AEON BANDAR UTAMA
No. 1, Leboh Bandar Utama,
Bandar Utama, Damansara,
47800 Petaling Jaya,
Selangor Darul Ehsan.
Tel: 03-7726 6266



AEON BANDAR BARU KLANG
Persiaran Bukit Raja 2,
Bandar Baru Klang, 41150 Klang,
Selangor Darul Ehsan.
Tel: 03-3343 9366



BUKIT RAJA SHOPPING CENTRE
Tel: 03-3343 2166



AEON MID VALLEY
AT3 Mid Valley Megamall,
Mid Valley City,
Lingkar Syed Putra,
59200 Kuala Lumpur.
Tel: 03-2284 4800



AEON BANDAR PUCHONG
Lot G40, IOI Mall, Batu 9,
Jalan Puchong,
Bandar Puchong Jaya,
47100 Puchong,
Selangor Darul Ehsan.
Tel: 03-8070 1200

AEON METRO PRIMA
No. 1, Jalan Metro Prima,
52100 Kepong, Kuala Lumpur.
Tel: 03-6257 2121

**AEON METRO PRIMA
SHOPPING CENTRE**
Tel: 03-6259 1122

AEON TAMAN EQUINE
No. 2, Jalan Equine, Taman Equine,
Bandar Putra Permai,
43300 Seri Kembangan,
Selangor Darul Ehsan.
Tel: 03-8941 3700

**AEON TAMAN EQUINE
SHOPPING CENTRE**
Tel: 03-8945 2700



AEON CHERAS SELATAN
Lebuhr Tun Hussein Onn,
43200 Balakong, Selangor Darul Ehsan.
Tel: 03-9080 3018



**AEON CHERAS SELATAN
SHOPPING CENTRE**
Tel: 03-9080 3498



AEON BANDAR SUNWAY
Lg 1.111, Sunway Pyramid,
No. 3, Jalan PJS 11/15, Bandar Sunway,
46150 Petaling Jaya,
Selangor Darul Ehsan.
Tel: 03-5637 3720



AEON BUKIT TINGGI
No. 1, Persiaran Batu Nilam 1/KS 6,
Bandar Bukit Tinggi 2, 41200 Klang,
Selangor Darul Ehsan.
Tel: 03-3326 2330



**AEON BUKIT TINGGI
SHOPPING CENTRE**
Tel: 03-3326 2370



AEON AU2 SETIAWANGSA
No. 6, Jalan Taman Setiawangsa
[Jalan 37/56], AU2, Taman Keramat,
54200 Kuala Lumpur.
Tel: 03-4257 8840



**AEON AU2 SETIAWANGSA
SHOPPING CENTRE**
Tel: 03-4257 2533



AEON MAHKOTA CHERAS
Jalan Temenggung 21/9,
Persiaran Mahkota Cheras 1,
Bandar Mahkota Cheras,
43200 Cheras, Selangor Darul Ehsan.
Tel: 03-9080 3562



**AEON MAHKOTA CHERAS
SHOPPING CENTRE**
Tel: 03-9080 3579

AEON RAWANG
No. 1, Persiaran Anggun, Taman Anggun,
48000 Rawang, Selangor Darul Ehsan.
Tel: 03-6091 0671

**AEON RAWANG ANGGUN
SHOPPING CENTRE**
Tel: 03-6092 0678

**PASAR RAYA MAXVALU
DAMANSARA DAMAI**
C-1-05, Park Avenue, Jalan PJU 10/1,
PJU 10, Damansara Damai,
47830 Petaling Jaya,
Selangor Darul Ehsan.
Tel: 03-6157 1432

**PASAR RAYA MAXVALU
DESA PARKCITY**
Lot No. GF22, Ground Floor,
The Waterfront @ Desa ParkCity,
5, Persiaran Residen, Desa ParkCity,
52200 Kuala Lumpur.
Tel: 03-6280 7790



AEON Stores, Shopping Centres and MaxValu

CENTRAL



PASAR RAYA MAXVALU AMPANG

Petronas Service Station,
Jalan Kolam Ayer Lama,
Taman Dato' Ahmad Razali,
68000 Ampang,
Selangor Darul Ehsan.
Tel: 03-4252 1601

