



AEON Credit Service (M) Berhad
(Company No.: 412767-V)

EVERYDAY
AEON
CARD™



AEON Credit Service (M) Berhad (412767-V)



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

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an introduction to AEON Credit Service (M) Berhad



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

Today the business of the Company has expanded to include issuance of Credit Cards, Easy Payment schemes, Personal Finance schemes and other services. The Company currently has 3 Regional Offices, 29 branches and Service Centres located in major shopping centres and towns and a network of more than 5,300 participating merchant outlets nationwide. AEON Credit believes in working closely with its business partners to provide consumer financing products and services which meet customer needs. The Company currently has more than 600,000 cardmembers for the various products and more than 1,500 staff in service with the Company.



AEON Credit is a subsidiary of AEON Credit Service Co. Ltd, Japan (AEON Credit Japan), which is listed on the First Section of the Tokyo Stock Exchange. AEON Credit Japan is mainly involved in the issuance of credit cards, and it currently has more than 16.97 million card members in Japan. It is one of the biggest credit card issuers and a leading consumer credit provider in Japan.

AEON Credit Japan is in turn part of the AEON Group of Companies (AEON Group), a global retail and financial services group. AEON Group consists of more than 150 subsidiaries and affiliated companies. AEON Group operates not only in Japan but also in Southeast Asia, China and North America.



The fundamental principle of AEON is its “customer-centered approach.” AEON’s mission is to contribute to customers.

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

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

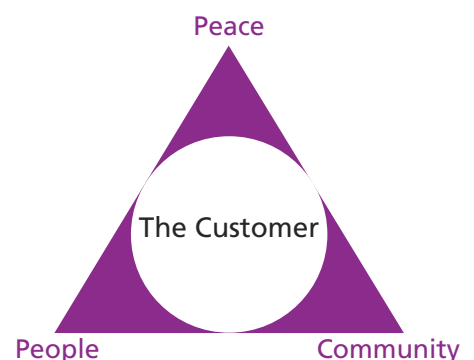


AEON’S BASIC PRINCIPLES

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.





MILESTONES OVER

1997

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

1998

- Began issuing AEON Express Card (a privilege card)
- Expansion of General Easy Payment Scheme within Peninsular Malaysia outside Klang Valley namely Ipoh, Perak and Melaka

1999

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

2001

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

2002

- Launched Motorcycle Easy Payment Scheme, with 50 appointed merchants within Klang Valley and later in Johor Bahru, Johor
- Changed name from ACS Credit Service (M) Sdn. Bhd. to AEON Credit Service (M) Sdn. Bhd.

2003

- Launched Personal Financing Scheme, which is based on Syariah principles.
- Set-up first AEON Credit Service Centre in Kuala Lumpur



THE YEARS

2004

- Full expansion of Personal Financing Scheme to major towns nationwide
- Entered into agreements with Visa International Service Association and MasterCard International Incorporated to issue credit cards.
- Obtained ISO 9001:2000 UKAS Quality Management, certified by UKAS, in line with our vision of providing excellent customer service

2005

- Started insurance sales business
- Obtained approval from Bank Negara Malaysia to issue credit cards
- Launched AEON Credit Card
- Launched JUSCO Credit Card, a co-brand credit card with AEON CO. (M) BHD.
- Opened AEON Credit Service Centre within shopping centres outside Klang Valley

2006

- Launched specific purpose financing
- Obtained ISO 27001:2005 for information security management system
- Established 3 service centres in JUSCO Shopping Centres bringing nationwide network to 24

2007

- Launched RM400 million commercial paper/medium term notes programme
- Launched ATM Network and AEON-CASH @ ATM.
- Launched AEON & JUSCO Gold Visa Credit Card
- Launched Motorcycle Association Affinity Gold Visa Card.
- Listed on Main Board of Bursa Malaysia Securities Berhad

2008

- Launched CRUIZE Visa Card with Automobile Association of Malaysia (AAM)
- Launched AEON Zing card with Touch 'n Go Sdn. Bhd.
- Established 3 regional offices in Penang, Johor and Pahang
- Expanded nationwide network of service centres and branches by establishing 3 service centres inside new JUSCO Shopping Centres

2008 events

milestones

JUSCO Credit Card and J CARD Recruitment



The Company held joint card application recruitment with AEON CO. (M) BHD. to cross-promote JUSCO Credit Card and J CARD to provide convenience and more benefits, such as double points rewards, to cardmembers.

AEON Zing Card



Customers applying for AEON Touch 'n Go Zing Card enjoyed a fee waiver of RM10. Cardmembers are able to reload their card automatically through their AEON Credit Card without the hassle of queuing.

AEON Day



During AEON Day, customers are invited over to branches to enjoy themselves in a carnival-like atmosphere to raise awareness on the products and services offered by the Company. Aside from that, the Company together with

merchants provide special offers and exclusive discounts on products displayed. To further enhance customer experience, food and beverage as well as consumer oriented companies were invited to participate in the event.

Executive Cash



On 1 August 2008, the Company introduced Executive Cash, a flexible personal financing solution to attract a wider consumer group with higher disposable income. This scheme is an expansion of the Company's Personal Financing scheme.

AEON Credit – Woongjin Coway Business Partnership Launch



The Company entered into a partnership agreement with Woongjin Coway to finance Coway products such as water purifiers on 19 February 2009. This extension of AEON-XPRESS Easy Payment Scheme (AEON-XPRESS) will be available to all Coway customers nationwide. Through this partnership, customers will be able to subscribe to more value-added financing schemes to upgrade their lifestyles.

promotions

Football Mania! Match and Win Contest



AEON-XPRESS customers stood a chance to win great prizes through this competition. The Company gave away LCD televisions and much more in conjunction with EURO 2008. The contest was held from 26 March to 30 June 2008.

Design to Travel



In line with the launch of Executive Cash, the Company launched its "Design to Travel" contest where 15 lucky AEON-CASH approved customers were rewarded with holiday packages. The contest was held from 21 April 2008 to 20 June 2008.

Dream Cruises Getaway Contest



The Company held the Dream Cruises Getaway contest to all Easy Payment, Personal Financing and Credit Card new approved applicants. The contest was held from 1 August 2008 to 31 October 2008 where the Company gave away Star Cruises Tour Packages to 60 lucky winners.

company expansion

Home Makeover Contest



Personal Financing customers were required to sign the theme "Home Makeover" in the most creative way to be in the running for the grand prizes which were product vouchers. The contest ran from 7 November 2008 to 15 February 2009.

JUSCO Point Enhancement Program



The Company, in collaboration with AEON CO. (M) BHD., enhanced the reward points benefits to cardmembers holding both JUSCO Credit Card and J CARD. Through this enhancement, cardmembers are able to collect double points for every Ringgit spent.

JUSCO 2% Cash Rebate



To promote uptake and usage of AEON JUSCO credit card, the Company rewarded customers spending RM50 and above at JUSCO from 28 November 2008 to 4 January 2009 with 2% rebate.

CALTEX 2% Rebate



From 28 November 2008 onwards, AEON cardmembers spending a minimum of RM300 per month will enjoy 2% rebate at all 420 CALTEX petrol stations nationwide. This is in line with the Company's objective of rewarding cardmembers.

Opening of Regional Operation Centres



In line with the Company's plans to streamline its services and operations on a regional basis, 3 regional offices were established in Johor Bahru (July 2008) for the Southern Region, Kuantan (August 2008) to handle East Coast operations and Butterworth (October 2008) to oversee Northern Region operations. The functions of the regional offices include credit processing, credit management and customer care centre. With the establishment of these regional offices, the Company will be able to improve costs efficiency, streamline operations and provide better and more efficient service to customers, business partners and merchants.

Opening of 3 Service Centres



The Company had opened 3 new service centres, expanding its network to 29 branches and service centres nationwide to cater for local area needs and provide convenience for consumers. The 3 new service centres are located in Seberang Prai, Penang (22 August 2008), Ampang Utara 2, Kuala Lumpur (5 December 2008) and Bukit Indah, Johor Bahru (19 December 2008). All 3 service centres are located inside JUSCO Shopping Centres.

corporate

Annual General Meeting



The Company held its eleventh Annual General Meeting of shareholders on 17 June 2008 at Mahkota III Ballroom, Hotel Istana. The Annual General Meeting was the first for the Company since listing on the Main Board of Bursa Malaysia on 12 December 2007.

Interim and Final Dividends



The Company declared and paid out final dividends of 7.44 sen for FYE2008 on 28 June 2007 and interim dividends of 8.76 sen on 24 October 2008 to reward shareholders of the Company. The gross interim dividend declared was 62% higher than the interim dividend in the previous year (including special dividend paid) while the net interim dividend paid represented dividend payout ratio of 37% against the net profit for the six months ended 20 August 2008.

Investor Relations Presentation



2 presentations were held during the year to update investors and analysts on the Company's performance and growth prospects, coinciding with the announcement of final results for FYE February 2008 and interim results for six months ended August 2008.

Business Retreat



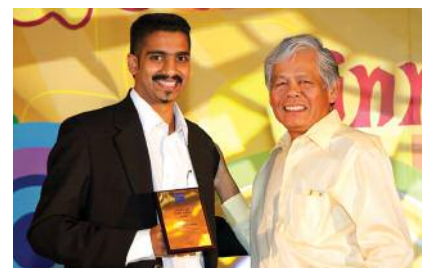
The Company had its annual Business Retreat on 3 and 4 January 2009 to discuss the Company's plans for the current year and its 3 years business plan. The Business Retreat allows top and senior management to discuss and brainstorm on ideas and strategies while fostering closer relations in a more relaxed environment.

Policy Announcement



The Company held its Policy Announcement on 28 February 2009 which was attended by middle to senior management staff. During this event, the Company's performance for the previous year was reviewed and the Company's plans and expectations for the year ahead was announced. Also announced at the event were names of the promoted staff.

Annual Dinner and Staff Awards



The Company held its annual dinner themed "Golden Retro Night" on 28 February 2009. Over 1,100 staff nationwide attended the dinner. It was a night of joy, friendship, celebrations and awards. Among the awards announced were the Excellent Staff Award, Meritorious Staff Award, Excellent Customer Service Award and Top Sales Award.

corporate responsibility

AEON Credit seeks to fulfill its corporate social responsibility (CSR) with regard to the provision of education, safety, security and global environmental preservation. The Company has aimed to reinforce the wellbeing of and social participation within the community it serves. Through employee fund raising activities and community contributions, the Company and its employees contribute to social welfare facilities. Moreover, year round, employees enthusiastically volunteer to participate in a variety of social welfare and CSR activities.

The Company together with AEON CO. (M) BHD. had raised contributions through its Myanmar Cyclone & China Earthquake Fundraising campaign to aid those affected by the devastation following the disasters affecting both countries. The contribution was presented to MERCY Malaysia on 16 July 2008. AEON Credit had placed donation boxes in its offices, branches and service centres nationwide as part of its campaign.

The Company contributed helmets and luminous stickers in conjunction with Yamaha's Safety Campaign, co-organised by the Ministry of Transportation and Malaysia Motorcycle and Scooter Dealers Association, at Universiti Kebangsaan Malaysia, Bangi, to motorcyclists to ensure their safety on the road.

The Company also donated side-carts during a charity event organised by the Selangor & Federal Territory Motorcycle & Scooter Dealers Association for the purpose of supporting the daily transportation needs of handicapped people.

Apart from that, the Company organised a blood donation drive for staff of the Company to assist in the replenishment of stocks for the National Blood Bank.

As part of AEON Group policy to conduct and participate in activities aimed at preserving the environment for future generations and helping to "green the earth", the Company participated in tree planting exercises held at JUSCO Shopping Centres prior to the service centre's official opening. The activities were held at Seberang Prai, 26 July 2008, Ampang Utara 2, 25 October 2008 and Bukit Indah, 15 November 2008. The Company had also participated in tree planting activity at Paya Indah Wetlands on 25 October 2008.

Throughout the year, the Company had conducted various training and development courses for the benefit of its staff for their career development and to provide better customer service and provide quality customer service. Among the trainings and courses held were Quality Management System and Information Security Management System training, Customer Service Mindset training, Effective Suggestive Selling and Cross Selling Technique courses, Internal Customer Service and Problem Solving training.



MERCY Donation for Myanmar and China disaster



Yamaha Safety Campaign



Side-carts Donation



Blood Donation



Quality Management System Training



Internal Futsal Game

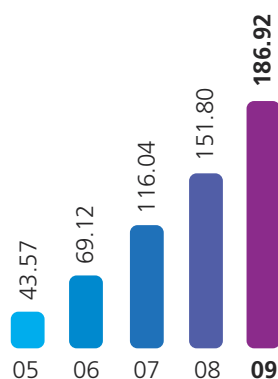


Tree Planting in Paya Indah Wetlands

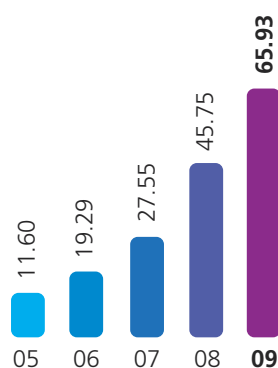
5 years financial highlights

	FYE2009 RM'000	FYE2008 RM'000	FYE2007 RM'000	FYE2006 RM'000	FYE2005 RM'000
INCOME STATEMENT					
Revenue	186,919	151,797	116,043	69,119	43,574
Profit before tax	65,930	45,750	27,545	19,293	11,604
Profit after tax	48,757	33,394	19,702	13,506	8,206
BALANCE SHEET					
Assets					
Plant and equipment	24,820	21,608	23,367	18,119	6,458
Investment	1,797	1,026	1,026	1,026	–
Receivables	323,325	256,176	168,486	119,396	63,236
Deferred tax assets	–	–	–	–	201
Total non-current assets	349,942	278,810	192,879	138,541	69,895
Receivables, deposits and prepayments	557,718	450,130	376,536	198,357	123,758
Cash and bank balances	2,462	2,404	2,072	778	423
Total current assets	560,180	452,534	378,608	199,135	124,181
Total assets	910,122	731,344	571,487	337,676	194,076
Equity					
Share capital	60,000	60,000	49,000	12,000	4,000
Share Premium	56,147	56,147	15,000	–	–
Retained earnings	99,696	65,430	40,165	50,784	21,501
Total equity attributable to shareholders of the Company	215,843	181,577	104,165	62,784	25,501
Liabilities					
Borrowings (unsecured)	358,529	311,395	268,246	182,500	90,700
Deferred tax liabilities	2,386	2,523	2,162	1,400	–
Total non-current liabilities	360,915	313,918	270,408	183,900	90,700
Payables and accruals	50,035	42,582	39,548	25,275	15,709
Borrowings (unsecured)	276,279	188,198	154,539	65,602	61,041
Taxation	7,050	5,069	2,827	115	1,126
Total current liabilities	333,364	235,849	196,914	90,992	77,875
Total liabilities	694,279	549,767	467,322	274,892	168,575
Total equity and liabilities	910,122	731,344	571,487	337,676	194,076
STATISTICS					
Net earnings per share (sen)*	40.63	32.65	25.00	19.10	12.43
Gross dividends per ordinary share (sen)	20.10	12.84	6.84	5.33	–
Net assets per share (RM)	1.80	1.51	1.06	5.23	6.38

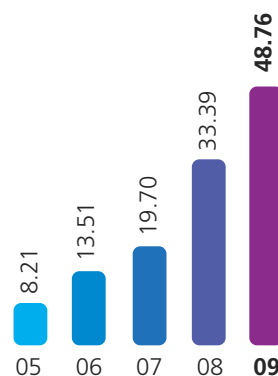
* Note : Earnings per share has been calculated based on weighted average number of ordinary shares outstanding in the respective year.
Comparative earnings per share and dividends per share information have been restated after adjusting for the bonus issue and share split undertaken by the Company in December 2006.



