

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



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

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www.aeonmalaysia.com.my

EVERYDAY
AEON
CARD™



Our **CORPORATE VISION** is to establish **AEON** as a leading brand in consumer finance and service industry by providing excellent customer service . As are flection 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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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 F52A, 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, Lebuhr 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

Bandaraya Melaka Service Centre

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

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

No.29, Jalan Kundang,
Taman Bukit Pasir,
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, 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

Temerloh Branch

No.21 (Ground Floor),
Jalan Ahmad Shah, 28000 Temerloh,
Pahang

Northern Region

Northern Regional Office

Tingkat 6, 10 & 11, Wisma Umno Spu,
Lorong Bagan Luar 2,
12000 Butterworth, Pulau Pinang

Penang Branch

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

Queensbay Service Centre

Jusco Queens Bay Mall
2F-52, 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, Ground Floor,
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

an introduction to

AEON Credit Service (M) Berhad

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

Today the business of the Company has expanded to include issuance of Credit Cards, Easy Payment schemes, Personal Finance schemes and other services. The Company currently has 3 Regional Offices, 31 branches and Service Centres located in major shopping centres and towns and a network of more than 4,300 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 720,000 cardmembers for the various products and more than 1,500 staff in service with the Company.

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



AEON Credit is a subsidiary of ÆON Credit Service Co. Ltd, Japan (ÆON Credit Japan), which is listed on the First Section of the Tokyo Stock Exchange. ÆON Credit Japan is mainly involved in the issuance of credit cards, and it currently has more than 18.08 million card members in Japan. It is one of the biggest credit card issuers and a leading consumer credit provider in Japan.

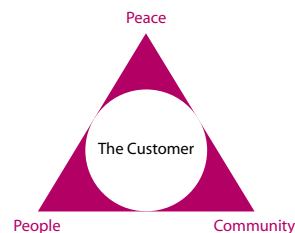
ÆON Credit Japan is in turn part of the ÆON group of companies (ÆON Group), a global retail and financial services group. ÆON Group consists of more than 150 subsidiaries and affiliated companies. ÆON Group operates not only in Japan but also in Southeast Asia, China and North America. The fundamental principle of ÆON is its "customer-centered approach." ÆON's mission is to contribute to customers.

ÆON'S BASIC PRINCIPLES

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

People: ÆON is a corporate group that respects human dignity and values personal relationships.

Community: ÆON 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

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AEON Credit Service (M) Berhad
412767-V



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 AEON Shopping Centres bringing nationwide network to 24

2007

Launched RM400 million commercial paper / medium term notes programme

Launched ATM Network and AEONCASH @ ATM

Launched AEON & JUSCO Gold Visa Credit Card

Launched Motorcycle Association Affinity Gold Visa Card

Listed on Main Board of Bursa Malaysia Securities Berhad

2008

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

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

Established 3 regional offices in Penang, Johor and Pahang

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

2009

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

Established 1 service centre at AEON Bandaraya Melaka Shopping Centre and 6 marketing offices in Sandakan, Sibul, Segamat, Sitiawan, Taiping and Sungai Petani

Established AEON Credit's Representative Office in Mumbai, India

Launched RM150 million asset-backed medium term notes programme

2009 Events

Milestones



New AEON Card Launch

The new AEON card which was exclusively launched for JUSCO shoppers, focuses on loyalty points and more rewards for the customers. The card which combines JUSCO credit card issued by AEON Credit with the J CARD issued by AEON CO. as a "2 in 1" card also comes with exclusive benefits and privileges to cardmembers.



Promotions



AEON Raya Bonanza Carnival

The Company together with its merchants and business partners organised the AEON Raya Bonanza carnival as well as nationwide road shows offering exciting promotions and special bargains during the festive season. Promotional details were published in the Pesona Catalogue with nationwide distribution of 1 million copies. The catalogue contained special offers and promotions from the participating merchants and business partners.

AEON Credit Card and J CARD Recruitment

The Company held joint card recruitment with AEON CO. at AEON Shopping Centres to promote the new AEON card and J CARD which provide more benefits and earning of double reward points for the cardmembers.