NORTHERN



AEON IPOH

No. 2, Jalan Teh Lean Swee,
Off Jalan Sultan Azlan Shah Utara,
31400 Ipoh, Perak Darul Ridzuan.
Tel: 05-549 9633

KINTA CITY SHOPPING CENTRE

Tel: 05- 548 4668



AEON IPOH STATION 18

No. 2, Susuran Stesen 18, Station 18,
31650 Ipoh, Perak Darul Ridzuan.
Tel: 05-321 6748

AEON IPOH STATION 18 SHOPPING CENTRE

Tel: 05-321 6807



AEON SERI MANJUNG

Pusat Perniagaan Manjung Point 3,
32040 Seri Manjung, Perak Darul Ridzuan.
Tel: 05-687 0008

AEON SERI MANJUNG SHOPPING CENTRE

Tel: 05-687 0018



AEON QUEENSBAY

1F-61, Queensbay Mall,
100, Persiaran Bayan Indah,
11900 Bayan Lepas,
Pulau Pinang.
Tel: 04-641 3822



AEON SEBERANG PRAI CITY

Jalan Perda Timur,
14000 Bukit Mertajam,
Seberang Prai Tengah, Pulau Pinang.
Tel: 04-538 8600

AEON SEBERANG PRAI CITY SHOPPING CENTRE

Tel: 04-537 9022

SOUTHERN



AEON SEREMBAN 2

112, Persiaran S2 B1,
Seremban 2, 70300 Seremban,
Negeri Sembilan Darul Khusus.
Tel: 06-601 5633

AEON SEREMBAN 2 SHOPPING CENTRE

Tel: 06-601 5618



AEON MELAKA

Leboh Ayer Keroh, 75450 Melaka.
Tel: 06-232 4899

AEON MELAKA SHOPPING CENTRE

Tel: 06-233 2988



AEON BANDARAYA MELAKA

No. 2, Jalan Lagenda,
Taman 1-Lagenda, 75400 Melaka.
Tel: 06-282 9389

AEON BANDARAYA MELAKA SHOPPING CENTRE

Tel: 06-282 9666



AEON TAMAN UNIVERSITI

No. 4, Jalan Pendidikan,
Taman Universiti, 81300 Skudai,
Johor Darul Takzim.
Tel: 07-521 8000

AEON TAMAN UNIVERSITI SHOPPING CENTRE

Tel: 07-520 8700



AEON PERMAS JAYA

No. 1, Jalan Permas Utara,
Bandar Baru Permas Jaya,
81750 Johor Bahru, Johor Darul Takzim.
Tel: 07-386 8900

AEON PERMAS JAYA SHOPPING CENTRE

Tel: 07-386 0600



AEON TEBRAU CITY

No. 1, Jalan Desa Tebrau,
Taman Desa Tebrau, 81100 Johor Bahru,
Johor Darul Takzim.
Tel: 07-351 1110

AEON TEBRAU CITY SHOPPING CENTRE

Tel: 07-352 2220



AEON BUKIT INDAH

No. 8, Jalan Indah 15/2,
Bukit Indah, 81200 Johor Bahru,
Johor Darul Takzim.
Tel: 07-236 8036

AEON BUKIT INDAH SHOPPING CENTRE

Tel: 07-236 8071



AEON KULAIJAYA

PTD 106273,
Persiaran Indahpura Utama,
Bandar Indahpura, 81000 Kulaijaya,
Johor Darul Takzim.
Tel: 07-663 8373