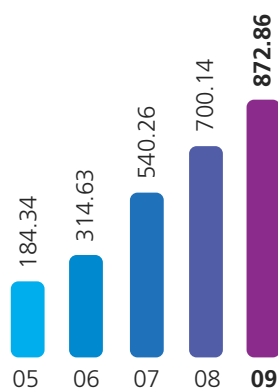
Revenue
(RM Million)



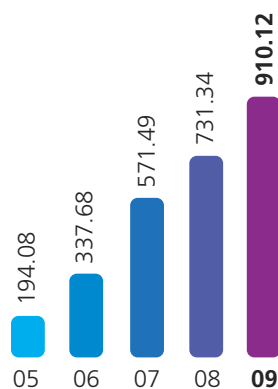
Profit Before Tax
(RM Million)



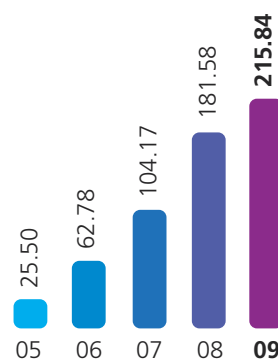
Profit After Tax
(RM Million)



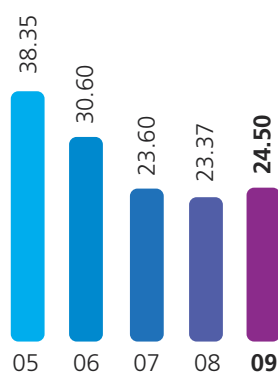
Trade Receivables
(RM Million)



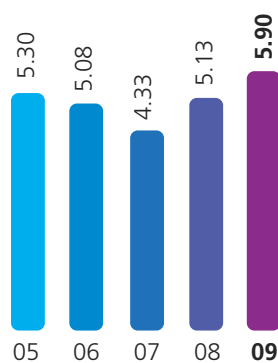
Total Assets
(RM Million)



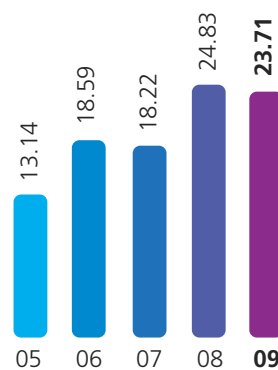
Shareholders' Fund
(RM Million)



Return on Equity
(%)



Return on Assets
(%)



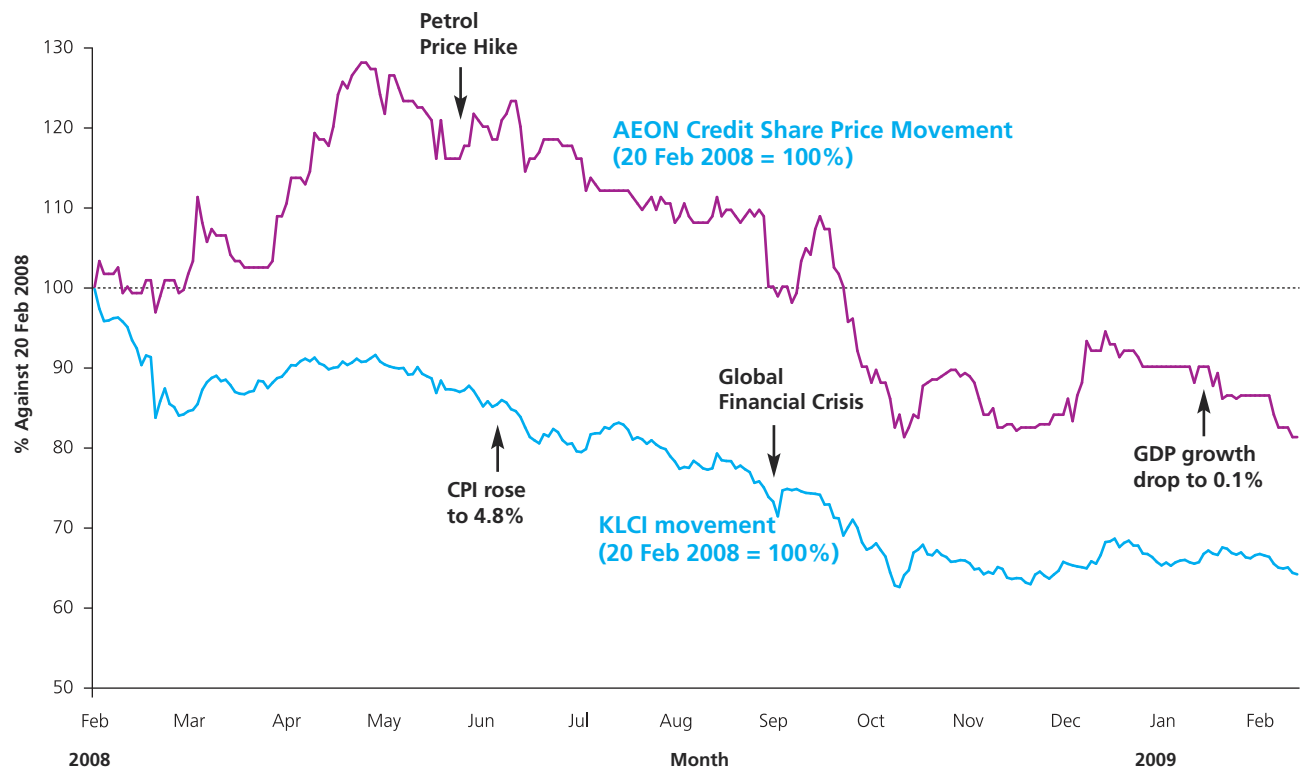
Capital Adequacy Ratio
(%)

share price

**AEON CREDIT SHARE PRICE VS. KUALA LUMPUR COMPOSITE INDEX (KLCI)
(21-02-08 TO 20-02-09)**



**AEON CREDIT SHARE PRICE MOVEMENT VS. KUALA LUMPUR COMPOSITE INDEX (KLCI) MOVEMENT
(21-02-08 TO 20-02-09)**



corporate information

BOARD OF DIRECTORS

Dato' Abdullah bin Mohd Yusof
(Chairman)

Mr. Naruhito Kuroda
(Managing Director)

Mr. Yoshiki Mori

Mr. Takatoshi Ikenishi

Datuk Ramli bin Ibrahim

Dato' Md Kamal bin Ismaun

Mr. Ng Eng Kiat

Mr. Yasuhiro Kasai

Mr. Krishnappan a/l S.P.S. Singaram

Mr. Clarence Chai

SECRETARIES

Ms. Tai Yit Chan (MAICSA 7009143)

Ms. Wong Lai Kuan (MAICSA 7032123)

REGISTERED OFFICE

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

HEAD OFFICE

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Malaysia
Tel: +603-2772 9000
Fax: +603-2711 4110

AUDITORS

KPMG (AF No. 0758)
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Tel: +603-7721 3388
Fax: +603-7721 3399

REGISTRARS

Symphony Share Registrars
Sdn Bhd
Level 26, Menara Multi-Purpose
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No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel: +603-2721 2222
Fax: +603-2721 2530

HOMEPAGE

www.aeonmalaysia.com.my

STOCK EXCHANGE LISTING

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

STOCK NAME: AEONCR

STOCK CODE: 5139

PRINCIPAL BANKERS

Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad
Bank of Tokyo-Mitsubishi UFJ, Ltd
CIMB Bank Berhad
Citibank Berhad
Hong Leong Bank Berhad
Hong Leong Islamic Bank Berhad
Malayan Banking Berhad
Mizuho Corporate Bank, Ltd
Public Bank Berhad
RHB Islamic Bank Berhad
Sumitomo Mitsui Banking Corporation

corporate calendar

Notice of Annual General Meeting
Annual General Meeting
Payment of Dividend (Final)

(Interim)

First Quarter Results Announcement
Second Quarter Results Announcement
Third Quarter Results Announcement
Fourth Quarter Results Announcement

26 May 2008
17 June 2008
Book Closure – 2 July 2008
Payment – 18 July 2008
Book Closure – 14 October 2008
Payment – 24 October 2008
16 June 2008
25 September 2008
22 December 2008
17 April 2009

chairman's statement



“ AEON Credit will primarily focus on introducing products with quality service relevant to boosting consumer spending especially in our card and easy payment business segments. We will also focus on rewarding customers in many more ways by increasing the synergy with our business partners. ”

On behalf of the Board of Directors, I am pleased to present AEON Credit Service (M) Berhad Annual Report and Audited Financial Statements for the financial year ended 20 February 2009.

Malaysia's GDP growth was 4.6% last year, compared with 6.3% growth in 2007. This was mainly due to a slowdown in exports of the manufacturing sector, particularly electrical and electronic goods. The central bank has projected a minus 1 to 1% economic growth this year.

AEON Credit recorded a net profit of RM48.757 million, representing 46% increase when compared to last year. This resulted in earnings per share of 40.63 sen, an increase of 24.4% over the previous year of 32.65 sen.

LOOKING FORWARD

For the Malaysian economy to grow in 2009, consumer spending will be one of the key drivers and this is expected to provide momentum for the expansion and growth of AEON Credit's consumer financing business.

The coming year, 2009, will be challenging for the Company as banks and non-banks alike intensify sales and marketing activities but we believe there is room for growth and expansion, even in the current economic climate. AEON Credit will primarily focus on introducing products with quality service relevant to boosting consumer spending especially in our card and easy payment business segments. We will also focus on rewarding customers in many more ways by increasing the synergy with our business partners.

AEON Credit will capitalize on promoting our products and services, especially our Credit Cards and Easy Payment products, at a time where consumers are looking for ways and means to maintain their lifestyles while being cautious on spending cash for purchases.

The above mentioned will be achieved through our recently established Regional Centres and marketing offices nationwide to capture more areas and wider market segments as well as recruit merchants.

DIVIDEND

The proposed final dividend for the year of 11.34 sen per share less 25% income tax, would amount to final net dividend payment of RM10.206 million. This would result in total dividend payout ratio of 37.1% of the net profit for FYE2009, including interim dividends paid in the course of the year. The Company had paid out final dividend of 7.44 sen per share less 26% income tax last financial year, signifying an increase of 59.6% for FYE2009 from FYE2008.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I wish to take this opportunity to thank my fellow Board members, the Management and all the staff members for their dedication and efforts to the Company.

The Board also wishes to express their sincere thanks to all our valued shareholders, business associates, bankers, government authorities and most of all, our customers for their continuing support to the Company.

Thank you.

Dato' Abdullah
Chairman

managing director's operations review

“ Our strategy and services will be able to contribute towards improving the lifestyle of our customers despite the current economic downturn in Malaysia ”



FINANCIAL REVIEW

AEON Credit is committed to becoming one of the leading consumer financier by creating convenience to its customers with quality consumer financing products and services that best meet customer needs.

The Company's financial performance remained resilient in the face of intensified competition and weakened economic conditions. This year the Company's revenue rose to RM186.9 million from RM151.8 million in FYE2008, a 23% increase over the previous year. Profit before tax grew by 44.11% to RM65.9 million from RM45.75 million last financial year and earnings per share increased to 40.63 sen, a 24.4% improvement over 32.65 sen in the previous year.



This is reflected in the increase in revenue from the 3 major product segments; Credit Cards, Easy Payment Schemes and Personal Financing Schemes, which grew by 20%, 24% and 21% respectively. Total card base grew to 640,000, comprising 117,000 Credit Cardmembers and 523,000 Express Cardmembers.

Non-performing loans ratio improved from 2.15% last financial year to 1.87%, a ratio which is within acceptable threshold due to the Company's prudent lending policy and effective credit management efforts.

OPERATIONAL REVIEW

Card Business

The market environment has been challenging as card issuers compete to increase their card base. AEON Credit continued to grow its cardbase by implementing various promotions and growth strategies to provide cardmembers more rewards when using AEON credit cards.

Among the promotional activities held that contributed to the growth achievement of the credit card business were 2% Cash Rebate when spending at JUSCO stores and CALTEX petrol stations as well as active participation in promotional activities during J CARD Day. Aside from the promotional activities, the Company was aggressive in its joint recruitment activities for credit card and J CARD at JUSCO stores.

managing director's operation review (cont'd)



Further Establishing Nationwide Presence

The Company expanded its network of service centres to 29 locations nationwide to bring convenience to its customers and further enhance its presence in Malaysia. The 3 new locations are Seberang Prai, Ampang Utara 2 and Bukit Indah, all located inside JUSCO Shopping Centres.

In order to streamline services and operations, AEON Credit had established 3 regional offices in Butterworth to handle its Northern Region operations, Johor Bahru for its Southern operations and Kuantan for its East Coast operations, overseeing marketing, credit processing, credit management and customer care centre functions for the respective regions. With the establishment of these regional offices, the Company will be able to improve cost efficiency, streamline operations and provide better and more efficient service to both customers and merchants.

Easy Payment and Personal Financing Business

Easy Payment schemes continue to be the major contributor to the profit growth of the Company. This is attributable to the promotional and awareness activities held throughout the year.

The Company had also expanded its network of participating merchants and chain stores, which offer Easy Payment schemes to customers nationwide, to over 5,300 merchant outlets including in sub-urban areas to widen its market and consumer base nationwide.

To cater for the demands of SME businesses, AEON Credit continues to seek growth for AEON-Biz, a financing scheme for small companies to purchase office automation equipment such as computers, photocopying machines and furniture, to allow these companies to optimise utilisation of capital for their operations.

The Company had also introduced Eazy-Apply for its Easy Payment scheme products. Eazy-Apply allows for faster approval and less documentation for applications. AEON Credit recently extended its Easy Payment scheme to cover new products such as water and air purifiers seeing the increasing demand for these items from consumers. The Company had also introduced "Executive Cash" personal financing to better meet demands from a wider income range of customers.



