

AEON CREDIT SERVICE (M) BERHAD
(Company No. 412767-V)

MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY
HELD AT BALLROOM 1 AND 2, INTERCONTINENTAL HOTEL, 165 JALAN
AMPANG, 50450 KUALA LUMPUR ON WEDNESDAY, 21 JUNE 2017 AT 12.40 P.M.

PRESENT:

DIRECTORS

Dato' Abdullah bin Mohd Yusof (In the Chair)	-	Also a Shareholder and Proxy for Shareholders
Mr. Kenji Fujita (Managing Director)	-	Also a Proxy for Shareholders
Datuk Ramli bin Ibrahim	-	Also a Shareholder
Dato' Md Kamal bin Ismaun	-	Also a Shareholder
Mr. Ng Eng Kiat	-	Also a Shareholder
Mr. Tomokatsu Yoshitoshi	-	Director
Mr. Krishnappan A/L S.P.S. Singaram	-	Also a Shareholder
Ms. Lee Tyan Jen	-	Also a Shareholder
Mr. Lee Kit Seong	-	Director
Mr. Kiyooki Takano	-	Also a Shareholder

IN ATTENDANCE

Ms. Mieko Choong Lee Wah	-	Company Secretary
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BY INVITATION

Mr. Perry Lye	}	-	Representing the Principal Adviser, CIMB Investment Bank Bhd ("CIMB")
Ms. Lily Ling			
Mr. Vishnu Chandran			
Mr. How Tze Yen	}	-	Representing the Solicitors, Messrs. Adnan, Sundra & Low
Ms. Yee Yik Shieh			
Mr. Akio Ching	}	-	Representing the retiring External Auditors, Messrs. KPMG PLT
Mr. Chan Kam Chiew			
Mr. Yap Tit Chiau			
Mr. Muhamad Danial bin Mohd Ismail	}	-	Representing the new External Auditors, Messrs. Deloitte PLT Malaysia
Mr. Cheong Thoong Farn			
Mr. Wong Kar Choon			
Mr. Mak Wai Kit	}	-	Representing Messrs. Deloitte Japan
Mr. Shinsuke Tsuji			
Mr. Yasuhiro Ogawa			
Mr. Tatsuhiko Ichihara	}		

BY INVITATION (CONT'D)

Ms. Lena Lim	}	- Representing Boardroom Corporate Services (KL) Sdn Bhd
Ms. Sherlene Cheng		
Ms. Janice Yong		
Mr. Edward Ng		
Ms. Angel Chee		

The list of shareholders, corporate representatives and proxies who attended the Meeting are set out in the Attendance Sheets attached and shall form an integral part of this Minutes.

1. CHAIRMAN

The Chairman, Dato' Abdullah bin Mohd Yusof, extended a warm welcome to all shareholders, corporate representatives, proxies and guests present at the Company's Extraordinary General Meeting ("EGM").

2. QUORUM

The Company Secretary confirmed that a quorum was present. With the requisite quorum being present, the Meeting was called to order at 12.40 p.m.

3. NOTICE

With the consent of the members present, the Notice convening the Meeting having been circulated for the prescribed period was taken as read. Dato' Chairman then proceeded with the business of the EGM.

4. SUMMARY OF PROXIES RECEIVED

As part of good governance, Dato' Chairman informed the members that the Company had received in total 205 proxy forms from shareholders for a total of 106,419,225 ordinary shares representing 73.90% of the total number of issued shares of the Company.

5. SHAREHOLDERS' RIGHTS

Dato' Chairman further informed the shareholders that they are encouraged to participate, speak and vote at the EGM.

6. POLL PROCEDURE

Dato' Chairman also informed the Meeting that pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the EGM must be voted by way of poll. Accordingly, Dato' Chairman proposed for a poll to be taken on all the resolutions set forth in the Notice of the EGM pursuant to Article 91 of the Company's Articles of Association.

Dato' Chairman further informed the Meeting that the poll would be conducted electronically using a wireless handheld device. The Company had appointed Boardroom Corporate Services (KL) Sdn. Bhd. as the Poll Administrator to conduct the electronic polling process and Boardroom Business Solution Sdn. Bhd. as the Independent Scrutineer to verify the poll results.