AEON MALL KULAIJAYA

Tel: 07-663 7822

Milestones

- | | | | |
|------|---|---|--|
| 1984 | SEPTEMBER | - | JAYA JUSCO STORES SDN BHD established, in response to a request from the former Prime Minister Y.A. Bhg. Tun Dr Mahathir bin Mohamad, to help modernize the retailing industry in Malaysia. |
| 1985 | JUNE
DECEMBER | - | The first pilot store, JAYA JUSCO Dayabumi, opened.
The second pilot store, JAYA JUSCO Taman Tun Dr. Ismail, opened. |
| 1989 | JUNE
OCTOBER | - | JAYA JUSCO Dayabumi closed.
The first Superstore, JAYA JUSCO Taman Maluri, opened. |
| 1990 | JUNE
NOVEMBER | - | "Japan Management Training Programme" begun.
28 Malaysian students invited to Japan as "Ambassadors" through the AEON "1% Club" Programme. |
| 1991 | OCTOBER | - | JUSCO Melaka was opened and fully operated by Malaysian staff.
The AEON Group's "Hometown Forest" Programme was launched simultaneously at the inauguration of JUSCO Melaka. |
| 1992 | APRIL | - | JUSCO Wangsa Maju (Alpha Angle Shopping Centre), the first Shopping Centre, opened. |
| 1994 | AUGUST
OCTOBER | - | The Distribution Centre begun operations.
Japan Trainee Programme begun. |
| 1995 | JUNE
AUGUST
OCTOBER | - | JAYA JUSCO Taman Tun Dr. Ismail closed.
JUSCO Bandar Utama (1 Utama Shopping Centre) opened.
JUSCO Bandar Baru Klang (Bukit Raja Shopping Centre) opened. |
| 1996 | DECEMBER | - | JAYA JUSCO STORES BHD was listed on the Main Board of the Kuala Lumpur Stock Exchange (KLSE). |
| 1997 | AUGUST | - | JUSCO Ipoh (Kinta City Shopping Centre) opened. |
| 1998 | DECEMBER | - | JUSCO Melaka Superstore was upgraded to a Shopping Centre. |
| 1999 | DECEMBER | - | JUSCO Mid Valley opened. |
| 2000 | DECEMBER | - | JUSCO Taman Maluri Superstore was upgraded to a Shopping Centre.
JUSCO Bandar Puchong opened. |
| 2001 | OCTOBER
NOVEMBER | - | Launch of WAOH Charity Fund/ JUSCO Fest / JUSCO's 17th Anniversary.
22 Malaysian students and 2 former participants from the 1990 batch were invited to Japan as "Ambassadors" through the AEON "1% Club" Programme. |
| 2002 | APRIL
JULY | - | Establishment of JUSCO-OUM Retail Centre in Alpha Angle Shopping Centre, Wangsa Maju.
JUSCO Taman Universiti (JUSCO Taman Universiti Shopping Centre) opened.
Japan Management Training Programme reactivated. |
| 2003 | JULY
AUGUST
OCTOBER
DECEMBER | - | WAOH Charity Bazaar.
Smart Wonder World opened in JUSCO Taman Maluri.
JUSCO Home Centre opened in 1 Utama Shopping Centre.
3,000 saplings were planted in the vicinity of the JUSCO Permas Jaya store as part of AEON's environmental campaign, "Planting Seeds of Growth".
JUSCO Permas Jaya (JUSCO Permas Jaya Shopping Centre) opened. |
| 2004 | JANUARY

JUNE

AUGUST
SEPTEMBER

OCTOBER | - | JUSCO Metro Prima Tree Planting Ceremony was held. 2,000 saplings were planted.
JUSCO Metro Prima (JUSCO Metro Prima Shopping Centre) opened.
"With All Our Hearts" Charity Fund officially registered as the "With All Our Hearts" Malaysian JUSCO Foundation.
Company authorised share capital increased from RM100,000,000 to RM500,000,000.
JAYA JUSCO STORES BHD officially changed name to AEON CO. (M) BHD..
JUSCO celebrated 20th Anniversary in Malaysia with Gala Dinner.
Official launch of "With All Our Hearts" Malaysian JUSCO Foundation.
30,000 saplings planted in the Malaysian-Japan Friendship Forest, AEON Woodland, Paya Indah Wetlands.
Completed Bonus Issue (1:1) for 87,750,000 new Ordinary Shares. |