Future Plans

For the next financial year, AEON Credit will be looking at various strategies to boost its credit card base, increase uptake of products and expand its affiliated merchant network nationwide. The Company will be implementing programs which are more rewarding to customers and introduce a new point and redemption scheme especially for its Credit Cardmembers.

The Company will be establishing marketing offices in 7 new locations nationwide to support its business expansion plans. The offices will be located at Sungai Petani, Setiawan, Taiping, Segamat, Temerloh, Sandakan and Sibu with major role to realise Easy Payment merchant network expansion plans. AEON Credit is targeting to increase its merchant outlets to 6,000 by the end of the next financial year. This will enable the Company to market its products to more areas to capture a wider group of consumers and raise awareness for the AEON Credit brand.

Moving forward, there will be expansion of the Easy-Payment product range to cater for the demands of consumers. These products include water purifiers, air cleaners, health equipment, etc, to provide more choice and convenience to consumers.

To bring further convenience to customers and merchants, the Company plans to introduce an internet transactions portal, where consumers can apply and enquire on products and services such as Credit Cards, Easy Payment and Personal Financing

schemes, insurance products and other services offered by AEON Credit. The portal will also allow merchants to reduce paper usage and accelerate response time on matters pertaining to approvals, assessments and others inquiries.

The Company will also seek growth in fee-based revenue through over the counter services by selling, cross-selling, and packaging insurance products and other fee-based third party products.

I believe that our strategy and services will be able to contribute towards improving the lifestyle of our customers despite the current economic downturn in Malaysia.

ACKNOWLEDGEMENT

I would like to thank the Board of Directors, employees, our shareholders, customers and business associates for your confidence in and continued support for the Company. I would also like to express my appreciation and gratitude to the management and staff of the Company for your continued support and dedication, which are essential for the future growth of the Company.

Yours sincerely,

Naruhito Kuroda
Managing Director



www.aeonmalaysia.com.my





BOARD OF DIRECTORS

Front row from left:

MR. YOSHIKI MORI
Non-Independent
Non-Executive Director

DATO' ABDULLAH BIN MOHD YUSOF
Chairman and Independent
Non-Executive Director

MR. NARUHITO KURODA
Managing Director

Back row from left:

DATUK RAMLI BIN IBRAHIM
Independent Non-Executive Director

MR. TAKATOSHI IKENISHI
Non-Independent
Non-Executive Director

DATO' MD KAMAL BIN ISMAUN
Independent Non-Executive Director

MR. NG ENG KIAT
Independent Non-Executive Director

MR. YASUHIRO KASAI
Executive Director

MR. KRISHNAPPAN A/L S.P.S. SINGARAM
Executive Director

MR. CLARENCE CHAI
Executive Director

profile of directors

DATO' ABDULLAH MOHD YUSOF

(70, MALAYSIAN)

Chairman and Independent Non-Executive Director

Dato' Abdullah bin Mohd. Yusof was appointed the Chairman of AEON Credit Service (M) Berhad on 23 July 1997. He holds a Bachelor of Law (Honours) from University of Singapore, which he obtained in 1968. He has more than thirty (30) years of experience as an Advocate & Solicitor. He started his career with Skrine & Co, as a Legal Assistant in 1968 before starting his own partnership under the name of Tunku Zuhri Manan & Abdullah, Advocates & Solicitors in 1969 and subsequently renamed the law firm to Abdullah & Zainudin, Advocates and Solicitors in 1989. He presently remains a partner in Abdullah & Zainudin, Advocates and Solicitors. He sits on the Board of Directors of AEON CO. (M) BHD., MMC Corporation Berhad, Zelan Berhad and Tradewinds Corporation Berhad, all of which are companies listed on Bursa Securities. He sits on the Board of Directors of several private limited companies. He also serves as a member of the Nomination and Remuneration Committees and has attended all four (4) Board meetings held in the financial year. He holds 359,900 ordinary shares directly in the Company and 123,000 ordinary shares indirectly in the Company.



MR. NARUHITO KURODA

(47, JAPANESE)

Managing Director

Mr. Naruhito Kuroda was appointed as an Executive Director of AEON Credit Service (M) Berhad on 26 April 2001. He obtained a Bachelor's Degree in English Literature from Kansai University of Foreign Studies, Japan in 1984. He began his career with AEON Co., Ltd in 1984. In 1992, he was transferred to AEON Credit Service Co., Ltd as a Senior Manager of Marketing in AEON Credit Service (ASIA) Co., Ltd, Hong Kong. He was appointed as a Director of AEON Thana Sinsap (Thailand) PLC in 1995 and as Deputy Managing Director of ACS Capital Corporation Ltd, Thailand in 1998. In 1999, he was appointed as a Director of AEON Credit Service (ASIA) Co., Ltd, Hong Kong. He had since resigned from his positions in AEON Thana Sinsap (Thailand) PLC, ACS Capital Corporation Ltd, Thailand and AEON Credit Service (ASIA) Co., Ltd, Hong Kong. In 2001, he was appointed as the Managing Director of the Company. He presently sits on the Board of Directors of AEON CO. (M) BHD. and is President Komisaris of PT AEON Credit Service Indonesia. He has attended all four (4) Board meetings held in the financial year. He holds 530,000 ordinary shares directly in the Company.



MR. YOSHIKI MORI

(58, JAPANESE)

Non-Independent Non-Executive Director

Mr. Yoshiki Mori was appointed as a Non-Executive Director of AEON Credit Service (M) Berhad on 7 August 1997. He obtained a Bachelor's Degree in Economics from University of Nanzan, Japan in 1973. He began his career with AEON Co. Ltd., Japan in 1973. He was transferred to AEON Credit Service Co., Ltd in 1981 and promoted as the Director and President and CEO of AEON Credit Service Co., Ltd in 1984 and 1995 respectively. He sits on the Board of Directors of AEON Credit Service Co., Ltd and AEON Co. Ltd., both of which are listed on the First Section of Tokyo Stock Exchange, AEON Credit Service (ASIA) Co., Ltd, Hong Kong and AEON Thana Sinsap (Thailand) PLC, Thailand (which are listed on the stock exchange of the respective countries.) He currently oversees the entire finance business of the AEON Group. He also serves as a Board member of several private limited companies. He is currently the Chairman of both the Nomination Committee and Remuneration Committee and has attended two (2) Board meeting held in the financial year. He holds 480,000 ordinary shares directly in the Company.





MR. TAKATOSHI IKENISHI

(45, JAPANESE)

Non-Independent Non-Executive Director

Mr. Takatoshi Ikenishi was appointed as a Non-Executive Director of AEON Credit Service (M) Berhad on 18 June 2008. He obtained a Bachelor's Degree in Economics from University of Kansai Gakuen, Japan in 1987. He began his career with AEON Credit Service Co., Ltd Japan in 2006 as Chief General Manager and was promoted to Head of Overseas Business Administration in 2007. He was appointed as Director of AEON Credit Service Co., Ltd on May in 2008. He is currently a member of both the Nomination Committee and Remuneration Committee and has attended one (1) Board meeting held in the financial year. He presently sits on the Board of Directors of AEON Credit Service (Asia) Co., Ltd, Hong Kong and AEON Thana Sinsap (Thailand) PLC, Thailand (which are listed on the stock exchange of the respective countries) aside from AEON Credit Service Co., Ltd., Japan. He does not hold any shares in the Company.



DATUK RAMLI BIN IBRAHIM

(68, MALAYSIAN)

Independent Non-Executive Director

Datuk Ramli bin Ibrahim was appointed as a Non-Executive Director of AEON Credit Service (M) Berhad on 23 July 1997. He qualified as a Chartered Accountant from the Institute of Chartered Accountants of Australia in 1965. He is a member of the Malaysian Institute of Accountants and a Fellow of the Australian Institute of Chartered Accountants. He has approximately 30 years of experience in the field of audit and accountancy with KPMG in Australia, United Kingdom and Malaysia. He was appointed to the position of Partner of KPMG Malaysia in 1971 and promoted to Senior Partner of KPMG Malaysia in 1989. He also served on the Board of Directors of KPMG International and KPMG Asia Pacific from 1990 to 1995. He retired from KPMG Malaysia in 1995. He further served as the Executive Chairman of Kuala Lumpur Options and Financial Futures Exchange Berhad from December 1995 to December 2000. Currently, he sits on the Board of AEON CO. (M) BHD., Ranhill Berhad, Measat Global Berhad, BCT Technology Berhad and several other unlisted public and private limited companies including HSBC Bank Malaysia Berhad. He also serves as a member of the Audit and Nomination Committees and has attended all four (4) Board meetings held in the financial year. He holds 160,000 ordinary shares directly in the Company.



DATO' MD. KAMAL BIN ISMAUN

(61, MALAYSIAN)

Independent Non-Executive Director

Dato' Md. Kamal bin Ismaun was appointed as a Non-Executive Director of AEON Credit Service (M) Berhad on 7 August 2007. He obtained a Bachelor's Degree in Arts from Universiti Malaya in 1975. He had served 32 years in the Foreign Service in various capacities both abroad and in Wisma Putra (Ministry of Foreign Affairs) which included stints as Counsellor at the Embassy of Malaysia in Tokyo, Japan (1986-1990), Charge d'Affaires in Zagreb, Croatia in Bosnia Herzegovina (1994-1996), Ambassador to Cambodia (1996-1999), Under-Secretary at the Ministry of Foreign Affairs (Southeast Asia and Pacific, 1999-2001), Director-General of ASEAN in the Ministry of Foreign Affairs (2001-2003) and Ambassador to Germany (2003 – July 2007). He was appointed as Advisor of Real Mild Sdn. Bhd. and sits on the Board of Directors of several private limited companies. He also serves as a member of the Audit and Nomination Committees and has attended all four (4) Board meetings held in the financial year. He holds 5,000 ordinary shares directly in the Company.

MR. NG ENG KIAT**(55, MALAYSIAN)****Independent Non-Executive Director**

Mr. Ng. Eng Kiat was appointed as a Non-Executive Director for AEON Credit Service (M) Berhad on 7 August 2007. He is a member of the Malaysian Institute of Accountants, Malaysian Institute of Certified Public Accountants, a fellow member of the Chartered Tax Institute of Malaysia (formerly known as Malaysian Institute of Taxation) and a fellow member of CPA Australia. He has more than thirty (30) years of experience in the field of audit, accountancy, corporate advisory and taxation. He had previously served as a member on a number of working groups of the Malaysian Accounting Standards Board and was a co-opted member on a number of committees of the Malaysian Institute of Certified Public Accountants. Presently, he is the Managing Partner of the merged firms of Azman, Wong, Salleh & Co. and Folks DFK & Co. He sits on the Board of Directors of several private limited companies. He also serves as the Chairman of the Audit Committee of the company and has attended all four (4) Board meetings held in the financial year. He holds 10,000 ordinary shares directly in the Company.

**MR. YASUHIRO KASAI****(37, JAPANESE)****Executive Director**

Mr. Yasuhiro Kasai was appointed as an Executive Director for AEON Credit Service (M) Berhad on 7 June 2005. He obtained a Bachelor's Degree in Law from Doshisha University of Japan in 1996. He began his career with AEON Credit Service Co., Ltd in Tokyo, Japan in 1996. He was seconded to Malaysia as Head of Management Information Systems in 1997. He has held various senior management responsibilities in our Company before being promoted to Head of Operation Management Division on 21 February 2008. He is principally responsible for managing the collection and quality of the Company's receivables and managing customers' transaction processing function. He does not hold any directorship in any other public company. He attended all four (4) Board meetings held in the financial year. He holds 90,000 ordinary shares directly in the Company and 50,000 ordinary shares indirectly in the Company.

**MR. KRISHNAPPAN A/L S.P.S. SINGARAM****(42, MALAYSIAN)****Executive Director**

Mr. Krishnappan was appointed as an Executive Director for AEON Credit Service (M) Berhad on 7 June 2005. He obtained the Certified Public Accountant qualification from the Malaysian Institute of Certified Public Accountants ("MICPA") in 1994 and is currently a member of both MICPA and the Malaysian Institute of Accountants ("MIA"). He began his career with KPMG Peat Marwick in 1987 before joining Sime Darby Berhad as Finance Manager in 1993 and Tanjung Serbaneka Holding Sdn. Bhd. as their Group Finance Manager in 1996. He joined our Company in 2000 as Manager of Finance Department. He has held various senior management responsibilities in our Company before being promoted to Head of Finance and Human Resource Division on 21 February 2008. He is responsible for the Company's financial and human resource management. He does not hold any directorship in any other public company. He attended all four (4) Board meetings held in the financial Year. He holds 90,000 ordinary shares directly in the Company.

**MR. CLARENCE CHAI****(46, MALAYSIAN)****Executive Director**

Mr. Clarence Chai was appointed as an Executive Director for AEON Credit Service (M) Berhad on 18 April 2006. He obtained the Advance Level qualifications in Business Studies from Hasting College of Further Education, England in 1981. He began his career with RJ Reynolds Tobacco Co. Sdn. Bhd. in 1982 and subsequently joined MBF Card Services Sdn. Bhd. as Area Manager in 1989. In 1995, he joined Synergy Card & Payment Services Sdn Bhd as Area Manager. He joined the Company as Kuching Branch Manager in 2000. In 2003, he was promoted as Senior Manager for East Malaysia operations and later promoted to Assistant General Manager, and General Manager/Head of Branch Operations Group. He is responsible for overseeing the company's entire branch network and service centres network. On 21 February 2008, he was made Head of Regional Operations Division. He attended all four (4) Board meetings held in the financial year. He does not hold any directorship in any other public company. He holds 22,000 ordinary shares directly in the Company.



senior management



01 **MR. NARUHITO KURODA**
Managing Director

02 **MR. YASUHIRO KASAI**
Senior General Manager/
Head of Operation
Management Division

03 **MR. KRISHANAPPAN A/L S.P.S. SINGARAM**
Senior General Manager/
Head of Finance & Human
Resource Division

04 **MR. CLARENCE CHAI**
Senior General Manager/
Head of Regional Operations
Division

05 **MR. DANNY POH WAN CHUNG**
General Manager/
Head of Marketing and
Business Development Division

06 **MS. LEE TYAN JEN**
General Manager/
Head of Credit Assessment
Group

07 **MR. EUGENE LEE KIM PENG**
Assistant General Manager/
Head of Customer Relations
Group

08 **MR. LIAW KOK SEONG**
Assistant General Manager/
Head of Management
Information System Group

statement on corporate governance

COMPLIANCE STATEMENT

The Board recognizes that corporate governance is about commitment to values and ethical conduct and managing stakeholder expectations.

The Board is therefore, pleased to set out below a statement outlining the main corporate governance practices of the Company under the Malaysian Code of Corporate Governance and the manner in which it has applied and complied with the best practices of the Code throughout the financial year.