2009 Events (cont'd)

Promotions

RM200,000 Giveaway Contest

All AEON Credit customers stood a chance of winning great prizes through this contest. The Company gave away three Perodua Viva cars, LCD televisions and GINTELL eSlim Advanced Slimming Belts at a prize giving ceremony held earlier this year.



AEON Credit – AIA Life Insurance Joint Promotion

The Company collaborated with AIA Life Insurance in a joint promotion at JUSCO stores in Klang Valley as an additional sales channel for the insurance business. The recruiters promoted AEON credit card, AIA insurance product and also J CARD during the promotion period by giving out sign up and approval gifts.

Used Car Easy Payment (UCEP) at East Coast and East Malaysia

The Used Car Easy Payment (UCEP) expansion to East Coast states and to East Malaysia were carried out from April 2009 and December 2009 respectively. The Company aims to realise a network of 100 participating merchants by next year.

Promotions



AEON Credit Achieves 20 Million Cardmembers

In conjunction with AEON Credit Group achieving its 20 millionth cardmember in Asia, a customer campaign was held to reward AEON Credit's customers for the various products. Customers stood a chance to win great prizes, which included trips to Japan, Hong Kong and Taiwan.



Double Points, Double Rewards Program

With the upgrade of JUSCO credit card to the new AEON card, cardmembers will enjoy the combined benefits of loyalty points (from J CARD) and credit card function in just one card. The new AEON card provides 'Double Reward Points' to the cardmembers when used at JUSCO Stores / Pasar Raya MaxValu nationwide, an 'express-way' to earn reward points, redeem JUSCO Vouchers or other gift items.

Company Expansion



Opening of 6 Marketing Offices and 1 Service Centre

The Company had established 6 Marketing Offices in Sandakan, Sibul, Segamat, Sitiawan, Taiping and Sungai Petani and 1 service centre at AEON Bandaraya Melaka Shopping Centre. This is to cater for local area needs and provide convenience for consumers.



India Representative Office in Mumbai

The Company opened a Liaison Office in Mumbai, India in May 2009, to facilitate AEON Credit's business expansion into the India market. Tentatively, the AEON Credit Group intends to launch a consumer durables financing scheme in the last quarter of the financial year to finance purchase of home appliances, electrical goods and furniture.

2009 Events (cont'd)

Corporate



Annual General Meeting

The Company held its Twelfth Annual General Meeting of shareholders on 16 June 2009 at the Grand Ballroom, Hotel Nikko Kuala Lumpur. The Company shared salient details of the Company's business performance for FYE2009 with shareholders.



Investor Relations Presentation

Two presentations were held this year to mainly update investors and analysts on the Company's performance and growth prospects. This coincides with the announcement of interim results for six months ended August 2009 and final results for FYE2010.



Interim and Final Dividends

The Company declared and paid out final dividends of 8.51 sen for FYE2009 on 14 July 2009 and interim dividends of 7.88 sen on 20 October 2009 to reward shareholders of the Company. The interim dividend declared was 19.9% higher than the interim dividend in the previous year while the net interim dividend paid represented dividend payout ratio of 36.8% against the net profit for the six months ended 20 August 2009.

Asset-Backed Medium Term Notes (ABMTN)

The Company's maiden funding through ABMTN programme of RM150 million was arranged by Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad. The programme further diversifies the Company's funding from the market.



Corporate



Motorcycle Easy Payment (MEP) Top Merchants Seminar

This was the first seminar organised by the Company for the top Motorcycle Easy Payment (MEP) merchants. The seminar held at Club Med, Cherating allowed top management of the Company to discuss on ideas and strategies with the MEP merchants on ways to increase sales as well as maintaining good business relationship.



Policy Announcement

The Policy Announcement was held on 27 February 2010 and attended by middle to senior management staff. During this event, the Company's previous year performance was reviewed and directions and plans for the coming year were announced.



Business Retreat

This year's annual business retreat was held on 9 January 2010 at Parkroyal Hotel Kuala Lumpur. The business retreat allows top and senior management to discuss and brainstorm ideas and strategies for the current year and 3 years business plan. The business retreat also enables management team to cultivate closer relations in a more relaxed surrounding.