Milestones

2005	MARCH	-	AEON CO. (M) BHD. received a certificate of appreciation from the former Prime Minister Y.A. Bhg. Tun Dr Mahathir bin Mohamad for its tree planting activities.
	JULY	-	The 1st Annual WAOH Charity Gala Dinner was held.
	SEPTEMBER	-	JUSCO Seremban 2 Shopping Centre Tree Planting Ceremony was held. 3,300 saplings were planted.
		-	JUSCO Seremban 2 (JUSCO Seremban 2 Shopping Centre) opened.
	OCTOBER	-	The first Pasar Raya J-One Supermarket in Damansara Damai opened.
	DECEMBER	-	AEON Tebrau City Shopping Centre Tree Planting Ceremony were held. 6,000 saplings were planted.
2006	JANUARY	-	JUSCO Tebrau City (AEON Tebrau City Shopping Centre) opened.
	APRIL	-	Change of financial year end from February to December.
	JUNE	-	AEON Taman Equine Shopping Centre Tree Planting Ceremony held. 4,000 saplings were planted.
	JULY	-	JUSCO Taman Equine (AEON Taman Equine Shopping Centre) opened.
		-	Pasar Raya J-One Supermarket in Pearl Point opened.
	SEPTEMBER	-	Completion of Kinta City Shopping Centre sales and lease back.
	NOVEMBER	-	AEON Cheras Selatan Shopping Centre Tree Planting Ceremony held. 4,000 saplings were planted.
	DECEMBER	-	JUSCO Queensbay opened.
		-	JUSCO Cheras Selatan (AEON Cheras Selatan Shopping Centre) opened.
2007	JANUARY	-	Pasar Raya J-One change of name ceremony (From J-One to D'HATI) held at Pearl Point Shopping Mall.
	JUNE	-	Replanting of trees at AEON Woodland.
	SEPTEMBER	-	Pasar Raya D'HATI Kota Kemuning opened.
		-	JUSCO Bandar Sunway opened.
	OCTOBER	-	AEON Bukit Tinggi Shopping Centre Tree Planting Ceremony held. 5,085 saplings were planted.
	DECEMBER	-	Pasar Raya MaxValu Desa ParkCity and Pasar Raya MaxValu Ampang opened.
		-	JUSCO Bukit Tinggi (AEON Bukit Tinggi Shopping Centre) opened.
2008	JUNE	-	Completed Bonus Issue (1:1) for 175,500,000 new Ordinary Shares.
	JULY	-	AEON Careline was launched.
		-	AEON Seberang Prai City Shopping Centre Tree Planting Ceremony held. 3,500 saplings were planted.
	AUGUST	-	JUSCO Seberang Prai City (AEON Seberang Prai City Shopping Centre) opened.
		-	Taman Asuhan Kanak-Kanak Asahi (TAKA) at Bandar Puchong Jaya opened.
	OCTOBER	-	24th Anniversary Tree Planting at AEON Woodland. 2,400 saplings were planted.
	NOVEMBER	-	AEON AU2 Setiawangsa Shopping Centre Tree Planting Ceremony held. 4,600 saplings were planted.
	DECEMBER	-	JUSCO AU2 Setiawangsa (AEON AU2 Setiawangsa Shopping Centre) opened.
		-	AEON Bukit Indah Shopping Centre Tree Planting Ceremony held. 3,000 saplings were planted.
		-	JUSCO Bukit Indah (AEON Bukit Indah Shopping Centre) opened.
2009	JUNE	-	Pasar Raya MaxValu Pearl Point closed.
	OCTOBER	-	25th Anniversary Tree Planting Ceremony at AEON Woodland. 25,000 saplings planted.
	NOVEMBER	-	AEON Bandaraya Melaka Shopping Centre Tree Planting Ceremony held. 2,000 saplings were planted.
2010	JANUARY	-	"With All Our Hearts" Malaysian JUSCO Foundation changed name to Malaysian AEON Foundation.
	FEBRUARY	-	JUSCO Bandaraya Melaka (AEON Bandaraya Melaka Shopping Centre) opened.
	MARCH	-	AEON Mahkota Cheras Tree Planting Ceremony held. 3,000 saplings were planted.
	APRIL	-	JUSCO Mahkota Cheras (AEON Mahkota Cheras Shopping Centre) opened.
2011	AUGUST	-	JUSCO Bandar Utama reopened.
	DECEMBER	-	AEON Rawang Anggun Shopping Centre Tree Planting Ceremony held. 3,500 saplings were planted.
		-	JUSCO Rawang (AEON Anggun Rawang Shopping Centre) opened.
		-	Disposal of Smart Wonder World (SWW) amusement business completed.
2012	FEBRUARY	-	AEON Ipoh Station 18 Shopping Centre Tree Planting Ceremony held. 3,500 saplings were planted.
	MARCH	-	AEON unveiled the new brand name "AEON" and tagline "AEON Enriching Your Lifestyle".
		-	J Card rebranded to AEON Member Card.
		-	AEON Ipoh Station 18 (AEON Ipoh Station 18 Shopping Centre) opened.
	MAY	-	Launch of first AEON Festival in conjunction with new AEON branding.
		-	Launch of AEON Malaysia Cheers Club.
	NOVEMBER	-	AEON Seri Manjung Shopping Centre Tree Planting Ceremony held. 3,000 saplings were planted.
	DECEMBER	-	AEON Seri Manjung (AEON Seri Manjung Shopping Centre) opened.
2013	SEPTEMBER	-	Launch of AEON Business Academy.
	OCTOBER	-	AEON Mall Kulaijaya Tree Planting Ceremony held. 9,025 saplings were planted.
	NOVEMBER	-	AEON Kulaijaya (AEON Mall Kulaijaya) opened.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-Ninth Annual General Meeting of AEON CO. (M) BHD. will be held at Ballroom A, Level 10, DoubleTree by Hilton Kuala Lumpur, The Intermark, 348, Jalan Tun Razak, 50400 Kuala Lumpur on Thursday, 15 May 2014 at 10.00 a.m. for the following purposes:

AGENDA

As Ordinary Business

- | | | |
|----|--|---|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2013 together with the Reports of the Directors and Auditors thereon. | (Please refer to Note 1 of the Explanatory Notes) |
| 2. | To declare and approve the payment of a first and final single tier dividend of 22% in respect of the financial year ended 31 December 2013. | Ordinary Resolution 1 |
| 3. | To approve the Directors' fees of RM1.241 million for the financial year ended 31 December 2013. | Ordinary Resolution 2 |
| 4. | To re-elect the following Directors who are retiring under Article 74 of the Articles of Association of the Company: | |
| | (i) Mr Nagahisa Oyama | Ordinary Resolution 3 |
| | (ii) Ms Nur Qamarina Chew binti Abdullah | Ordinary Resolution 4 |
| | (iii) Mr Poh Ying Loo | Ordinary Resolution 5 |
| | (iv) Mr Naoki Hayashi | Ordinary Resolution 6 |
| | (v) Mr Mitsuru Nakata | Ordinary Resolution 7 |
| | (vi) Datuk Syed Ahmad Helmy bin Syed Ahmad | Ordinary Resolution 8 |
| | (vii) Dato' Tunku Putra Badlishah Ibni Tunku Annuar | Ordinary Resolution 9 |
| 5. | To re-elect the following Directors who are retiring under Article 80 of the Articles of Association of the Company: | |
| | (i) En Abdul Rahim bin Abdul Hamid | Ordinary Resolution 10 |
| | (ii) Mr Charles Tseng @ Charles Tseng Chia Chun | Ordinary Resolution 11 |
| 6. | To re-appoint Dato' Abdullah bin Mohd Yusof as Director pursuant to Section 129(6) of the Companies Act, 1965. | Ordinary Resolution 12 |
| 7. | To re-appoint Messrs KPMG Desa Megat & Co. as Auditors of the Company and to authorise the Directors to fix their remuneration. | Ordinary Resolution 13 |



Notice of Annual General Meeting

As Special Business

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

8. **PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR THE 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 approval be and is hereby given to the Company, to enter and give effect to the recurrent related party transactions of a revenue or trading nature (hereinafter to be referred to as "Recurrent Transactions") with the related parties as stated in Section 2.3 of the Circular to Shareholders dated 23 April 2014 which are necessary for the Company's day-to-day operations subject further to the following:

- (i) the Recurrent Transactions contemplated are in the ordinary course of business and on terms which are not more favourable to related parties than those generally available to the public, and are not to the detriment of the minority shareholders;
- (ii) the approval is subject to annual renewal and shall only continue to be in force until:
 - (a) the conclusion of the next Annual General Meeting of the Company following the forthcoming Annual General Meeting of the Company at which the Proposed Shareholders' Mandate is approved, at which time it will lapse unless by a resolution passed at the Annual General Meeting the mandate is again renewed;
 - (b) the expiration of the period within which the next Annual General Meeting of the Company after the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extensions as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or
 - (c) revoked or varied by resolution passed by the shareholders in general meeting,whichever is the earlier; and
- iii) the disclosure of the breakdown of the aggregate value of the Recurrent Transactions conducted pursuant to the Proposed Shareholders' Mandate in the Annual Report of the Company based on the following information:
 - (a) the type of Recurrent Transactions entered into; and
 - (b) the names of the related parties involved in each type of the Recurrent Transactions entered into and their relationship with the Company.

AND THAT the Directors of the Company be and are hereby authorised to do all acts and things to give full effect to the Recurrent Transactions contemplated and/or authorised by this resolution, as the Directors of the Company, in their absolute discretion, deem fit."

Ordinary Resolution 14

Notice of Dividend Payment

NOTICE IS HEREBY GIVEN THAT, subject to the approval of shareholders at the Twenty-Ninth Annual General Meeting, a first and final single tier dividend of 22% in respect of the financial year ended 31 December 2013 will be paid to shareholders on 11 June 2014. The entitlement date for the said dividend shall be 22 May 2014.

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

- (a) Shares transferred to the Depositor's securities account before 4.00 p.m. on 22 May 2014 in respect of transfers.
- (b) Shares bought on Bursa Malaysia Securities Berhad on cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA 7009143)
TAN AI NING (MAICSA 7015852)
Company Secretaries

Kuala Lumpur
23 April 2014

NOTES:

- 1 A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 ("the Act") shall not apply.
- 2 A member shall be entitled to appoint more than one (1) proxy and shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting.
- 3 Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
- 4 Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- 5 The instrument appointing a proxy and 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 with the Share Registrar of the Company, Tricor Investor Services Sdn Bhd at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time set for holding the meeting or any adjournment thereof.
- 6 If the appointor is a corporation, the instrument appointing a proxy must be executed under its Common Seal or under the hand of its attorney.
- 7 In respect of deposited securities, only members whose names appear on the Record of Depositors on 5 May 2014 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

EXPLANATORY NOTES:

1. To receive the Audited Financial Statements

Agenda item no. 1 is meant for discussion only as the provision of Section 169(1) of the Act 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**.

2. Ordinary Resolution 14 on the Proposed Renewal of Shareholders' Mandate

The Ordinary Resolution 14 proposed, if passed, will empower the Directors from the date of the Twenty-Ninth Annual General Meeting, to deal with the related party transactions involving recurrent transactions of a revenue or trading nature which are necessary for the Company's day-to-day operations. These recurrent related party transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public and not to the detriment of the minority shareholders. This authority unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company and subject always to provision (ii) of the resolution. The details of the recurrent related party transactions are set out in the Circular to the Shareholders dated 23 April 2014, which is dispatched together with this Annual Report.

PROXY FORM

AEON CO. (M) BHD.
(Company No. 126926-H)
(Incorporated in Malaysia)

No. of Shares Held	
CDS Account No.	

I/We, _____ (name of shareholder as per NRIC, in capital letters)
NRIC No./ID No./Company No. _____ (new) _____ (old)
of _____ (full address)
being a member of AEON CO. (M) BHD., hereby appoint _____
(name of proxy as per NRIC, in capital letters) NRIC No. _____ (new) _____ (old)
of _____ (full address)
or failing him/her _____ (name of proxy as per NRIC, in capital letters)
NRIC No. _____ (new) _____ (old)
of _____
_____ (full address) or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/

us on my/our behalf at the Twenty-Ninth Annual General Meeting of the Company, to be held at Ballroom A, Level 10, DoubleTree by Hilton Kuala Lumpur, The Intermark, 348, Jalan Tun Razak, 50400 Kuala Lumpur on Thursday, 15 May 2014 at 10.00 a.m. and at any adjournment thereof.