Board Responsibilities

The Board's principal focus is the overall strategic direction, development and control of the Company and ensuring accountability to its shareholders. In support of this, the Board:

- (a) reviews the Company's long-term strategic plans on an annual basis, so as to align the Company's business directions and goals with the prevailing economic and market conditions;
- (b) reviews the Company's internal control system and function of Board committees to assist the Board in discharging its responsibilities;
- (c) approves the Company's annual budget and reviews the Company's business operations and financial performance
- (d) reviews and approves corporate exercises, such as acquisitions, if any, and circular to shareholders, where relevant;
- (e) notes the decisions and salient issues deliberated by the Board Committees through the minutes of the Board Committees and/or through their respective Chairman; and
- (f) establish and implements an active investor relations programme.

Board Composition and Balance

The present size and composition of the Board is optimum and well balanced, in terms of the required mix of skills and experience, including core competencies. This results in the Board having the stability, continuity and commitment as well as capacity to discharge its responsibilities effectively.

The Board consists of 10 members, comprising of one (1) Non-Executive Chairman who is also non executive director, four (4) Executive Directors and five (5) Non-Executive Directors. The Chairman and three (3) of the Non-Executive Directors are Independent Directors. The Directors profiles are presented in pages 17 to 19 of this Annual Report.

Datuk Ramli Ibrahim is the Independent Non-Executive Director to whom concerns on matters relating to corporate governance of the Company could be conveyed to.

Appointments to the Board

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

Board Meetings

Board meetings are conducted in accordance with a structured agenda. The agenda for each Board meeting and the relevant papers are forwarded to the Board prior to the Board meeting to facilitate the Directors to peruse the Board papers and review the issues well ahead of the meeting date.

Board meetings are held at least on a quarterly basis. Additional meetings are held as and when required. During the financial year, the Board met four (4) of times where it deliberated and considered a variety of matters, inclusive of financial results, operation performance and resolutions and recorded its deliberations in terms of issues discussed and the conclusion in discharging its duties and responsibilities.

Name of Director	Number of meetings attended/held during the financial year
1. Dato' Abdullah bin Mohd Yusof	4/4
2. Mr Naruhito Kuroda	4/4
3. Mr Yoshiki Mori	2/4
4. Mr Kazuhide Kamitani (Resigned on 18 June 2008)	0/1
5. Datuk Ramli bin Ibrahim	4/4
6. Dato' Md Kamal bin Ismaun	4/4
7. Mr Ng Eng Kiat	4/4
8. Mr Yasuhiro Kasai	4/4
9. Mr Krishnappan A/L S.P.S. Singaram	4/4
10. Mr Clarence Chai	4/4
11. Mr Takatoshi Ikenishi (appointed on 18 June 2008)	1/2

Supply of information

The Board and the respective Board committees are furnished with Board papers and reports providing updates on financial, operational and corporate plans, developments and results prior to Board meetings to facilitate informed discussion and decision-making.

The Board welcomes the presence of senior management members, who are invited to attend Board meetings to brief Directors on the business operations and performance. All Directors have access to the advice and services of the Company Secretary. The Directors are regularly updated and advised by the Company Secretary on new statutory and regulatory requirements and their impact and the implication on the Company and Directors in carrying out their fiduciary duties and responsibilities.

Procedures are in place for the Board to seek independent professional advice in the course of fulfilling their responsibilities, at the Company's expense.

Training of Directors

All new Directors are given a briefing of the Company's history, operations and performance. All Directors of the Company have attended the Mandatory Accreditation Programme and certain directors have attended other corporate training during the year. The Directors have also been provided with updates on relevant new law and regulations affecting their role as Directors.

Re-election of Directors

In accordance with the Company's Articles of Association, all Directors retire by rotation once every 3 years and are eligible to offer themselves for re-election by shareholders at the Company's Annual General Meeting ("AGM"). Directors appointed by the Board in each financial year are subject to election by the shareholders at the next AGM following their appointments. Particulars of Directors subject to re-election by shareholders in the current year are set out in the Statement accompanying the Notice of AGM.

BOARD COMMITTEES

The Board delegates certain responsibilities to Board Committees based on defined terms of reference, which are reviewed from time to time. The Chairman of the various committees reports the outcomes of their committee meetings to the Board, and any further deliberation is made at Board level if required. These reports and deliberations are incorporated into the minutes of the Board meetings.

Audit Committee

The Audit Committee assists the Board in assessing the Company's processes relating to its risks and control environment based on its defined terms of reference. It is responsible to oversee the internal audit function of the Company and ensure the adequacy and integrity of internal control systems in place. Further details on members of the Audit Committee, terms of reference and activities for the financial year under review are set out on pages 25 to 28 of the Annual Report.

Nomination Committee

The Nomination Committee comprises the following members:

- Mr Yoshiki Mori (Chairman)
- Dato' Abdullah Mohd Yusof
- Mr Takatoshi Ikenishi (appointed on 18 June 2008)
- Datuk Ramli Ibrahim
- Dato' Kamal Ismaun

A selection process for new appointees to the Board as recommended by the Nomination Committee has been adopted by the Board.

The Committee is responsible for making recommendation to the Board on the optimum size of the Board, formalising a transparent procedure for proposing new nominees to the Board and Board Committees and ensuring that the investment of the minority shareholders are fairly reflected on the Board. The Committee will review annually the required mix of skills, experience and other qualities of the Board including core-competencies which Non-Executive Directors should bring to the Board. The Committee also assesses annually the effectiveness of the Board as a whole, the Committees of the Board and contribution of each individual Director and the effectiveness and performance of the Executive Directors.

During the financial year ended 20 February 2009, two (2) Nomination Committee meetings were held and attended by all its members. During the year, the Nomination Committee had reviewed and assessed the mix of skills and experience and size of the Board, contribution of each director and effectiveness of the Board and Board Committees and also reviewed the retirement of directors by rotation eligible for re-election.

Remuneration Committee

The Remuneration Committee comprises the following members:

- Mr Yoshiki Mori (Chairman)
- Dato' Abdullah Mohd Yusof
- Mr Takatoshi Ikenishi (appointed on 18 June 2008)

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

During the financial year ended 20 February 2009, one (1) Remuneration Committee meeting was held and was attended by all its members. During the year, the Remuneration Committee reviewed and recommended to the Board, the remuneration for the Managing Director and Executive Directors of the Group and further recommended the Non-Executive Directors' fees to the Board to seek shareholders' approval at the Company's Annual General Meeting.

DIRECTORS REMUNERATION

The breakdown of the remuneration of the Directors, categorised into appropriate components for the financial year ended 20 February 2009 is as follows:

	Executive Directors	Non-Executive Directors	(RM) Total
Fees	–	383,000	383,000
Salaries, bonus and other contributions	2,349,065	–	2,349,065
Benefits-in-kind	199,045	–	199,045
Total	2,548,110	383,000	2,931,110

The Directors' remuneration are broadly categorized into the following bands:

Number of Directors			
	Executive	Non-Executive	Total
Below RM50,000		3	3
RM50,001 to RM100,000		3	3
RM100,001 to RM150,000			
RM150,001 to RM200,000		1	1
RM250,001 to RM300,000			
RM350,001 to RM400,000	1		1
RM400,001 to RM450,000	1		1
RM600,001 to RM650,000	1		1
RM1,150,001 to RM1,200,000	1		1
	4	7	11

Note : The remuneration table above includes a Director who resigned during the year.

SHAREHOLDERS

Investor Relations

The Company's financial performance and corporate developments in the Company have been promptly announced to all shareholders in line with Bursa Malaysia Securities Berhad (Bursa Malaysia)'s objectives of ensuring transparency and good corporate governance. Further updates of the Company's activities and operations are also disseminated through dialogues with analysts, fund managers and investors as well as press releases from time to time.

Additional information is available from the Company's website (www.aeonmalaysia.com.my) including updates on promotions for the Company's products and services, services offered by the Company and the Company's corporate information. A dedicated e-mail address is available at IR@aeonmalaysia.com.my providing contact point for shareholders on any issue of concern.

During the Annual General Meeting, shareholders are given a presentation on the Company's performance and major activities during the year under review. Shareholders will have the opportunity to enquire and comment on the Company's performance and operations.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects, primarily through its annual financial statements, half-yearly and quarterly statements to shareholders and the review of operations through its annual report. The Audit Committee and the Board oversee the Company's annual and quarterly reporting and the quality of its financial reporting.

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

The Directors are responsible for ensuring that financial statements are drawn up in accordance with applicable accounting standards in Malaysia, the provisions of the Companies Act, 1965, and the requirements of Bursa Malaysia and other regulatory bodies. In presenting the financial statements which have been prepared on a going concern basis, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgement and estimates, to show a true and fair view of the state of affairs of the Company and its results and cash flow for the financial year under review.

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

Statement of Internal Control

The Statement on Internal Control as set out in page 29 of the Annual Report provides an overview of the state of internal controls within the Company.

Recurrent Related Party Transactions

At the Eleventh Annual General meeting held on 17 June 2008, the Company obtained a shareholders' mandate to allow the Company to enter into recurrent related party transactions of a revenue or trading nature.

All recurrent related party transactions entered into by the Company during the financial year ended 20 February 2009 are disclosed in Note 18 of the financial statements in page 54 of the Annual Report 2009.

Relationship with Auditors

The Board of Directors with the assistance of the Audit Committee maintains a formal and transparent relationship with the Company's External Auditors through Board and formal meetings whereby issues are discussed.

Compliance with the Malaysian Code on Corporate Governance

The Board is pleased to state that the Company was in compliance with all the principles and best practices as advocated in the Malaysian Code on Corporate Governance during the financial year under review, except for disclosure of each individual Director's remuneration.

audit committee report

MEMBERSHIP AND MEETINGS

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

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

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

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

The Company Secretary being the Secretary of the Audit Committee and the Head of Internal Audit Department were present at all the meetings. Upon invitation, representative(s) of the External Auditors, Messrs KPMG, the Managing Director, the Head of Finance & Human Resource Division and other senior management personnel also attended specific meetings.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The Audit Committee carried out its duties as set out in the terms of reference outlined in pages 26 to 28. During the period under review, the Audit Committee carried out the following main activities:

- Reviewed and approved the annual internal audit plan of the Internal Audit Department, including its audit strategy, scope, functions, competency, resource requirements and the necessary authority to carry out its work.
- Reviewed and deliberated reports issued by Bank Negara Malaysia, the External Auditors, Messrs KPMG, Internal Auditors of AEON Credit Service Co. Ltd, Japan and Internal Audit Department on significant findings and remedial actions to be taken by Management to address the issues raised.
- Reviewed and recommended the quarterly unaudited financial results and the annual audited financial statements of the Company to the Board of Directors for consideration and approval.
- Reviewed the re-appointment of the external auditors and their professional fees and thereafter recommend the same to the Board of Directors for approval.
- Reviewed with the external auditors the scope of work and audit plan.
- Reviewed the incidence and nature of recurrent related party transactions and also reviewed the annual circular to shareholders in respect of the recurrent related party transactions of revenue and trading nature and recommend the same to the Board of Directors for consideration and approval.
- Discussed and recommended to the Board of Directors for approval, the Statements on Corporate Governance and Internal Control and the Audit Committee activities report for inclusion in the annual report.

- Reviewed and recommended to the Board of Directors for approval the requisite revisions to the Terms of Reference of the Audit Committee pursuant to the revised Malaysian Code on Corporate Governance and amendments to the Listing Requirements of Bursa Securities.
- Reported to the Board of Directors on its activities and any significant issues and remedial actions taken arising from the audits undertaken by the external and internal auditors.

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

INTERNAL AUDIT FUNCTIONS AND SUMMARY OF ACTIVITIES

The Company has established an Internal Audit Department which reports to the Audit Committee. The Internal Audit Department serves as a governance control and provides the Audit Committee with independent and objective reports on the state of internal controls of the operating units within the Company. Total staff cost incurred in respect of the internal audit function during the financial year ended 20 February 2009 was RM452,000. During the period under review, the Internal Audit Department carried out the following activities:

- Presented and obtained approval from the Audit Committee the annual internal audit plan, its audit strategy, scope of audit work and resource requirements.
- Conducted audits of the operating units of the Company as identified in the annual internal audit plan to review the adequacy and effectiveness of the internal control system as well as compliance with policies and procedures, reported ineffective and inadequate controls, and made recommendations to improve their effectiveness.
- Monitored and followed-up to ensure Management implemented the remedial action plans.
- Continued to inculcate good risk management practices throughout the Company.

terms of reference of the audit committee

INTRODUCTION

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

PRIMARY PURPOSE

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

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

MEMBERSHIP

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

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

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

If a member of the Committee resigns, dies or for any reason ceases to be a member with the result that the number of members is reduced below 3, the Board shall within 3 months of the event appoint such number of new members as may be required to fill the vacancy.

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

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

MEETINGS

Meetings shall be conducted on a quarterly basis or more frequently as circumstances dictate.

A quorum shall be a majority of the members of the Committee. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present.

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

The agenda for the meeting shall include the following:

- a. Review the quarterly, interim or year end financial statements of the Company and respective announcements of the Company before submission to BOD for consideration and approval,
- b. Report and recommend to BOD for approval of annual financial statements,
- c. Review with external auditors the scope of work and audit plans prior to implementation,
- d. Review recurrent related party transactions of a revenue or trading nature within the Company for inclusion in the circular to the shareholders in relation to proposed renewal of the shareholders' mandate for recurrent related party transactions pursuant to Bursa Securities requirements for BOD approval and
- e. Review internal audit reports and consider the significant findings and management responses and ensure significant findings have been adequately addressed by the management.

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

The Chairman shall submit an annual report to the BOD summarizing the Committee's activities during the year and the related significant results and findings.

The Committee shall meet at least annually with management and at least once a year with the Head of Internal Audit and at least twice a year with the external auditors, internal auditor or both in separate sessions to discuss any matters without the presence of any executive members of the BOD.

AUTHORITY

The Committee shall have the power to:

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

The Chairman of the Audit Committee shall engage on a continuous basis with senior management, such as the chairman, the managing director, the finance director, the head of internal audit and the external auditors in order to be kept informed of matters affecting the Company.

RESPONSIBILITIES AND DUTIES

Pursuant to Section 15.13 of the Listing Requirements of Bursa Securities (or any other succession/deletions/changes thereof), the following duties shall be discharged by the Committee and the same shall be reported/recommended, where applicable to the BOD.