Annual Dinner and Staff Awards

The Company's annual dinner themed "All Around The World" was held on 27 February 2010. Over 600 staff from Central Region attended the dinner which was followed by regional area annual dinner functions. It was a night to remember and staff were also awarded with The Excellent Staff Award, Excellent Customer Service Award, Meritorious Award, Best Team Achievement Award and Top Sales Award.



Corporate Responsibility

AEON Credit continuously seeks to reinforce the wellbeing of and social participation within the community it serves. The Company and the employees participate in social welfare and other Corporate Social Responsibilities (CSR) activities through fund raising activities and community contribution.

The Company together with AEON CO (M) BHD had raised contributions through its Padang, Sumatera Earthquake Fundraising and Haiti Earthquake Fundraising campaigns to aid those affected by the disasters. The contribution was presented to the Indonesian Ambassador at the Indonesian Embassy on 30 October 2009 and to the Executive Director of MERCY Malaysia on 5 March 2010 respectively. AEON Credit had placed donation boxes in its offices, branches and service centres nationwide as part of its campaign and the campaigns aim to reduce all victims' burden.

The Company contributed helmets and luminous stickers in conjunction with Yamaha's 11th Safety Campaign held at Sunway / Puchong LDP Toll Plaza (South bound). Apart from that, the Company also donated side-carts during a charity event organised by the Selangor & Federal Territory Motorcycle & Scooter Dealers Association for the support of the needy and handicapped people.

As part of AEON Group policy to conduct and participate in activities aimed at preserving the environment for future generations, the Company participated and donated RM5,000 in the annual tree planting activity organised by AEON CO. Japan which was held at Paya Indah Wetlands on 3 October 2009. The Company had also participated in tree planting activities held at AEON Bandaraya Melaka Shopping Centre on 6 November 2009.



A Blood Donation Drive was also organised for staff of the Company at its Headquarters to assist in the replenishment of blood stocks for the National Blood Bank.

The Company successfully implemented the ISO 14001:2004 environmental quality management system which was certified by TUV Nord Malaysia on 11 November 2009. The certification covers on Provision of Credit Card Service, Personal Financing and Easy Payment Scheme and helps to ensure environment friendly practices are adopted in the company's operations. The Company also recently upgraded its ISO 9001:2000 service quality management system to ISO 9001:2008 version.

The Company had conducted various training and development courses for the benefit of its staff for their career development and to provide better and quality customer service. Among the trainings and courses held were Code of Conduct Training, Customer Service Mindset Training, Train the Trainer, Managing Emotional Intelligence Training, Stress Management Program, Coaching and Counselling Skills Training and Handling Difficult Customers Training.

5 Years Financial Highlights

	FYE2010 RM'000	FYE2009 RM'000	FYE2008 RM'000	FYE2007 RM'000	FYE2006 RM'000
Income Statement					
Revenue	210,144	186,919	151,797	116,043	69,119
Profit before tax	72,226	65,930	45,750	27,545	19,293
Profit after tax	54,275	48,757	33,394	19,702	13,506

Balance Sheet

Assets

Plant and equipment	22,047	24,820	21,608	23,367	18,119
Investment	1,797	1,797	1,026	1,026	1,026
Receivables	360,704	323,325	256,176	168,486	119,396
Total non-current assets	384,548	349,942	278,810	192,879	138,541
Receivables, deposits and prepayments	622,484	557,718	450,130	376,536	198,357
Cash and bank balances	3,161	2,462	2,404	2,072	778
Total current assets	625,645	560,180	452,534	378,608	199,135
Total assets	1,010,193	910,122	731,344	571,487	337,676

Equity

Share capital	60,000	60,000	60,000	49,000	12,000
Share premium	56,147	56,147	56,147	15,000	–
Retained earnings	134,315	99,696	65,430	40,165	50,784
Total equity attributable to shareholders of the Company	250,462	215,843	181,577	104,165	62,784

Liabilities

Borrowings (unsecured)	460,041	358,529	311,395	268,246	182,500
Deferred tax liabilities	1,782	2,386	2,523	2,162	1,400
Total non-current liabilities	461,823	360,915	313,918	270,408	183,900
Payables and accruals	44,453	50,035	42,582	39,548	25,275
Borrowings (unsecured)	246,631	276,279	188,198	154,539	65,602
Taxation	6,824	7,050	5,069	2,827	115
Total current liabilities	297,908	333,364	235,849	196,914	90,992
Total liabilities	759,731	694,279	549,767	467,322	274,892
Total equity and liabilities	1,010,193	910,122	731,344	571,487	337,676