My/our proxy is to vote as indicated below:

No.	Resolution	For	Against
ORDINARY BUSINESS			
Ordinary Resolution 1	To declare & approve the payment of a first and final single tier dividend of 22% in respect of the financial year ended 31 December 2013		
Ordinary Resolution 2	To approve the payment of Directors' fees for the financial year ended 31 December 2013		
Ordinary Resolution 3	To re-elect Mr Nagahisa Oyama as Director		
Ordinary Resolution 4	To re-elect Ms Nur Qamarina Chew binti Abdullah as Director		
Ordinary Resolution 5	To re-elect Mr Poh Ying Loo as Director		
Ordinary Resolution 6	To re-elect Mr Naoki Hayashi as Director		
Ordinary Resolution 7	To re-elect Mr Mitsuru Nakata as Director		
Ordinary Resolution 8	To re-elect Datuk Syed Ahmad Helmy bin Syed Ahmad as Director		
Ordinary Resolution 9	To re-elect Dato' Tunku Putra Badlishah Ibni Tunku Annuar as Director		
Ordinary Resolution 10	To re-elect En Abdul Rahim bin Abdul Hamid as Director		
Ordinary Resolution 11	To re-elect Mr Charles Tseng @ Charles Tseng Chia Chun as Director		
Ordinary Resolution 12	To re-appoint Dato' Abdullah bin Mohd Yusof as Director pursuant to Section 129(6) of the Companies Act, 1965		
Ordinary Resolution 13	To re-appoint Messrs KPMG Desa Megat & Co. as Auditors of the Company and to authorise the Directors to fix their remuneration		
SPECIAL BUSINESS			
Ordinary Resolution 14	Proposed Renewal of Existing Shareholders' Mandate for the 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		

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

Signature of Shareholder or Common Seal _____

Dated this _____ day of _____ 2014

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

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STAMP

The Share Registrar:

AEON CO. (M) BHD. (126926-H)

c/o TRICOR INVESTOR SERVICES SDN BHD (118401-V)

Level 17, The Gardens North Tower

Mid Valley City, Lingkaran Syed Putra

59200 Kuala Lumpur

Malaysia

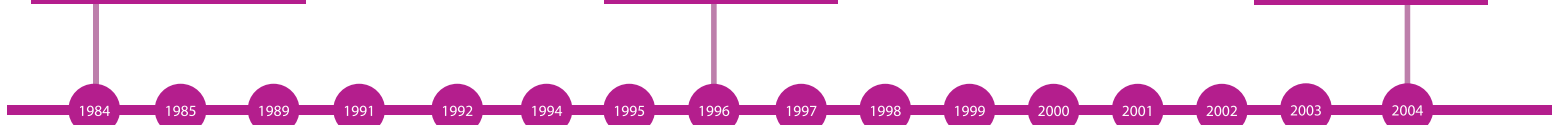
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JAYA JUSCO STORES SDN. BHD. established, in response to a request from Prime Minister Y.A.B. Dato' Seri Dr Mahathir bin Mohamad, to help modernise the retail industry in Malaysia.

JAYA JUSCO STORES BHD. was listed on the Main Board of the KLSE.

JAYA JUSCO STORES BHD. officially changed name to AEON CO. (M) BHD. The retail store names remained as JUSCO



- 1984**
- 1985**
 - JAYA JUSCO Dayabumi opens.
 - JAYA JUSCO Taman Tun Dr. Ismail opens.
- 1989**
 - The first Superstore, JAYA JUSCO Taman Maluri opens.
- 1991**
 - JUSCO Melaka Shopping Centre opens.
 - Tree planting in JUSCO Melaka Shopping Centre (AEON Hometown Forest Programme is launched)
- 1992**
 - JUSCO Alpha Angle Shopping Centre opens.
 - Tree planting in JUSCO Alpha Angle Shopping Centre.
- 1994**
- 1995**
 - JUSCO 1 Utama Shopping Centre opens.
 - JUSCO Bukit Raja Shopping Centre opens.
 - Tree planting in JUSCO 1 Utama & JUSCO Bukit Raja Shopping Centre.
- 1996**
- 1997**
 - JUSCO Kinta City Shopping Centre opens.
 - Tree planting in JUSCO Kinta City Shopping Centre.
- 1998**
- 1999**
 - JUSCO Mid Valley opens.
- 2000**
 - JUSCO Bandar Puchong opens.
- 2001**
- 2002**
 - JUSCO Taman Universiti Shopping Centre opens.
 - Tree planting in JUSCO Taman Universiti Shopping Centre.
- 2003**
 - JUSCO Permas Jaya Shopping Centre opens.
 - Tree planting in JUSCO Permas Jaya Shopping Centre.
- 2004**
 - JUSCO Metro Prima Shopping Centre opens.
 - Tree planting in Paya Indah Wetlands, & JUSCO Metro Prima Shopping Centre.