- a. Review with external auditors, the audit scope and plan including any changes to the planned scope of the audit.
- b. Ensure the internal audit function is independent of the activities it audits and to identify a head of internal audit who reports directly to the Audit Committee. The head of internal audit will be responsible for the regular review and/or appraisal of the effectiveness of the risk management, internal control and governance processes within the Company. The head of internal audit shall have unrestricted access to the Committee Members.
- c. Review the adequacy and integrity of internal control system including enterprise risks management, management information system and the internal and external auditors evaluation of the system.
- d. Review the external and internal audit reports, process and investigation reports and whether or not appropriate action is taken by management on the recommendations made.
- e. Review the adequacy of the internal audit scope and plan, functions, competency and resources of the internal audit function and that it has necessary authority to carry out the work.
- f. Review major audit findings and management's response during the year with management, external auditors and internal auditors, including the status of previous audit recommendations.
- g. Review the assistance given by Company's officers to auditors and any difficulties encountered in the course of work including any restrictions on the scope of activities or access to required information.
- h. Review the independence and objectivity of the external auditors and their services, including the provision of non-audit services.
- i. Review the appointment, performance, audit fee, resignation or dismissal of the external auditors.
- j. Review internal audit charter, salary, compensation, appointment, transfer, dismissal of internal auditors and staffing of internal audit department.
- k. Take cognizance of resignations of internal audit staff members (for in-house internal audit functions) or change in internal audit function service provider (for out-sourced internal audit function) and provide the resigning staff member or service provider an opportunity to submit his/her reasons for resigning.
- l. Review the quarterly results and year end financial statements prior to approval by BOD focusing particularly on
 - a. changes in or implementation of major accounting policy changes;
 - b. significant and unusual events; and
 - c. compliance with accounting standards and other legal requirements.
- m. Review procedures in place to ensure compliance to Companies Act 1965, Bursa Malaysia Listing Requirements, Foreign Investment Committee guidelines, Bank Negara Malaysia regulations and any other legislative, reporting and compliance requirements.
- n. Review any related party transactions and conflict of interest situations that may affect the management's integrity.
- o. Prepare report at least once a year to BOD summarising the activities performed in fulfilling Committee's responsibilities.
- p. Review any other financial and governance related matters that may be considered/requested by the BOD from time to time.

statement on internal control

INTRODUCTION

The Board of Directors (“Board”) is committed to its responsibility of maintaining a sound system of internal control, covering financial and operating activities to safeguard shareholders’ investment, the Company’s assets and customers’ interests. This Statement on Internal Control outlines the processes that have been implemented to ensure the adequacy and integrity of the system of internal control of the Company during the financial year and it has been prepared in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad.

BOARD RESPONSIBILITIES

The Board has an overall responsibility for the Company’s system of internal control to provide reasonable assurance of efficient operations, effective internal checks and compliance with laws and regulations. The on-going process for identifying, evaluating, monitoring and managing the significant risks faced by the Company is periodically reviewed by the Board during the financial year under review. However, the Board recognises that the Company’s system of internal control is designed to manage rather than eliminate the risk of failure to achieve the Company’s objectives, hence it can only provide reasonable but not absolute assurance against material misstatement, fraud or loss to the Company.

The Board is assisted by the Management in the implementation of the approved policies and procedures on risks and controls, in which the Management identifies and assesses the risks faced as well as implements and monitors appropriate control measures to mitigate and control these risks.

Further, the Board is assisted by the Audit Committee to review the adequacy and integrity of the system of internal control in the Company as part of the internal control and risk management processes.

INTERNAL AUDIT FUNCTION

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

The Internal Audit Department adopts a risk-based approach in preparing its audit strategy and plan. The Internal Audit Department independently reviews the risk exposures and control processes implemented by the Management and conducts assignments which encompass auditing and review of critical areas within the Company, including operations and IT/information systems. The internal audit activities are guided by an annual internal audit plan, which is approved by the Audit Committee. Internal audit reports, which include details of activities planned and carried out, major findings and

recommendations to Management, are tabled at the quarterly Audit Committee Meetings. Further, the internal audit department engages in regular communication with the senior management team and various departments within the Company related to internal audit activities and efforts for continuous improvement in operations and systems.

SYSTEM OF INTERNAL CONTROL

The Board is responsible for managing the key business risks of the Company and implementing the appropriate internal control system to manage those risks. The Board reviewed the adequacy and integrity of the system of internal control during the financial year. Key elements of the Company’s system of internal control are as follows:

- The management structure of the Company formally defines lines of responsibility and delegation of authority for all aspects of the Company’s affairs. The Company has in place written operating procedures, which are reviewed and updated as and when necessary to improve on the control environment and operational efficiency.
- Senior management submits and presents the business plans on an annual and monthly basis and reviews are regularly held in Management and Executive Committee meetings.
- The Board approves the annual budget and reviews key business variables and monitors the Company’s performance on a quarterly basis.
- The Company has established a Risk Management Committee, comprising members of key management team, who regularly address the various risk areas associated with the Company’s business and operations including credit risk, operational risk and market risk. The objective of the Committee is to assess, control and manage the identified risks. The Management, in turn, prepares Risk Management Reports highlighting the key risk areas with appropriate remedial actions to be taken to the Board for review.
- The Audit Committee is responsible for reviewing the statutory annual financial statements and the quarterly announcements to Bursa Malaysia Securities Berhad and recommends to the Board for approval prior to submission to Bursa Malaysia Securities Berhad.
- 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.

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

other information

MATERIAL CONTRACTS INVOLVING DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Material contracts entered into by the Company which involve Directors' and major Shareholders' interests and still subsisting at the end of the financial year ended 20 February 2009, or entered into since the end of the previous financial year, comprise transactions involving AEON Co. (M) BHD. as set out below. The ultimate holding company of the Company, AEON Co., Ltd, is also the holding company of AEON Co. (M) BHD. Dato' Abdullah bin Mohd Yusof, Naruhito Kuroda and Datuk Ramli bin Ibrahim, all Directors of the Company are also Directors of AEON Co. (M) BHD.

- a) On 1 July 1997, the Company entered into a Factoring Agreement with a related company, AEON Co. (M) BHD. whereby the Company factors goods sold on credit under its Easy Payment scheme at AEON Co. (M) BHD. The debts sold to the Company are at full value of the goods and upon the terms and conditions as stated in the Factoring Agreement. The total value of the debts sold to the Company in the year under review amounted to RM7.696 million.
- b) On 23 June 2005, the Company entered into a JUSCO Credit Card Agreement with AEON Co. (M) BHD. to set out the terms and conditions for the issuance of a credit card called JUSCO Credit Card by the Company, which also carries the trade mark of AEON Co. (M) BHD. JUSCO Credit Card holders who are also J CARD (loyalty card issued by AEON Co. (M) BHD.) members will enjoy additional J CARD loyalty points (on the retail transactions made using the JUSCO Credit Card) provided by the Company through purchase of the additional J CARD points from AEON Co. (M) BHD.

During the year under review, the value of total additional J CARD points purchased by the Company was RM0.328 million.

- c) On 29 December 2005, the Company entered into a credit card Merchant Agreement with AEON Co. (M) BHD. whereby the Company will pay to AEON Co. (M) BHD. the value of sales transaction from the goods sold at AEON Co. (M) BHD. through credit cards issued by the Company, less agreed commission (discount) on the transaction value, and subject to the terms and conditions as stated in the Merchant Agreement. The total value of the transaction settled by the Company in the year under review was RM53.012 million and the total commission receivable was RM0.775 million.

NON-AUDIT FEES

The amount of non-audit fees incurred for services rendered to the Company by the Company's auditors, or a firm or company affiliated to the auditors' firm for the financial year ended 20 February 2009 was RM44,000.

UTILISATION OF PROCEEDS – PUBLIC ISSUE IN CONJUNCTION WITH LISTING

On 12 December 2007, the issued and paid-up capital of the Company was increased by RM11,000,000 by way of allotment and issue of 22,000,000 ordinary shares of RM0.50 each arising from the Public Issue in conjunction with the listing of the Company on the Main Board of Bursa Malaysia Securities Berhad at an issue price of RM2.50 per ordinary share. Details of the proposed and actual utilisation of the total proceeds of RM55 million from the public issue are set out below.

STATUS OF UTILISATION OF PROCEEDS

The status of utilisation of the Public Issue proceeds of RM55 million as at 20 April 2009 is as follows:

	Proposed* Utilisation RM'000	Actual Utilisation RM'000	Balance/ Deviation RM'000	%	Intended Time frame For Utilisation
Assets Investment	3,000	3,000	0	0	Within 12 months from listing date on 12 December 2007
Repayment of bank borrowings	41,000	41,000	–		
Working capital	8,000	8,147	(147)	(1.8)	# See note below
Estimated listing expenses	3,000	2,853	147	4.9	
Total gross proceeds	55,000	55,000	0	0	

Note:

- * (1) As set out in the Prospectus dated 16 November 2007
- # (2) The lower amount of actual listing expenses resulted in the balance of the proposed utilisation for the purpose being utilised towards meeting working capital requirements of the Company.

financial statements

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directors' report

for the year ended 20 February 2009

The Directors have pleasure in submitting their report and the audited financial statements of the Company for the year ended 20 February 2009.

PRINCIPAL ACTIVITIES

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

RESULTS

	RM'000
Profit for the year	<u>48,757</u>

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.

DIVIDENDS

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

- i) a final dividend of 7.44 sen per ordinary share less tax at 26% totalling RM6,606,720 (5.51 sen net per ordinary share) in respect of the year ended 20 February 2008 on 18 July 2008; and
- ii) an interim dividend of 8.76 sen per ordinary share less tax at 25% totalling RM7,884,000 (6.57 sen net per ordinary share) in respect of the financial year ended 20 February 2009 on 24 October 2008.

The final ordinary dividend recommended by the Directors in respect of the year ended 20 February 2009 is 11.34 sen per ordinary share less tax at 25% totalling RM10,206,000 (8.51 sen net per ordinary share).

DIRECTORS OF THE COMPANY

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

Dato' Abdullah Bin Mohd Yusof
Naruhito Kuroda
Yoshiki Mori
Datuk Ramli Bin Ibrahim
Yasuhiro Kasai
Krishnappan A/L S.P.S. Singaram
Clarence Chai
Dato' Md Kamal Bin Ismaun
Ng Eng Kiat
Takatoshi Ikenishi (appointed on 18 June 2008)
Kazuhide Kamitani (resigned on 18 June 2008)

DIRECTORS' INTERESTS

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

The Company	Number of ordinary shares of RM0.50 each				At 20.2.2009
	At 21.2.2008	Bought	Transferred	Sold	
Direct interest:					
Dato' Abdullah Bin Mohd Yusof	480,000	—	(100,000)	(20,100)	359,900
Naruhito Kuroda	500,000	30,000	—	—	530,000
Yoshiki Mori	480,000	—	—	—	480,000
Datuk Ramli Bin Ibrahim	160,000	—	—	—	160,000
Dato' Md Kamal Bin Ismaun	5,000	—	—	—	5,000
Ng Eng Kiat	10,000	—	—	—	10,000
Yasuhiro Kasai	90,000	—	—	—	90,000
Krishnappan A/L S.P.S Singaram	90,000	—	—	—	90,000
Clarence Chai	30,000	—	—	(8,000)	22,000

Deemed interest:

Yasuhiro Kasai					
— others*	43,000	7,000	—	—	50,000
Dato' Abdullah Bin Mohd Yusof					
— own	—	20,000	—	—	20,000
— others*	—	3,000	100,000	—	103,000

	At 21.2.2008	Number of ordinary shares of RM1.00 each			At 20.2.2009
		Bought	Sold	Bonus Issue	
AEON CO. (M) BHD.					
Direct interest:					
Dato' Abdullah Bin Mohd Yusof	268,000	—	—	268,000	536,000
Naruhito Kuroda	16,000	—	—	16,000	32,000
Yasuhiro Kasai	400	—	—	400	800
Deemed interest:					
Dato' Abdullah Bin Mohd Yusof					
— own	796,900	30,000	(346,000)	776,900	1,257,800
— others*	—	3,000	—	—	3,000
Datuk Ramli Bin Ibrahim					
— own	280,000	—	—	280,000	560,000

DIRECTORS' INTERESTS (CONTINUED)

	Number of ordinary shares of HKD0.10 each		
	At 21.2.2008	Bought	Sold At 20.2.2009
AEON Credit Service (Asia) Co., Ltd.			
Direct interest:			
Naruhito Kuroda	74,800	—	74,800
Yoshiki Mori	280,000	—	280,000

	Number of ordinary shares of THB1.00 each		
	At 21.2.2008	Bought	Sold At 20.2.2009
AEON Thana Sinsap (Thailand) Plc.			
Direct interest:			
Naruhito Kuroda	100,000	—	100,000
Yoshiki Mori	1,402,600	—	1,402,600

	Number of ordinary shares		
	At 21.1.2008/ Date of appointment as Director	Bought	Sold At 20.2.2009
AEON Co., Ltd.			
Direct interest:			
Yoshiki Mori	7,500	—	7,500
AEON Credit Service Co., Ltd.			
Direct interest:			
Naruhito Kuroda	1,980	—	1,980
Yoshiki Mori	42,126	—	42,126
Yasuhiro Kasai	324	40	364
Takatoshi Ikenishi	—	100	100

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

DIRECTORS' BENEFITS

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

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

ISSUE OF SHARES

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 balance sheet and income statement 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) all current assets have been stated at the lower of cost and net realisable value.