Statistics

Net earnings per share (sen)*	45.23	40.63	32.65	25.00	19.10
Gross dividends per ordinary share (sen)	22.50	20.10	12.84	6.84	5.33
Net assets per share (RM)	2.09	1.80	1.51	1.06	5.23

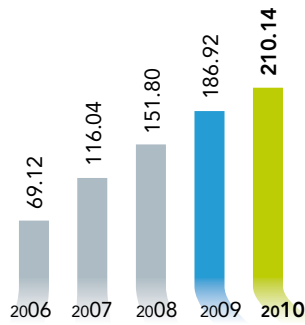
* Note: Earnings per share has been calculated based on weighted average number of ordinary shares outstanding in the respective year.

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.

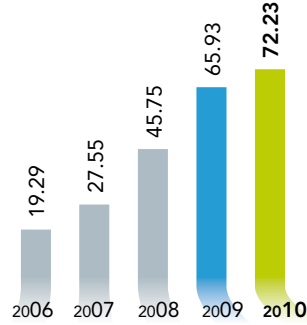


5 Years Financial Highlights (cont'd)

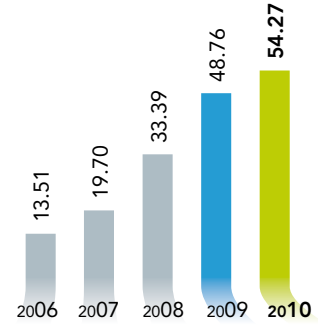
Revenue
(RM Million)



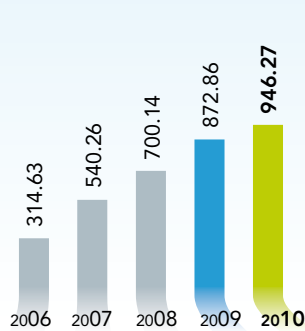
Profit Before Tax
(RM Million)



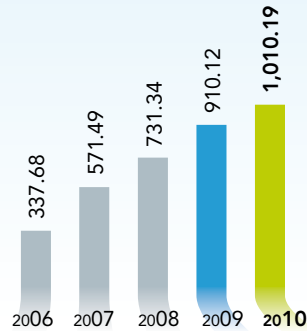
Profit After Tax
(RM Million)



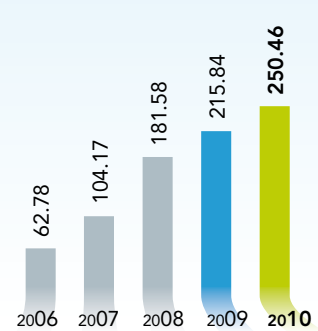
Trade Receivables
(RM Million)



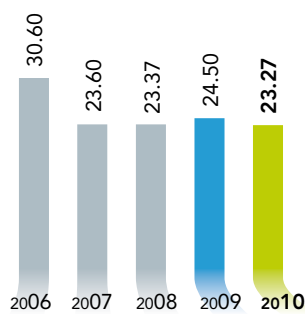
Total Assets
(RM Million)



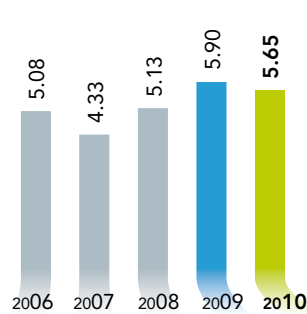
Shareholders' Funds
(RM Million)



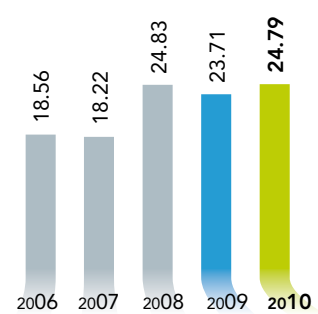
Return on Equity
(%)



Return on Assets
(%)