Dato' Chairman then invited the Poll Administrator from Boardroom Corporate Services (KL) Sdn. Bhd. to explain on the electronic polling procedures and the house keeping rules for the electronic poll voting process.

After the briefing of the electronic polling procedures, Dato' Chairman then proceeded with the business of the EGM.

7. ORDINARY RESOLUTION 1

- **PROPOSED BONUS ISSUE OF 72,000,000 NEW ORDINARY SHARES IN AEON CREDIT SERVICE (M) BERHAD ("ACSM" OR THE COMPANY) ("BONUS SHARES") AT AN ISSUE PRICE OF RM0.50 EACH TO BE CAPITALISED FROM THE COMPANY'S RETAINED EARNINGS ON THE BASIS OF 1 BONUS SHARE FOR EVERY 2 EXISTING ACSM ORDINARY SHARES ("ACSM SHARES") HELD ("PROPOSED BONUS ISSUE")**

Dato' Chairman informed the Meeting that the details of the Proposed Bonus Issue and Proposed Renounceable Rights Issue of 3-Year, 3.5% Irredeemable Convertible Unsecured Loan Stocks ("ICULS") on the basis of 2 ICULS for every 1 existing ACSM Share held after the Proposed Bonus Issue to raise RM432,000,000 in cash ("Proposed Rights Issue") were set out in the Circular to Shareholders dated 6 June 2017.

At the invitation of Dato' Chairman, Mr. Perry Lye, the Director of Corporate Finance from CIMB Investment Bank Berhad, gave a presentation to the shareholders on the details of the Proposed Bonus Issue and Proposed Rights Issue.

Subsequent to the presentation by Mr. Perry Lye, Dato' Chairman invited questions from the floor on the Proposed Bonus Issue and Proposed Rights Issue. A number of shareholders and proxies made comments and sought clarification on various issues which were succinctly addressed by the Board of Directors and CIMB. The salient issues raised were as follows:-

- (i) Whether the Board of Directors would request the major shareholder of the Company to refrain for subscribing for the excess application for the ICULS until the minority shareholders have done so.

Board of Directors' response:-

The Company took note of the comments from the shareholders and will look into the matter.

- (ii) Clarification on the charge or stamp duty when the ICULS are mandatorily converted into new ordinary shares upon maturity as well as during the intervening period.

CIMB's response:-

For the mandatory conversion on maturity, the charge or stamp duty for the conversion and crediting of the new ACSM ordinary shares into the ICULS holders' CDS Accounts shall be borne by the Company. The charge or stamp duty during the exercise period would be at the expense of the ICULS holders in view that it is a voluntary conversion by the ICULS holders.

- (iii) Confirmation on the application process on the conversion of the ICULS.

CIMB's response:-

There would be a conversion notice available to ICULS holders that would be required to be completed and signed and delivered to the Company and share registrar. The ICULS conversion does not require any outlay of cash and it merely involves the surrendering of the ICULS with an aggregate nominal value equivalent to the conversion price.

- (iv) Whether the conversion price of the ICULS would change at the maturity date.

CIMB's response:-

The conversion price is fixed notwithstanding any change in share prices. The nominal price (RM1.00 each ICULS) for the ICULS is payable upon the subscription of the ICULS and the ICULS is convertible into new ACSM ordinary shares based on a fixed conversion price. There is no payment upon conversion into new ACSM ordinary shares. The only payment requirement is upon the subscription of the ICULS.

There would be necessary adjustments to the conversion price based on the terms of the Trust Deed if ACSM undertakes future corporate exercises that alters ACSM's share capital such as rights issue, bonus issue, share consolidation, share subdivision or capital reduction.

- (v) The main advantage of conversion of the ICULS during the different periods.

CIMB's response:-

Depending on the bullishness of the mother share price, ICULS holders can take advantage of any positive mother share price movement to convert their ICULS holdings at the fixed conversion price, to realize any capital appreciation. The conversion price is fixed throughout the tenure of the ICULS unless the Company undertakes exercises that alter its share capital in which case there will be adjustments needed to realign the interest of ICULS holders.