AEON is rebranded as a singular entity in all it's operations.

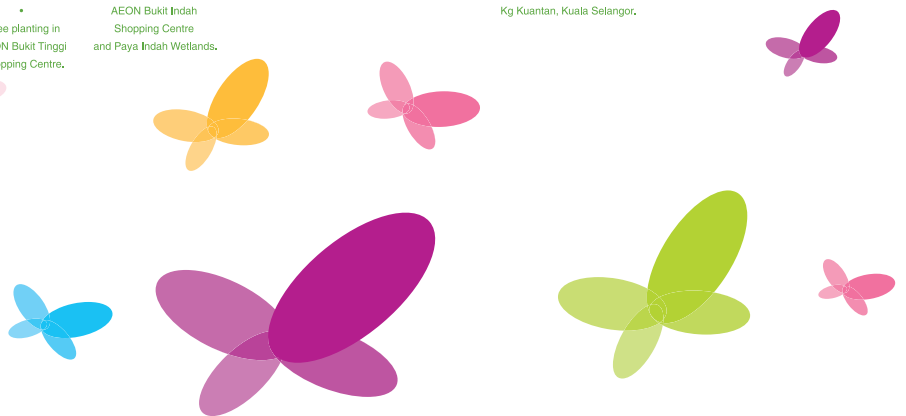
AEON 30th Anniversary



- 2005**
 - JUSCO Seremban 2 Shopping Centre opens.
 - J-One Damansara Damai opens.
 - Tree planting in AEON Tebrau City & JUSCO Seremban 2 Shopping Centre.
- 2006**
 - AEON Tebrau City Shopping Centre opens.
 - AEON Taman Equine Shopping Centre opens.
 - JUSCO Queensbay opens.
 - AEON Cheras Selatan Shopping Centre opens.
 - Tree planting in AEON Taman Equine & AEON Cheras Selatan Shopping Centre.
- 2007**
 - AEON Bukit Tinggi Shopping Centre opens.
 - JUSCO Bandar Sunway opens.
 - Pasar Raya MaxValu Ampang, Desa Park City & Kota Kemuning open.
 - Tree planting in AEON Bukit Tinggi Shopping Centre.
- 2008**
 - AEON Seberang Prai City Shopping Centre opens.
 - AEON AU2 Setiawangsa Shopping Centre opens.
 - AEON Bukit Indah Shopping Centre opens.
 - Tree planting in AEON Seberang Prai City, AU2 Setiawangsa & AEON Bukit Indah Shopping Centre and Paya Indah Wetlands.
- 2009**
- 2010**
 - AEON Mahkota Cheras Shopping Centre opens.
 - AEON Bandaraya Melaka Shopping Centre opens.
 - Tree planting in AEON Bandaraya Melaka & AEON Rawang Shopping Centre.
- 2011**
 - AEON Rawang Shopping Centre opens.
 - Tree planting in Lahad Datu, Sabah.
- 2012**
 - AEON Ipoh Station 18 Shopping Centre opens.
 - AEON Seri Manjung Shopping Centre opens.
 - Tree planting in AEON Station 18, AEON Seri Manjung Shopping Centre and Kg Kuantan, Kuala Selangor.
- 2013**
 - AEON MALL Kulajaya opens.
 - Tree planting in AEON MALL Kulajaya
- 2014**

Our journey over the years

TIMELINE





This annual report is printed on recycle paper



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