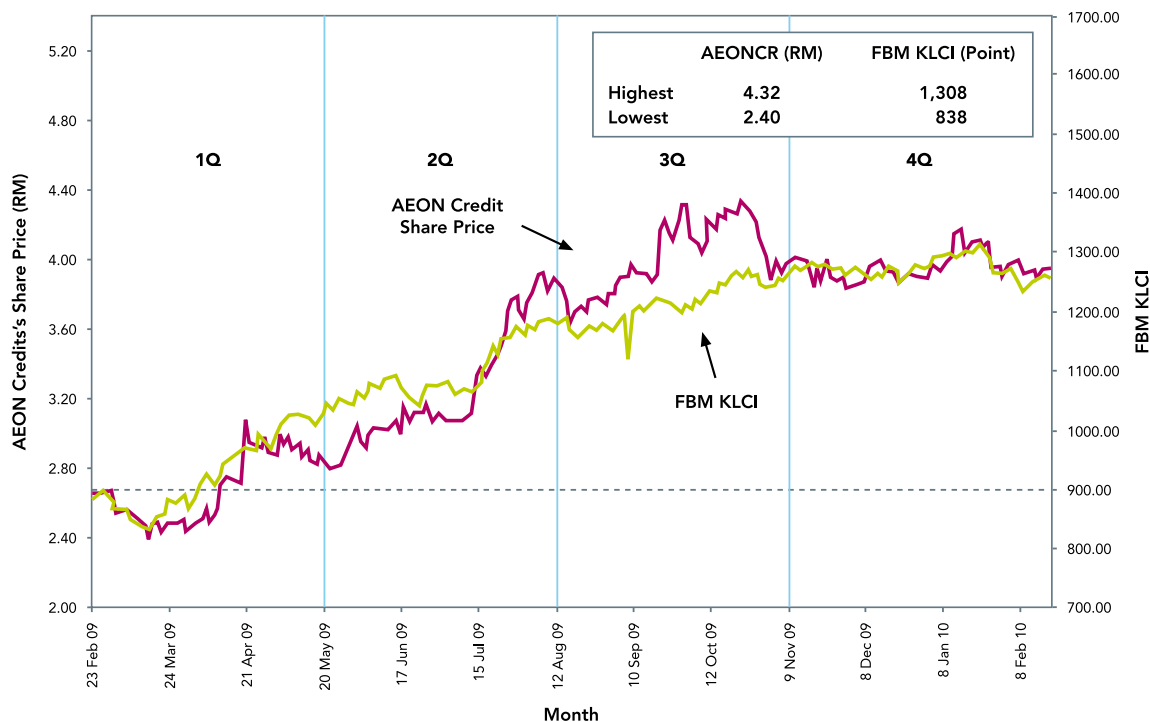


Capital Adequacy Ratio
(%)