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

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

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

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

OTHER STATUTORY INFORMATION (CONTINUED)

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

In the opinion of the Directors, the results of the operations of the Company for the financial year ended 20 February 2009 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

AUDITORS

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

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

DATO' ABDULLAH BIN MOHD YUSOF

NARUHITO KURODA

Kuala Lumpur,

Date: 20 April 2009

balance sheet

for the year ended 20 February 2009

	Note	2009 RM'000	2008 RM'000
Assets			
Plant and equipment	3	24,820	21,608
Investments	4	1,797	1,026
Receivables	5	323,325	256,176
Total non-current assets		349,942	278,810
Receivables, deposits and prepayments	5	557,718	450,130
Cash and bank balances		2,462	2,404
Total current assets		560,180	452,534
Total assets		910,122	731,344
Equity			
Share capital		60,000	60,000
Share premium		56,147	56,147
Retained earnings		99,696	65,430
Total equity attributable to equity holders of the Company	6	215,843	181,577
Liabilities			
Borrowings (unsecured)	7	358,529	311,395
Deferred tax liabilities	8	2,386	2,523
Total non-current liabilities		360,915	313,918
Payables and accruals	9	50,035	42,582
Borrowings (unsecured)	7	276,279	188,198
Taxation		7,050	5,069
Total current liabilities		333,364	235,849
Total liabilities		694,279	549,767
Total equity and liabilities		910,122	731,344

The notes on pages 41 to 57 are an integral part of these financial statements.

income statement

for the year ended 20 February 2009

	Note	2009 RM'000	2008 RM'000
Continuing operations			
Revenue	10	186,919	151,797
Staff costs		(54,203)	(45,218)
Depreciation of plant and equipment	3	(10,216)	(9,966)
Operating expenses		(72,314)	(64,125)
Other income		42,135	36,437
		<hr/>	<hr/>
Operating profit	11	92,321	68,925
Finance costs	13	(26,391)	(23,175)
		<hr/>	<hr/>
Profit before tax		65,930	45,750
Tax expense	14	(17,173)	(12,356)
		<hr/>	<hr/>
Profit for the year attributable to equity holders of the Company		48,757	33,394
		<hr/>	<hr/>
Basic earnings per ordinary share (sen)	16	40.63	32.65
		<hr/>	<hr/>

The notes on pages 41 to 57 are an integral part of these financial statements.

statement of changes in equity

for the year ended 20 February 2009

	Note	Share capital RM'000	Non- distributable Share premium RM'000	Distributable Retained earnings RM'000	Total RM'000
At 21 February 2007		49,000	15,000	40,165	104,165
Issue of shares		11,000	44,000	–	55,000
Listing expenses		–	(2,853)	–	(2,853)
Profit for the year		–	–	33,394	33,394
Dividends	15	–	–	(8,129)	(8,129)
At 20 February 2008/ 21 February 2008		60,000	56,147	65,430	181,577
Profit for the year		–	–	48,757	48,757
Dividends	15	–	–	(14,491)	(14,491)
At 20 February 2009		60,000	56,147	99,696	215,843

The notes on pages 41 to 57 are an integral part of these financial statements.

cash flow statement

for the year ended 20 February 2009

	Note	2009 RM'000	2008 RM'000
Cash flows from operating activities			
Profit before tax		65,930	45,750
Adjustments for:			
Depreciation of plant and equipment	3	10,216	9,966
Finance costs		26,391	23,175
Plant and equipment written off		–	1
Gain on disposal of plant and equipment		(45)	(26)
Operating profit before working capital changes		102,492	78,866
Changes in working capital:			
Receivables, deposits and prepayments		(174,737)	(161,284)
Payables and accruals		4,508	2,798
Cash used in operations		(67,737)	(79,620)
Income taxes paid		(15,329)	(9,753)
Finance costs paid		(23,446)	(22,939)
Net cash used in operating activities		(106,512)	(112,312)
Cash flows from investing activities			
Acquisition of plant and equipment		(13,511)	(8,208)
Proceeds from disposal of plant and equipment		128	26
Acquisition of investments	4	(771)	–
Net cash used in investing activities		(14,154)	(8,182)
Cash flows from financing activities			
Repayment of bank borrowings		(189,807)	(291,127)
Proceeds from borrowings		325,249	367,708
Proceeds from issue of ordinary shares		–	55,000
Dividends paid to ordinary shareholders of the Company		(14,491)	(8,129)
Payment of listing expenses		–	(2,853)
Net cash generated from financing activities		120,951	120,599
Net increase in cash and cash equivalents		285	105
Cash and cash equivalents at 21 February	(i)	2,177	2,072
Cash and cash equivalents at 20 February	(i)	2,462	2,177

- (i) *Cash and cash equivalents*
Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	2009 RM'000	2008 RM'000
Cash and bank balances	2,462	2,404
Bank overdrafts – unsecured	–	(227)
	2,462	2,177

The notes on pages 41 to 57 are an integral part of these financial statements.

notes to the financial statements

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

Principal place of business

Level 29, Menara Olympia
No. 8, Jalan Raja Chulan
50250 Kuala Lumpur

Registered office

Lot 6.05, Level 6, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya, Selangor

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

The immediate and ultimate holding companies during the financial year were AEON Credit Service Co., Ltd. and AEON Co., Ltd. respectively. Both companies were incorporated in Japan.

The financial statements were approved by the Board of Directors on 20 April 2009.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with Financial Reporting Standards (FRS), accounting principles generally accepted and the Companies Act, 1965 in Malaysia. These financial statements also comply with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The Company has not applied the following accounting standards (including its consequential amendments) and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective:

FRSs/Interpretations	Effective date
FRS 4, <i>Insurance Contracts</i>	1 January 2010
FRS 7, <i>Financial Instruments: Disclosures</i>	1 January 2010
FRS 8, <i>Operating Segments</i>	1 July 2009
FRS 139, <i>Financial Instruments: Recognition and Measurement</i>	1 January 2010
IC Interpretation 9, <i>Reassessment of Embedded Derivatives</i>	1 January 2010
IC Interpretation 10, <i>Interim Financial Reporting and Impairment</i>	1 January 2010

The Company plans to apply the abovementioned FRSs/Interpretations from the annual period beginning 21 February 2010.

The impact of applying FRS 4, FRS 7 and FRS 139 on the financial statements upon first adoption as required by paragraph 30(b) of FRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors* is not disclosed by virtue of the exemptions given in the respective FRSs. Other than the implications as discussed below, the initial application of the above standards (and its consequential amendments) and interpretations is not expected to have any material impact on the financial statements of the Company.

FRS 8, *Operating Segments*

FRS 8 will become effective for financial statements for the year ending 20 February 2011. FRS 8, which replaces FRS 114, *Segment Reporting*, requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and to assess its performance. Currently, the Company does not present segment information in respect of its business and geographical segments (refer to Note 17). Under FRS 8, the Company will present segment information based on internal management report.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

1. BASIS OF PREPARATION (CONTINUED)

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

The preparation of financial statements 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 estimate is 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.

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) Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

Forward foreign exchange contracts and interest rate currency swaps are accounted for on an equivalent basis as the underlying assets, liabilities or net positions. Any profit or loss arising is recognised on the same basis as that arising from the related assets, liabilities or net positions.

(b) Plant and equipment

(i) Recognition and measurement

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

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost materials and direct labour and, for qualifying assets, borrowing costs are capitalised in accordance with the Company's accounting policy. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and are recognised net within "other income" or "other operating expenses" respectively in the income statement.

(ii) Subsequent costs

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Plant and equipment (continued)

(iii) Depreciation

Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

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

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

Depreciation methods, useful lives and residual values are reassessed at the balance sheet date.

(c) Investments in equity securities

Investments in equity securities are recognised initially at fair value plus attributable transaction costs.

Subsequent to initial recognition, investments in non-current equity securities are stated at cost less allowance for diminution in value.

Where in the opinion of the Directors, there is a decline other than temporary in the value of non-current equity securities, the allowance for diminution in value is recognised as an expense in the financial year in which the decline is identified.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in the income statement.

All investments in equity securities are accounted for using settlement date accounting. Settlement date accounting refers to:

- the recognition of an asset on the day it is received by the entity, and
- the derecognition on an asset and recognition of any gain or loss on disposal on the date it is delivered.

(d) Receivables

Receivables are initially recognised at their outstanding unpaid balances when the contractual right to receive cash or another financial asset from another entity is established.

Subsequent to initial recognition, receivables are stated at the outstanding unpaid balances net of unearned carrying charges and allowance for doubtful debts.

Allowance for doubtful debts is made at 100% of the debts contractually past due of approximately 3 months and bad debts are written off when the Directors are of the view that the debts are no longer recoverable.

Receivables are not held for the purpose of trading.

(e) 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 value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Impairment of assets

The carrying amounts of assets except for financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

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. 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 or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount unless the asset is carried at a revalued amount, in which case the impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

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. 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 income statement in the year in which the reversals are recognised.

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

The Company's contribution to the statutory pension funds is charged to the income statement in the year to which they relate. Once the contributions have been paid, the Company has no further payment obligations.

(h) Loans and borrowings

Loans and borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the loans and borrowings using the effective interest method.

(i) Payables

Payables are measured initially and subsequently at cost. Payables are recognised when there is a contractual obligation to deliver cash or another financial asset to another entity.

(j) Revenue recognition

Income from easy payment and personal financing schemes based on Islamic principles

Income from easy payment and personal financing schemes based on Islamic principles are recognised on an accrual basis. Where an account becomes non-performing, the income is suspended until it is realised on a cash basis. Customers' accounts are deemed to be non-performing where repayments are in arrears for a month.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Revenue recognition (continued)

Income from credit cards issuance

Income from finance charges, cash advance fees and transaction charges are recognised on an accrual basis. Where an account becomes non-performing, the income is suspended until it is realised on a cash basis. Customers' accounts are deemed to be non-performing where repayments are in arrears for a month.

(k) Operating lease

Leases, where the Company does not assume substantially all the risks and rewards of the ownership are classified as operating leases and the leased assets are not recognised on the Company's balance sheet.

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

(l) Borrowing costs

All borrowing costs are recognised in the income statement using the effective interest method, in the period in which they are incurred.

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

(m) Tax expense

Tax expense comprises current and deferred tax. Tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit (tax 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 balance sheet date.

Deferred tax liability is recognised for all taxable temporary differences.

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 each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(n) Earnings per share

The Company presents 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.

3. PLANT AND EQUIPMENT

	Office equipment RM'000	Computer equipment and software RM'000	Motor vehicles RM'000	Furniture and fittings RM'000	Renovation RM'000	Total RM'000
Cost						
At 21 February 2007	4,356	25,730	1,662	2,552	7,720	42,020
Additions	441	5,887	499	211	1,170	8,208
Disposals	–	–	(294)	(7)	–	(301)
Write-off	–	(42)	–	(4)	–	(46)
At 20 February 2008/ 21 February 2008	4,797	31,575	1,867	2,752	8,890	49,881
Additions	1,130	9,394	333	479	2,175	13,511
Disposals	–	(201)	(411)	–	–	(612)
Write-off	–	–	–	(6)	(12)	(18)
At 20 February 2009	5,927	40,768	1,789	3,225	11,053	62,762
Depreciation						
At 21 February 2007	2,433	9,899	793	1,719	3,809	18,653
Charge for the year	917	6,508	289	444	1,808	9,966
Disposals	–	–	(294)	(7)	–	(301)
Write-off	–	(42)	–	(3)	–	(45)
At 20 February 2008/ 21 February 2008	3,350	16,365	788	2,153	5,617	28,273
Charge for the year	865	6,970	352	388	1,641	10,216
Disposals	–	(198)	(331)	–	–	(529)
Write-off	–	–	–	(6)	(12)	(18)
At 20 February 2009	4,215	23,137	809	2,535	7,246	37,942
Carrying amounts						
At 21 February 2007	1,923	15,831	869	833	3,911	23,367
At 20 February 2008/ 21 February 2008	1,447	15,210	1,079	599	3,273	21,608
At 20 February 2009	1,712	17,631	980	690	3,807	24,820

4. INVESTMENTS

	2009 RM'000	2008 RM'000
Unquoted shares outside Malaysia	1,797	1,026

During the year, the Company subscribed 100,000 ordinary shares of 100 Philippines Peso each in the issued and paid-up share capital of AEON Credit Technology Systems (Philippines) Inc. ("ACTS"), a company incorporated in the Philippines, which is a subsidiary of AEON Credit Service Co., Ltd., Japan, for a total cash consideration of RM771,000, representing 10% of the total issued and paid-up share capital of ACTS.

5. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	2009 RM'000	2008 RM'000
Non-current			
Trade			
Trade receivables		323,325	256,176
Current			
Trade			
Trade receivables		1,082,507	869,272
Less: Unearned carrying charges		(189,467)	(151,805)
Allowance for doubtful debts		(20,181)	(17,323)
	5.1	872,859	700,144
Less: Trade receivables (Non-current portion)		(323,325)	(256,176)
Trade receivables (Current portion)		549,534	443,968
Non-trade			
Other receivables, deposits and prepayments		8,184	6,162
		557,718	450,130

5.1 During the year, trade receivables amounting to RM31,593,715 (2008 - RM28,172,492) was written off against the allowance for doubtful debts. Included in trade receivables is an amount of RM455,656,293 (2008 - RM334,842,586) relating to the Company's easy payment and personal financing schemes based on Islamic principles.

6. SHARE CAPITAL AND RESERVES

6.1 Share capital

	Note	Amount 2009 RM'000	Number of shares 2009 '000	Amount 2008 RM'000	Number of shares 2008 '000
Authorised:					
Ordinary shares of RM0.50 each		<u>60,000</u>	<u>120,000</u>	<u>60,000</u>	<u>120,000</u>
Issued and fully paid:					
Ordinary shares of RM0.50 each					
Opening balance		60,000	120,000	49,000	98,000
Public issue	6.1.1	<u>–</u>	<u>–</u>	<u>11,000</u>	<u>22,000</u>
On issue at 20 February		<u>60,000</u>	<u>120,000</u>	<u>60,000</u>	<u>120,000</u>

6.1.1 Public issue

On 12 December 2007, the issued and paid-up capital of the Company was increased by RM11,000,000 by way of allotment and issue of 22,000,000 ordinary shares of RM0.50 each arising from the public issue in conjunction with the listing of the Company on the Main Board of Bursa Malaysia Securities Berhad at an issue price of RM2.50 per ordinary share.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

6.2 Share premium

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

6.3 Section 108 tax credit

Subject to agreement of the Inland Revenue Board, the Company has sufficient Section 108 tax credit and tax exempt income to frank approximately RM43,074,000 out of its retained profits at 20 February 2009 if paid out as dividends.

The Finance Act, 2007 introduced a single tier company income tax system with effect from year of assessment 2008. As such, the Section 108 tax credit as at 31 December 2007 will be available to the Company until such time the credit is fully utilised or upon expiry of the six-year transitional period on 31 December 2013, whichever is earlier.

7. BORROWINGS (UNSECURED)

	2009 RM'000	2008 RM'000
Non-current		
Long term loans/financing	90,487	104,800
Medium term notes	268,042	206,595
	<u>358,529</u>	<u>311,395</u>
Current		
Bank overdrafts	–	227
Revolving credits	138,990	106,107
Short term loans/financing	87,800	62,200
Commercial paper	–	19,664
Medium term notes	49,489	–
	<u>276,279</u>	<u>188,198</u>

The bank overdrafts were unsecured and bear interest varying between 6.45% and 6.60% (2008 – 7.10% to 7.40%) per annum. The revolving credits are subject to profit/interest ranging from 2.79% to 5.10% (2008 – 4.27% to 4.43%) per annum and term loans/financing are subject to interest/profit ranging from 4.65% to 5.84% (2008 – 4.61% to 5.50%) per annum.

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

Included in the revolving credits are borrowings of USD27,808,000 [equivalent to RM90,871,000] and JPY957,000,000 [equivalent to RM35,118,000] (2008 - USD7,150,000 [equivalent to RM24,744,000], JPY Nil) which are subject to funding costs of 2.79% to 4.48% (2008 - 4.27% to 4.43%) per annum.

Included in the term loans / financing are borrowings of USD9,278,000 [equivalent to RM30,000,000] and JPY1,260,000,000 [equivalent to RM43,488,000] (2008 - USD Nil, JPY Nil) which are subject to funding costs of 3.95% to 4.65% per annum.