- (vi) Clarification on the estimated expenses for the Proposed Bonus Issue and Proposed Rights Issue.

CIMB's response:-

The estimated expenses of RM4.6 million are mainly due to the required underwriting costs which are common for such an exercise and other professional and regulatory fees. It also included administrative costs and the fees of all the professionals involved in the exercise.

After having addressed the questions raised, Dato' Chairman then proceeded to the Ordinary Resolution 1 on the Proposed Bonus Issue.

Dato' Chairman put the Ordinary Resolution 1 on the Proposed Bonus Issue to the Meeting to be voted by poll.

The results of the poll for the Ordinary Resolution 1 on the Proposed Bonus Issue were as follows:-

Resolution	Votes For		Votes Against		Results
	No. of Shares	%	No. of Shares	%	
Ordinary Resolution 1 Proposed Bonus Issue	110,017,428	99.96	44,699	0.04	CARRIED

It was RESOLVED:-

“THAT conditional upon the requisite approvals of all relevant authorities/parties for the listing of and quotation for the Bonus Shares to be issued by the Company pursuant to the Proposed Bonus Issue on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) being obtained, the Board of Directors of ACSM (“Board”) be and is hereby authorised to allot and issue 72,000,000 Bonus Shares at an issue price of RM0.50 each to be capitalised from the Company’s retained earnings and the same be applied for the allotment and issuance of the Bonus Shares, credited as fully paid-up, to the shareholders of the Company on the basis of 1 Bonus Share for every 2 existing ACSM Shares held by entitled shareholders of ACSM whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined by the Board and announced at a later date by ACSM;

THAT fractional entitlements arising from the Proposed Bonus Issue, if any, shall be disregarded and shall be dealt with at the Board’s absolute discretion in such manner as it deems fit and in the best interests of the Company;

THAT the Bonus Shares shall, upon allotment and issuance, rank equally in all respects with the existing ACSM Shares, save and except that the Bonus Shares will not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid where the entitlement date is before the allotment date of the Bonus Shares;

AND THAT the Board be and is hereby further authorised to take all such necessary steps to give full effect to the Proposed Bonus Issue with full powers to make and/or assent to any condition, modification, variation and/or amendment (if any) as the Board may deem fit, necessary and/or expedient in the interest of the Company or as may be imposed by any relevant authorities in order to implement, finalise and give full effect to the Proposed Bonus Issue, in the best interest of the Company.”

8. ORDINARY RESOLUTION 2
- PROPOSED RIGHTS ISSUE

Dato’ Chairman put the Ordinary Resolution 2 on the Proposed Rights Issue to the Meeting to be voted by poll.

The results of the poll for Ordinary Resolution 2 on the Proposed Rights Issue were as follows:-

Resolution	Votes For		Votes Against		Results
	No. of Shares	%	No. of Shares	%	
Ordinary Resolution 2 Proposed Rights Issue	109,528,082	99.51	538,625	0.49	CARRIED

It was RESOLVED:-

“THAT conditional upon the requisite approvals of all relevant authorities/parties for the issuance of the ICULS and the admission of the ICULS on the Official List of Bursa Securities, the listing of and quotation for the ICULS on the Main Market of Bursa Securities and the listing of and quotation for the new ACSM Shares to be issued upon conversion of the ICULS on the Main Market of Bursa Securities being obtained, the Board be and is hereby authorised to offer, provisionally allot and issue by way of a renounceable rights issue of 432,000,000 ICULS at 100% of its nominal value of RM1.00 each in cash, such that a gross proceeds of RM432,000,000 be raised from the shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined by the Board and announced at a later date by ACSM, where:

- (i) in the event that the Proposed Bonus Issue (as described in Ordinary Resolution 1) is completed, the Proposed Rights Issue will be undertaken on the basis of two (2) ICULS for every one (1) existing ACSM Share held by ICULS entitled shareholders of ACSM; or
- (ii) in the event that Proposed Bonus Issue is not completed for whatsoever reason, the Proposed Rights Issue will be undertaken on the basis of three (3) ICULS for every one (1) existing ACSM Share held by ICULS entitled shareholders of ACSM,

based on the indicative terms and conditions of the ICULS set out in Appendix I of the Company’s circular to the shareholders of ACSM dated 6 June 2017 (“Circular”);

THAT the Board be and is hereby authorised to determine, and vary if deemed fit, necessary or expedient, the conversion price of the ICULS to be issued in connection with the Proposed Rights Issue;

THAT the Board be and is hereby authorised to allot and issue up to 58,064,516 new ACSM Shares arising from the conversion of the ICULS, from time to time during the tenure of the ICULS in accordance with the provisions of the trust deed constituting the ICULS to be executed by the Company and as supplemented from time to time;

THAT the Board be and is hereby authorised to allot and issue such additional ICULS, the number of ACSM Shares which the ICULS holder is entitled to convert or adjust from time to time the ICULS conversion price, as a result of any adjustments under the provisions of the ICULS trust deed or as may be required by the relevant authorities;

THAT any fractional entitlements of ICULS under the Proposed Rights Issue will be disregarded and shall be dealt with at the Board's absolute discretion in such manner as it deems fit and in the best interests of the Company;

THAT the ICULS will be constituted by a trust deed to be executed between the Company and an appointed trustee for the benefit of the ICULS holders and the Board be and is hereby authorised to enter into and execute the ICULS trust deed with full powers to assent to any condition, modifications, variations or amendments in any manner as may be required by the relevant authorities or as the Board may consider necessary and with full powers to implement and give effect to the terms and conditions of the ICULS trust deed;

THAT any ICULS not subscribed or not validly subscribed for shall be made available for excess applications by the ICULS entitled shareholders or their renouncee(s)/transferee(s) and the Board be and is hereby authorised to allocate such excess ICULS in a fair and equitable manner on a basis to be determined later by the Board;

THAT the new ACSM Shares to be issued arising from the conversion of the ICULS shall, upon allotment and issuance, rank equally in all respects with the existing ACSM Shares, save and except that they will not be entitled to any dividends, rights, allotments and/or any other distributions that may be declared, made or paid where the entitlement date is before the allotment date of the new ACSM Shares;

THAT any fractional new ACSM Shares arising from the conversion of the ICULS shall be disregarded and shall be dealt with at the Board's absolute discretion in such manner as it deems fit and in the best interests of the Company;

THAT the ICULS shall constitute direct, unconditional, unsecured and unsubordinated obligations of ACSM and subject to the provisions contained in the trust deed, at all times rank equally, without discrimination, preference or priority between themselves and all present and future direct, unconditional, unsecured and unsubordinated debts and obligations of ACSM except those which are preferred by law;

THAT the Board be and is hereby authorised to utilise the proceeds from the Proposed Rights Issue in the manner and for the purpose as set out in Section 4 of the Circular and the Board be and is hereby authorised with full powers to vary the manner, timing and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient or in the best interests of the Company, subject to the approval of the relevant authorities/parties (where required);

THAT the Board be and is hereby authorised to enter into and execute underwriting agreement(s) for such portion of the ICULS for which no undertaking has been procured and with full powers to assent to any condition, modifications, variations or amendments in any manner as may be required by the relevant authorities or as the Board may consider necessary and with full powers to implement and give effect to the terms and conditions of the underwriting agreement(s) to be executed by the Company;

AND THAT the Board be and is hereby further authorised to take all such necessary steps to give full effect to the Proposed Rights Issue with full powers to make and/or assent to any condition, modification, variation and/or amendment (if any) as the Board may deem fit, necessary and/or expedient in the interest of the Company or as may be imposed by any relevant authorities in order to implement, finalise and give full effect to the Proposed Rights Issue in the best interest of the Company.”

9. CONCLUSION

There being no other business to be transacted, the Meeting concluded at 1.25 p.m. with a vote of thanks to the Chair.

SIGNED AS A CORRECT RECORD

- SIGNED -

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CHAIRMAN

Dated : 22 August 2017