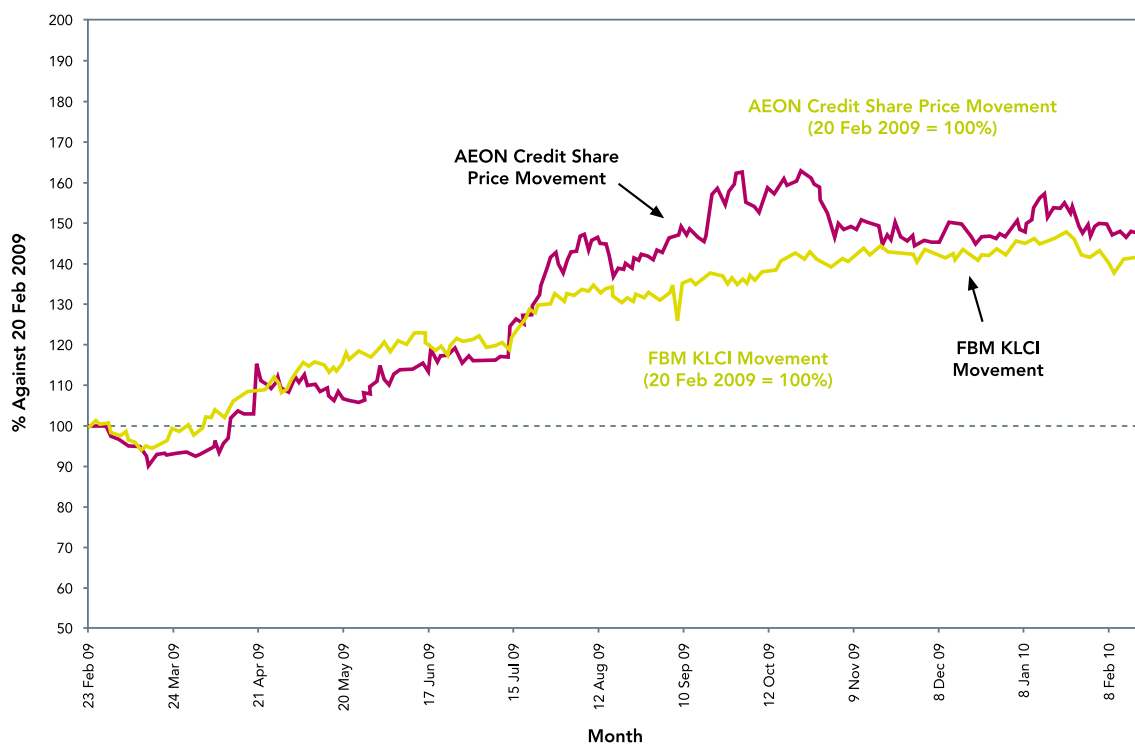
Share Price

AEON Credit Share Price vs. FBM KLCI (21-02-09 to 20-02-10)



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AEON Credit Share Price Movement vs. FBM KLCI Movement (21-02-09 to 20-02-10)



Corporate Information

Board of Directors

Dato' Abdullah bin Mohd Yusof
(Chairman)

Mr. Yasuhiro Kasai (Managing Director)

Mr. Yoshiki Mori

Mr. Naruhito Kuroda

Mr. Takatoshi Ikenishi

Mr. Ng Eng Kiat

Dato' Md. Kamal bin Ismaun

Datuk Ramli bin Ibrahim

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

Mr. Clarence Chai

Mr. Tomoaki Saito
(Appointed on 19 April 2010)

Secretaries

Ms. Tai Yit Chan (MAISCA 7009143)

Ms. Wong Lai Kuan (MAISCA 7032123)

Registered Office

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

Head Office

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

Auditors

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

Registrars

Symphony Share Registrars
Sdn. Bhd.
Block D13, Pusat Dagangan Dana 1
Level 6, Symphony House,
Jalan PJU 1A/46
47301, Petaling Jaya
Selangor Darul Ehsan
T : +603-78418000
F : +603-78418008

Webpage

www.aeonmalaysia.com.my

Stock Exchange Listing

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

Stock Name: AEONCR

Stock Code: 5139

Principle Bankers

Bank of Tokyo-Mitsubushi UFJ
(Malaysia) Berhad
Bank of Tokyo-Mitsubushi UFJ, Ltd.
CIMB Bank Berhad
Citibank Bank
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	22 May 2009
Annual General Meeting	16 June 2009
Payment of Dividend (Final)	Book Closure – 30 June 2009 Payment – 14 July 2009
(Interim)	Book Closure – 6 October 2009 Payment – 20 October 2009
First Quarter Results Announcement	16 June 2009
Second Quarter Results Announcement	17 September 2009
Third Quarter Results Announcement	16 December 2009
Fourth Quarter Results Announcement	19 April 2010

Chairman's Statement

Introduction

On behalf of the Board of Directors, I am pleased to present AEON Credit Service (M) Berhad (AEON Credit) Annual Report and Audited Financial Statements for the financial year ended 20 February 2010.

2009 has been a challenging year for the company. Malaysia did not escape the effects of the global economic downturn with the Malaysian economy contracting in the first three quarters in 2009. With the positive Gross Domestic Product (GDP) growth of 4.5 per cent in the fourth quarter of 2009, consumer and business confidence have returned. The government's introduction of financial stimulus packages has helped avoid a recession sweeping through niche areas of the economy.

Fortunately the Company achieved yet another year of continuing improvement in its financial performance. This is despite the challenging operating environment and the uncertainties in the global financial market in 2009.