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

Details of the medium term notes and commercial paper are as follows:

	2009 RM'000	2008 RM'000
Medium term notes		
Nominal value	320,000	210,000
Discount	(2,114)	(3,107)
Deferred issuance cost	(355)	(298)
	<u>317,531</u>	<u>206,595</u>
Commercial paper		
Nominal value	–	20,000
Discount	–	(307)
Deferred issuance cost	–	(29)
	<u>–</u>	<u>19,664</u>

7. BORROWINGS (UNSECURED) (CONTINUED)

The above represents RM240 million (2008 – RM150 million) of bank guaranteed Islamic Medium Term Notes ("Islamic MTN"), RM80 million (2008 – RM60 million) of bank guaranteed Conventional Medium Term Notes ("Conventional MTN") and RM Nil (2008 – RM20 million) of bank guaranteed Islamic Commercial Paper ("Islamic CP") with the following profit/interest rates and redemption dates:

Medium Term Notes	Redemption terms
Islamic MTN	
RM10 million	Redeemable at par in September 2009
RM40 million	Redeemable at par in January 2010
RM40 million	Redeemable at par in May 2010
RM30 million	Redeemable at par in July 2010
RM50 million	Redeemable at par in October 2010
RM45 million	Redeemable at par in November 2011
RM25 million	Redeemable at par in January 2012

The Islamic MTN is issue at profit/interest rates ranging from 3.00% to 5.00% per annum.

Conventional MTN	
RM40 million	Redeemable at par in January 2012
RM40 million	Redeemable at par in May 2012

The Conventional MTN is issue at profit/interest rates ranging from 3.00% to 3.85% per annum.

8. DEFERRED TAX LIABILITIES

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Plant and equipment						
– capital allowance	–	–	(3,329)	(3,003)	(3,329)	(3,003)
Provisions	943	480	–	–	943	480
Net tax assets/(liabilities)	943	480	(3,329)	(3,003)	(2,386)	(2,523)

9. PAYABLES AND ACCRUALS

	Note	2009 RM'000	2008 RM'000
Trade			
Trade payables		24,841	22,223
Related company	9.1	<u>615</u>	<u>368</u>
		25,456	22,591
Non-trade			
Other payables and accruals		24,286	19,694
Holding company	9.1	<u>186</u>	<u>134</u>
Related company	9.1	<u>107</u>	<u>163</u>
		<u>50,035</u>	<u>42,582</u>

9.1 Holding company and related company

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

10. REVENUE

	2009 RM'000	2008 RM'000
Interest income, finance charges and profit revenue from easy payment schemes, personal financing schemes and credit cards business	182,629	147,904
Cash advance fees, transaction charges, merchant commission and Visa/MasterCard interchange fees	<u>4,290</u>	<u>3,893</u>
	<u>186,919</u>	<u>151,797</u>

11. OPERATING PROFIT

	2009 RM'000	2008 RM'000
Operating profit is arrived at after crediting:		
Bad debts recovered	6,025	4,139
Dividend income from unquoted shares	105	66
Gain on disposal of plant and equipment	45	26
	<hr/>	<hr/>
and after charging:		
Allowance for doubtful debts	34,451	29,731
Auditors' remuneration:		
– Statutory audit	100	73
– Other services	30	22
Depreciation of plant and equipment	10,216	9,966
Plant and equipment written off	–	1
Personnel expenses (including key management personnel):		
– Contributions to Employees Provident Fund	4,524	3,574
– Wages, salaries and others	49,679	41,644
Rental expense on:		
– office premises	5,913	5,149
– motor vehicles	11	16
– office equipment	227	219
	<hr/>	<hr/>

12. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensations are as follows:

	2009 RM'000	2008 RM'000
Directors		
– Fees	383	292
– Remuneration	2,349	2,227
– Other short term employee benefits (including estimated monetary value of benefits-in-kind)	199	230
	<hr/>	<hr/>
	2,931	2,749
	<hr/>	<hr/>

13. FINANCE COSTS

	2009 RM'000	2008 RM'000
Comprised the following:		
– Bank overdrafts	149	191
– Revolving credits	6,139	6,081
– Term loans/financing and medium term notes/commercial paper	20,103	16,903
	<hr/>	<hr/>
	26,391	23,175
	<hr/>	<hr/>

14. TAX EXPENSE

Recognised in the income statement

	2009 RM'000	2008 RM'000
Current tax expense	17,310	11,995
Deferred tax expense		
– Reversal and origination of temporary differences	(137)	361
Total tax expense	<u>17,173</u>	<u>12,356</u>

Reconciliation of tax expense

Profit for the year	48,757	33,394
Total tax expense	<u>17,173</u>	<u>12,356</u>
Profit excluding tax expense	<u>65,930</u>	<u>45,750</u>
Tax at Malaysian tax rate of 25% (2008 – 26%)	16,483	11,895
Non-deductible expenses	690	461
	<u>17,173</u>	<u>12,356</u>

15. DIVIDENDS

Dividends recognised in the current year by the Company are:

	Sen per share (net of tax)	Total amount RM'000	Date of payment
2009			
Interim 2009 ordinary	6.57	7,884	24 October 2008
Final 2008 ordinary	5.51	<u>6,607</u>	18 July 2008
Total amount		<u>14,491</u>	
2008			
Interim 2008 ordinary	2.99	3,596	17 January 2008
Special 2008 ordinary	0.99	1,199	17 January 2008
Final 2007 ordinary	3.40	<u>3,334</u>	28 June 2007
Total amount		<u>8,129</u>	

15. DIVIDENDS (CONTINUED)

After the balance sheet date the following dividend was proposed by the Directors. This dividend will be recognised in subsequent financial reports upon approval by the shareholders.

	Sen per share (net of tax)	Total amount RM'000
Final ordinary	8.51	<u>10,206</u>

16. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The calculation of basic earnings per share at 20 February 2009 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

	2009 RM'000	2008 RM'000
Profit attributable to ordinary shareholders	<u>48,757</u>	<u>33,394</u>
Weighted average number of ordinary shares		
	2009 '000	2008 '000
Issued ordinary shares at 21 February	120,000	98,000
Effect of public issue in December 2007	<u>–</u>	<u>4,279</u>
Weighted average number of ordinary shares at 20 February	<u>120,000</u>	<u>102,279</u>
	2009 Sen	2008 Sen
Basic earnings per share	<u>40.63</u>	<u>32.65</u>

17. SEGMENTAL REPORTING

As the principal activity of the Company is the provision of easy payment schemes, personal financing schemes based on Islamic principles and credit cards business, all of which are categorised under consumer financing business, no segmental analysis is provided.

18. RELATED PARTIES

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

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel comprises all the Directors of the Company.

18. RELATED PARTIES (CONTINUED)

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

	2009 RM'000	2008 RM'000
Related company		
AEON CO. (M) BHD.		
Customers' transactions via related company*		
Sales through Easy Payment Schemes	7,696	7,123
Sales through AEON Credit Cards	53,012	40,510
Revenue		
Credit cards commission income	775	597
Expenses		
Convertible J CARD points charges	(328)	(327)
Office and promotion space rental	(2,634)	(1,400)

* In capacity of the related company as merchant of the Company.

Balances with related company are disclosed in Note 9. All transactions have been entered in the ordinary course of business and have been established based on negotiated terms.

19. CAPITAL COMMITMENT

	2009 RM'000	2008 RM'000
Plant and equipment		
Contracted but not provided for	3,805	3,511
Authorised but not contracted for	–	270

20. FINANCIAL INSTRUMENTS

Exposure to credit, interest rate, foreign currency and liquidity risk arises in the normal course of the Company's business. The Company's policies for managing each of these risks are summarised below.

Credit risk

The Company has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit and the credit acceptance procedures are monitored by the management. The Company does not require collateral in respect of the easy payment schemes, personal financing schemes and credit cards issuance operations except for financing of motorcycles. At balance sheet date, the Company does not have any significant exposure to any individual customers or industry sector. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

Interest rate risk

The Company borrows for its operations at fixed and variable rates and the management continuously seeks for alternative banking facilities, which provide competitive interest rates to finance its capital expenditure, financing and working capital requirements.

Interest rate swaps, denominated in RM, have been entered into to achieve an appropriate fixed rate exposure. The interest rate swaps with a total nominal value of RM73.5 million matures over the next 3-5 years, have fixed swap rate ranging from 3.95% to 4.65% (2008: Nil).

The net fair value of swaps at 20 February 2009 was RM0.8 million (2008: Nil) comprising assets of RM9.3 million (2008: Nil) and liabilities of RM10.1 million (2008: Nil).

20. FINANCIAL INSTRUMENTS (CONTINUED)

Foreign currency risk

The Company does not have any significant exposure to foreign currency risk as its transactions and balances are substantially denominated in Ringgit Malaysia, other than certain borrowings in foreign currency. The repayment of all borrowings in foreign currency is hedged by forward exchange contracts entered into by the Company upon initial drawdown of the borrowings.

Liquidity risk

The Company maintains sufficient working capital and adequate liquidity to support its daily operations. Its holding company has provided letters of awareness to financial institutions for bank borrowing facilities.

Effective profit/interest rates and repricing analysis

In respect of profit/interest-earning financial assets and profit/interest-bearing financial liabilities, the following table indicates their average effective profit/interest rates at the balance sheet date and the periods in which they mature, or if earlier, reprice.

2009	Note	Average effective profit/ interest rate %	Total RM'000	Less than 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000
Fixed rate instruments									
Trade receivables	5	24.31	872,859	549,534	232,888	54,262	36,175	–	–
Unsecured term loans/financing	7	3.95 – 5.84	(178,287)	(87,800)	(17,000)	(43,487)	–	(30,000)	–
Unsecured medium term notes	7	3.81 – 5.25	(317,531)	(49,489)	(119,881)	(108,208)	(39,953)	–	–
Unsecured revolving credits	7	2.79 – 5.10	(138,990)	(138,990)	–	–	–	–	–
			(634,808)	(276,279)	(136,881)	(151,695)	(39,953)	(30,000)	–
2008									
Fixed rate instruments									
Trade receivables	5	24.43	700,144	443,968	193,441	37,641	25,094	–	–
Unsecured term loans/financing	7	4.90 – 6.00	(167,000)	(62,200)	(41,500)	(54,300)	(9,000)	–	–
Unsecured medium term notes	7	3.81 – 4.54	(206,595)	–	(38,992)	(89,868)	(37,796)	(39,939)	–
Unsecured revolving credits	7	4.15 – 5.00	(106,107)	(106,107)	–	–	–	–	–
Unsecured commercial paper	7	4.00	(19,664)	(19,664)	–	–	–	–	–
			(499,366)	(187,971)	(80,492)	(144,168)	(46,796)	(39,939)	–
Floating rate instruments									
Unsecured bank overdrafts	7	7.1 – 7.4	(227)	(227)	–	–	–	–	–

20. FINANCIAL INSTRUMENTS (CONTINUED)

Fair values

Recognised financial instruments

The carrying amounts of cash and cash equivalents, other receivables, other payables and short-term borrowings, approximate their fair values due to the relatively short term nature of these financial instruments.

It was not practicable to estimate the fair value of the Company's investment in unquoted shares due to the lack of comparable quoted market prices and the inability to estimate fair value without incurring excessive costs.

The fair values of other financial liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

	2009		2008	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Financial liabilities				
Unsecured long-term loans/financing	90,487	89,871	104,800	105,616
Unsecured medium term notes	317,531	322,272	206,595	206,595
	<u>408,018</u>	<u>412,143</u>	<u>311,395</u>	<u>312,211</u>

Estimation of fair values

The following summarises the methods used in determining the fair values of financial instruments.

For trade receivables, fair value has been determined by discounting the relevant cash flows using market rates at the balance sheet date. Based on management's assessment as at 20 February 2009, the estimated fair values of trade receivables approximate their carrying amounts.

For financial liabilities, fair value is determined using estimated future cash flows discounted using market related rate for a similar instrument at the balance sheet date.

The profit/interest rates used to discount estimated cash flows are as follows:

	2009	2008
Unsecured long-term loans/financing	4.54 – 5.62%	4.85 – 5.18%
Unsecured medium term notes	3.81 – 5.25%	3.81 – 4.54%

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 37 to 57 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company at 20 February 2009 and of its financial performance and cash flows for the year then ended.

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

DATO' ABDULLAH BIN MOHD YUSOF

NARUHITO KURODA

Kuala Lumpur,
Date: 20 April 2009

statutory declaration

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

I, Krishnappan A/L S.P.S Singaram, the Director primarily responsible for the financial management of AEON Credit Service (M) Berhad, do solemnly and sincerely declare that the financial statements set out on pages 37 to 57 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named in Kuala Lumpur on 20 April 2009.

KRISHNAPPAN A/L S.P.S SINGARAM

Before me:

P. THURIRAJOO (AMM. PJK.)

W438
Commissioner of Oath

Kuala Lumpur

independent auditors' report

to the members of AEON Credit Service (M) Berhad

Report on the Financial Statements

We have audited the financial statements of AEON Credit Service (M) Berhad, which comprise the balance sheet as at 20 February 2009, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 37 to 57.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 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 judgment, 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 Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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 have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 20 February 2009 and of its financial performance and cash flows for the year then ended.