I am delighted to report that for the financial year ended 20 February 2010, the Company's net profit increased by 11.3% to RM54.26 million from a net profit of RM48.76 million from the previous financial year. This resulted in improvement of earnings per share from 40.63 sen in FYE2009 to 45.23 sen for FYE2010.

Prospects

Prospects for 2010 remain bright. With economic growth, the financial sector is expected to thrive and domestic demand, particularly consumer spending, is expected to be higher. These positive conditions give us ample opportunities to grow our business. We will continue to focus on improving our products and services. We will explore further on how to give more rewards to our customers and create more synergies with our business partners.

With the collaboration with AEON CO. (M) BHD. (AEON CO.) on the new AEON card, the Company aims to maximize the business synergy of both companies. The card was exclusively introduced for JUSCO shoppers, focuses on loyalty points and more rewards for the customers. It combines JUSCO credit card issued by the Company with the J CARD issued by AEON CO. as a "2 in 1" card which comes with exclusive benefits and privileges to cardmembers as well as other lifestyle benefits and rewards.

The partnership that we have with AEON CO. on the new AEON card will offer more value to J CARD members. In addition, the perks, benefits and the support given by more than 500 privilege shopping partners will firmly put the card in a leading position within the credit card market and we are hoping that this will help in boosting our credit cards revenue in the near future.

I am pleased to announce that as of 18 March 2010 we have merged our Corporate Social Responsibility activities with AEON CO. (M) BHD. under the AEON Foundation. With this, we shall work hand in hand with AEON CO. (M) BHD. to organize charitable activities that are beneficial to the Malaysian society.

As part of our expansion plans and in order to capture wider market segments, we have recently opened a new branch at Temerloh, Pahang and a service centre at AEON Bandaraya Melaka Shopping Centre. The Company will find ways to cater for the wider local area needs and provide convenience to its consumers. We will focus on promoting our consumer financing products by carrying out more promotional activities both in urban and suburban areas.

AEON Credit will explore further on how to give more rewards to our customers and create more synergies with our business partners.



Chairman's Statement (cont'd)



The establishment of new branches, service centres and marketing offices nationwide are in line with our plans to capture larger market segments and our continued focus to achieve robust growth.

Dividend

The Board of Directors has proposed a final dividend of 12.00 sen per share less 25% income tax, which would amount to final net dividend payment of RM10.8 million. This would result in total dividend payout ratio of 37.3% of the net profit for FYE2010, including interim dividends paid in the course of the year. The Company had paid out net final dividends of 8.51 sen per share for last financial year, representing an increase of 54.5% from the previous year.

Acknowledgement

On behalf of the Board of Directors, I would like to take this opportunity to thank Mr. Naruhito Kuroda who relinquished his position as Managing Director of the Company on 20 April 2010 to assume his new

position in AEON Credit Service Ltd, Japan. I wish to express our sincere gratitude to him for his years of service and contributions to the Company. At the same time, I wish to welcome Mr. Yasuhiro Kasai who has been appointed as the new Managing Director of the Company on 20 April 2010 and Mr. Tomoaki Saito who was appointed as the Director of the Company on 19 April 2010.

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

We also would like to thank all our valued shareholders, business associates, bankers, government authorities and most of all, our valued customers for their continuous support to the Company over the years.

Thank you.

Dato' Abdullah Bin Mohd Yusof
Chairman

Managing Director's Operations Review



Our focus will be on new business expansion and new services.

Financial Review

AEON Credit Service (M) Berhad was able to achieve growth in operations and results despite the challenging business environment during the year under review. Nevertheless, the economic slowdown affected certain segments of the Company's customer base and resulted in reduced annual growth rate for the Company's consumer financing business in comparison with the preceding year.

The Company's recorded higher revenue of RM210.14 million for the year, representing growth of 12.4% from RM186.92 million total revenue in the previous year. The improved results were due to the growth in consumer financing achieved from the Company's Easy Payment Schemes, credit card and other products during the year and the expansion of service and business areas as well as retail merchants' network.

Meanwhile, profit before tax grew by 9.6% to RM72.23 million from RM65.93 million last financial year. Earnings per share correspondingly increased to 45.23 sen from 40.63 sen in the previous year.