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 Matters

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

KPMG

Firm Number: AF 0758
Chartered Accountants

CHONG DEE SHIANG

Approval Number: 2782/09/10(J)
Chartered Accountant

Petaling Jaya,

Date: 20 April 2009

analysis of shareholdings

as at 22 April 2009

Authorised Share Capital : RM100,000,000
 Paid-up Share Capital : RM60,000,000
 Class of Shares : ordinary shares of RM0.50 each
 Voting Rights : one vote per ordinary share

Category	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
1 – 99	4	0.19	162	0.00
100 – 1,000	789	37.52	615,688	0.51
1,001 – 10,000	1,063	50.55	4,302,450	3.59
10,001 – 100,000	192	9.13	6,266,500	5.22
100,001 – 5,999,999	53	2.52	30,184,300	25.15
6,000,000 and above	2	0.09	78,630,900	65.53
Total	2,103	100.00	120,000,000	100.00

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

No.	Names	Direct Interest	No of Shares %	Indirect Interest	%
1	AEON CREDIT SERVICE CO., LTD	68,040,000	56.70	3,600,000	3.00
2	AEON CO., LTD	–	–	74,220,000	61.85
3	LEMBAGA TABUNG ANGKATAN TENTERA	10,590,900	8.83	–	–

DIRECTORS' INTERESTS

No.	Names	Direct Interest	No of Shares %	Indirect Interest	%
1	Dato' Abdullah bin Mohd Yusof	359,900	0.30	123,000	0.10
2	Naruhito Kuroda	530,000	0.44	–	–
3	Yoshiki Mori	480,000	0.40	–	–
4	Kazuhide Kamitani	180,000	0.15	–	–
5	Dato' Ramli bin Ibrahim	160,000	0.13	–	–
6	Dato' Md Kamal bin Ismaun	5,000	0.00	–	–
7	Ng Eng Kiat	10,000	0.01	–	–
8	Yasuhiro Kasai	90,000	0.08	50,000	0.04
9	Krishnappan a/l S.P.S. Singaram	90,000	0.08	–	–
10	Clarence Chai	22,000	0.02	–	–

LIST OF THIRTY (30) LARGEST SHAREHOLDERS AS AT 22 APRIL 2009

No.	Names	No of Shares	% of Shares held
1	AEON CREDIT SERVICE CO., LTD.	68,040,000	56.70
2	LEMBAGA TABUNG ANGKATAN TENTERA	10,590,000	8.83
3	HSBC NOMINEES (ASING) SDN BHD HSBC-FS 1 FOR APOLLO ASIA FUND LTD	3,901,700	3.25
4	AEON CO. (M) BHD	2,580,000	2.15
5	MAYBAN SECURITIES NOMINEES (ASING) SDN BHD AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED	1,800,000	1.50
6	AEON CREDIT SERVICE (ASIA) COMPANY LIMITED	1,800,000	1.50
7	AMSEC NOMINEES (TEMPATAN) SDN BHD AMTRUSTEE BERHAD FOR PACIFIC PEARL FUND (UT-PM-PPF)	1,473,600	1.23
8	HSBC NOMINEES (ASING) SDN BHD HSBC-FS FOR ABERDEEN MALAYSIA EQUITY FUND	1,000,000	0.83
9	MAYBAN NOMINEES (TEMPATAN) SDN BHD ABERDEEN ASSET MANAGEMENT SDN BHD FOR THE EMPLOYEES' PROVIDENT FUND BOARD (250416)	900,000	0.75
10	AMANAH SAHAM MARA BERHAD	850,000	0.71
11	MAYBAN NOMINEES (TEMPATAN) SDN BHD ABERDEEN ASSET MANAGEMENT SDN BHD FOR KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (FD 1 – 280305)	845,000	0.70
12	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD CIMB-PRINCIPAL SMALL CAP FUND 2	823,800	0.69
13	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR HWANGDBS SELECT OPPORTUNITY FUND (3969)	800,000	0.67
14	MAYBAN NOMINEES (TEMPATAN) SDN BHD MAYBAN TRUSTEES BERHAD FOR SAHAM AMANAH SABAH (ACC 2-940410)	736,800	0.61
15	LEONG SOO KENG	717,000	0.60
16	AMSEC NOMINEES (TEMPATAN) SDN BHD ABERDEEN ASSET MANAGEMENT SDN BHD FOR TENAGA NASIONAL BERHAD RETIREMENT BENEFIT TRUST FUND (FM-ABERDEEN)	660,000	0.55
17	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KONG GOON KHING (E-BTR)	566,000	0.47
18	NARUHITO KURODA	530,000	0.44
19	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (MALAYSIA) TRUSTEE BERHAD FOR AMANAH SAHAM SARAWAK	500,000	0.42
20	SAR VENTURE HOLDINGS (M) SDN. BHD.	500,000	0.42
21	AHMAD SHAFRUDDIN BIN ARSHAD	498,000	0.42
22	AMANAH RAYA NOMINEES (TEMPATAN) SDN BHD PUBLIC SMALLCAP FUND	486,300	0.41
23	MOTOYA OKADA	480,000	0.40
24	YOSHIKI MORI	480,000	0.40
25	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NA, SINGAPORE (JULIUS BAER)	474,000	0.40
26	LEONG LI NAR	460,600	0.38
27	AMANAH RAYA NOMINEES (TEMPATAN) SDN BHD ASM PREMIER FUND	430,000	0.36
28	MAYBAN NOMINEES (TEMPATAN) SDN BHD MAYBAN TRUSTEES BERHAD FOR MAAKL-HDBS FKEX1 FUND (270519)	370,000	0.31
29	KAMIL AHMAD MERICAN	360,000	0.30
30	HSBC NOMINEES (ASING) SDN BHD AAHK NOMS FOR TSE, KWONG	360,000	0.30
Total		104,012,800	86.68

notice of annual general meeting

NOTICE IS HEREBY GIVEN THAT the Twelfth Annual General Meeting of AEON Credit Service (M) Berhad will be held at Ballroom 1, Level 2, Hotel Nikko Kuala Lumpur, 165 Jalan Ampang, 50450 Kuala Lumpur on Tuesday, 16 June 2009 at 10.30 am.

AGENDA

As Ordinary Business

1. To receive and adopt the Audited Financial Statements for the financial year ended 20 February 2009 together with the Reports of the Directors and Auditors thereon. **Ordinary Resolution 1**
2. To declare a final dividend of 11.34 sen less 25% income tax for the financial year ended 20 February 2009. **Ordinary Resolution 2**
3. To approve the increase in Directors' Fees in respect of the financial year ended 20 February 2009 and payment thereof. **Ordinary Resolution 3**
4. To re-elect the following Directors retiring pursuant to Articles 129 and 134 of the Articles of Association of the Company:

(i) Mr Yoshiki Mori	Ordinary Resolution 4
(ii) Mr Yasuhiro Kasai	Ordinary Resolution 5
(iii) Mr Clarence Chai	Ordinary Resolution 6
(iv) Mr Takatoshi Ikenishi	Ordinary Resolution 7
5. To re-appoint Dato' Abdullah bin Mohd Yusof as Director pursuant to Section 129 (6) of the Companies Act, 1965. **Ordinary Resolution 8**
6. To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 9**

As Special Business

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

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

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

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

"THAT, subject to the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company to enter into the recurrent transactions of a revenue or trading nature as set out in Section 2.2 of the Circular to Shareholders dated 22 May 2009 ("Circular") with the related parties mentioned therein which are necessary for the Company's day-to-day operations.

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

 - a) the transactions are in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company; and

- b) the disclosure will be made in the Annual Report of the breakdown of the aggregate value of the Recurrent Related Party Transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year on the type of Recurrent Related Transactions made, the names of the related parties involved in each type of Recurrent Related Party Transactions and their relationships with the Company.

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

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

whichever is earlier.

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

Ordinary Resolution 11

NOTICE OF DIVIDEND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT, subject to the approval of the shareholders at the Twelfth Annual General Meeting, a final dividend of 11.34 sen less 25% income tax, for the financial year ended 20 February 2009 will be paid to shareholders on 14 July 2009. The entitlement date for the said dividend shall be 30 June 2009.

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 30 June 2009 in respect of transfers.
- (b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA 7009143)
WONG LAI KUAN (MAICSA 7032123)
Secretaries

Selangor Darul Ehsan
Date: 22 May 2009

NOTES:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149(1) (b) of the Companies Act, 1965 shall not apply.
2. A member 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 specifies the proportions of his shareholdings to be represented by each proxy.
4. If the appointor is a corporation, the instrument appointing a proxy must be executed under its Common Seal or the hand of its attorney.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or, if such appointor is a corporation under its common seal, or the hand of its attorney or duly authorised officer or in some other manner approved by the Directors. 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 at the Registered Office of the Company at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time set for holding the meeting or any adjournment thereof.

EXPLANATORY NOTES ON SPECIAL BUSINESS

– Authority under Section 132D of the Companies Act, 1965 for the Directors to issue shares

The Ordinary Resolution 10 proposed under item 7 of the Agenda, if passed, will empower the Directors to allot and issue shares in the Company up to an amount not exceeding in total ten per centum (10%) of the issued share capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting.

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

Further information on Ordinary Resolution 11 are set out in the Circular to Shareholders dated 22 May 2009 which is despatched together with the Annual Report of the Company for the financial year ended 20 February 2009.

statement accompanying notice of twelfth annual general meeting

Pursuant to the Paragraph 8.28(2) of the Bursa Securities Listing Requirements appended hereunder are names and details of Directors standing for re-election or re-appointment:

Name	Position
(i) Mr Yoshiki Mori	Non-Independent Non-Executive Director
(ii) Mr Yasuhiro Kasai	Executive Director
(iii) Mr Clarence Chai	Executive Director
(iv) Mr Takatoshi Ikenishi	Non-Independent Non-Executive Director
(v) Dato' Abdullah bin Mohd Yusof	Chairman and Independent Non-Executive Director

a) Further details of Directors standing for re-election or re-appointment

Further details of the above Directors are set out in Directors' profiles appearing on pages 17 to 19 of the Annual Report for financial year ended 20 February 2009.

proxy form

AEON Credit Service (M) Berhad

(Company No. 412767-V)

(Incorporated in Malaysia)

Number of shares held

I/We, _____

of _____

being a member of AEON CREDIT SERVICE (M) BERHAD hereby appoint _____

_____ I/C No. _____

of _____

or failing him/her, _____

I/C No. _____ of _____

or failing him/her, *the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Twelfth Annual General Meeting of the Company to be held at Ballroom 1, Level 2, Hotel Nikko Kuala Lumpur, 165 Jalan Ampang, 50450 Kuala Lumpur on Tuesday, 16 June 2009 at 10.30 am and at any adjournment thereof in respect of my/our shareholding in the manner indicated below:

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

No.	Resolution	For	Against
Ordinary Resolution 1	Adoption of the Audited Financial Statements and Reports for the financial year ended 20 February 2009.		
Ordinary Resolution 2	Declaration of a final dividend of 11.34 sen less 25% income tax for the financial year ended 20 February 2009.		
Ordinary Resolution 3	Approval of the increase in Directors' Fees in respect of the financial year ended 20 February 2009 and payment thereof.		
Ordinary Resolution 4	Re-election of Mr Yoshiki Mori		
Ordinary Resolution 5	Re-election of Mr Yasuhiro Kasai		
Ordinary Resolution 6	Re-election of Mr Clarence Chai		
Ordinary Resolution 7	Re-election of Mr Takatoshi Ikenishi		
Ordinary Resolution 8	Re-appointment of Dato' Abdullah bin Mohd Yusof as Director pursuant to Section 129 (6) of the Companies Act, 1965.		
Ordinary Resolution 9	Re-appointment of Messrs KPMG as Auditors of the Company		
	SPECIAL BUSINESS		
Ordinary Resolution 10	Authority under Section 132D of the Companies Act, 1965 for the Directors to allot and issue shares.		
Ordinary Resolution 11	Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for AEON Credit Service (M) Berhad to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature with Related Parties		

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

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

Signature:
Shareholder or Common Seal

Dated this _____ day of _____ 2009.

NOTES:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149(1) (b) of the Companies Act, 1965 shall not apply.
2. A member 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 specifies the proportions of his shareholdings to be represented by each proxy.
4. If the appointor is a corporation, the instrument appointing a proxy must be executed under its Common Seal or the hand of its attorney.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or, if such appointor is a corporation under its common seal, or the hand of its attorney or duly authorised officer or in some other manner approved by the Directors. 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 at the Registered Office of the Company at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time set for holding the meeting or any adjournment thereof.

STAMP

The Company Secretary:

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

Lot 6.05, Level 6, KPMG Tower,
8 First Avenue, Bandar Utama,
47800 Petaling Jaya,
Selangor Darul Ehsan



Regional Offices, Branches and Service Centres



CENTRAL REGION

MENARA OLYMPIA SERVICE CENTRE

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

BUKIT BINTANG SERVICE CENTRE

No 57 & 59,
Lower Ground & Ground Floor,
Mode Circle Building, Jalan Bukit Bintang,
55100 Kuala Lumpur

MID VALLEY SERVICE CENTRE

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

PUCHONG SERVICE CENTRE

Lot 23, First Floor, IOI Mall,
Batu 9, Jalan Puchong,
47100 Bandar Puchong Jaya, Selangor

TAMAN EQUINE SERVICE CENTRE

Lot 27, Ground Floor,
Taman Equine Shopping Centre,
No. 2, Jalan Equine, Taman Equine,
Bandar Putra Permai,
43300 Seri Kembangan, Selangor

SHAH ALAM SERVICE CENTRE

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

1 UTAMA SERVICE CENTRE

Lot 37A, Ground Floor,
No.1, Lebuha Bandar Utama,
Bandar Utama Damansara,
47800 Petaling Jaya, Selangor

SUNWAY PYRAMID SERVICE CENTRE

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

KAJANG SERVICE CENTRE

No. 65 & 66, Jalan Besar,
Wisma Sim Tee Ming,
43000 Kajang, Selangor

BUKIT TINGGI SERVICE CENTRE

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

SEREMBAN 2 SERVICE CENTRE

Lot 41, First Floor,
Seremban 2 Shopping Centre,
No. 112, Persiaran S2 B1,
70300 Seremban 2, Negeri Sembilan

SEREMBAN BRANCH

No. 180, Ground Floor & Mezzanine Floor,
Jalan Dato' Bandar Tunggal,
70000 Seremban, Negeri Sembilan

MELAKA BRANCH

Ground Floor & Mezzanine Floor,
Wisma Tan Cheng Tiong,
No. 1A, Jalan Tun Sri Lanang,
75100 Melaka

AMPANG UTARA 2 SERVICE CENTRE

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

SOUTHERN REGION

SOUTHERN REGIONAL OFFICE & JOHOR BAHRU BRANCH

LG.01 & G.01, Wisma LKN,
No.49, Jalan Wong Ah Fook,
80000 Johor Bahru, Johor

BATU PAHAT BRANCH

Ground Floor, Wisma Lim Sin Huat,
No. 15, Jalan Ismail,
83000 Batu Pahat, Johor

BUKIT INDAH SERVICE CENTRE

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

TEBRAU CITY SERVICE CENTRE

Lot 39, 2nd Floor, No.1 Jalan Desa Tebrau,
Tebrau City Shopping Centre,
Taman Desa Tebrau,
81100 Johor Bahru, Johor

EASTERN REGION

EASTERN REGIONAL OFFICE & KUANTAN BRANCH

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

KOTA BHARU BRANCH

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

KUALA TERENGGANU BRANCH

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

NORTHERN REGION

NORTHERN REGIONAL OFFICE

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

PENANG BRANCH

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

QUEENSBAY SERVICE CENTRE

JUSCO Queens Bay Mall
2F-01, Persiaran Bayan Indah,
Sungai Nibong,
11900 Bayan Lepas, Pulau Pinang

SEBERANG PRAI SERVICE CENTRE

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

IPOH BRANCH

No. 31 & 33,
Jalan Yang Kalsom,
30250 Ipoh, Perak

ALOR SETAR BRANCH

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

EAST MALAYSIA REGION

KUCHING BRANCH

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

MIRI BRANCH

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

KOTA KINABALU BRANCH

Lot 1-0-11 & 1-1-11,
Block 1, Api-Api Centre,
Lorong Api-Api,
88000 Kota Kinabalu, Sabah