The financing receivables as at end of FYE2010 was RM946.27 million, representing growth of 8.4% from RM872.86 million in the previous financial year. Meanwhile, non-performing loans (NPL) ratio was 1.80% as at February 2010 compared to 1.88% in February 2009.

The financial year also saw the Company's maiden fund raising through an asset backed securitisation (ABS) funding programme for RM150 million to tap the debt capital market, as part of the Company's strategy to diversify funding sources in sustaining future business growth.

Operational Review

Card Business

During the first three quarters of the financial year, growth in credit cards in circulation was achieved through aggressive marketing promotions and the launching of the new AEON Card in September 2009. The new launching combines the JUSCO credit card issued by AEON Credit with the J CARD privilege card issued by AEON CO. (M) BHD. as a "2 in 1" card. It comes with various exclusive benefits and privileges to card members which include enhanced 'Double Reward Points' to cardmembers for spending at JUSCO Stores/ Pasar Raya MaxValu nationwide.

However, the introduction of government service tax for principal and supplementary credit cards as announced in October 2009 has affected the credit and charge card issuers in Malaysia, including AEON Credit. The industry faced cancellation of existing credit cards by consumers who wished to reduce the number of cards held as well as greater challenge in issuance of new credit cards.

Various measures taken by AEON Credit in response to introduction of the service tax included offer of benefits and "retention package" promotion to retain cardholders. Majority of card cancellations were by "non-active" card members, thus not affecting revenue significantly. As at end of the financial year, total principal credit cards in circulation were approximately 113,000.

Managing Director's Operations Review (cont'd)

Easy Payment and Personal Financing Business

Easy Payment Schemes continue to be the major contributor to the profit growth of the Company. During the year, AEON Credit focused on strategic marketing efforts in a challenging market environment through merchant development, promotions, roadshow activities etc, both in urban and suburban areas. The various promotions include a promotion in conjunction with the AEON Credit Group achieving issuance of 20 million credit cards in Asia and numerous nationwide and local area promotions to boost the sales volume, including promotions in collaboration with merchants and major suppliers. The Company continues to expand its network of participating merchants and chain stores, which offer Easy Payment schemes to customers nationwide.

Through AEON-Biz, a financing scheme for small companies to purchase office automation equipment such as computers and photocopying machines, the Company continues to cater for the demand from SME business segment. Towards the end of the financial year, the Company has expanded its "Used Car Easy Payment" scheme which provides financing to customers who are seeking for second-hand car financing to East Malaysia and certain states in Peninsular Malaysia.

Further Business Expansion

The Company expanded its network of branches and service centres to 31 locations nationwide to bring convenience to its customers, including the latest service centre at AEON Bandaraya Melaka Shopping Centre and a branch at Temerloh. Six marketing offices were also established nationwide at Segamat, Sitiawan, Taiping, Sungai Petani, Sandakan and Sibul to cater for local area merchant service needs.

Future Plans

With the improvement in the Malaysian economy, AEON Credit expects to maintain growth in performance in a scenario of improved consumer and business confidence.

The Company is looking at ways to increase its card base and with the new AEON card that offers double J CARD points for every Ringgit spent at any JUSCO stores nationwide, it targets to attract more shoppers and J CARD members. Besides, with the conversion of all card face to one standard brand name – "AEON", we are able to create awareness and recognition of

our products and achieve new growth in our cards recruitment. The standard brand name will also enable AEON CO (M) BHD. and AEON Credit Service (M) Berhad to realise greater synergies in the Malaysian card business market and send message to our potential customers on the combined benefits offered.

The Company will also expand on its business associates and affiliated merchant network and boost the uptake of its Easy Payment Scheme products. As part of the Company's expansion plan, it will embark on services via website for the convenience of customers, business partners and merchants in 2010/2011. We will introduce more convenient functions & services to our customer via a new AEON Web Portal and also improve operational efficiency by introducing online easy payment application submission for merchants.

The company will also continue its collaboration with AEON CO (M) BHD. on improving the AEON Loyalty program by taking responsibilities on the development of new participating merchants as well as outsourcing of reward point management system and operations. The new AEON Loyalty program with more attractive benefits & privileges is scheduled to be launched by the AEON Group in early 2011.

Our wide network of merchants and the increasing number of JUSCO stores in Malaysia have also given us opportunity to broaden our card business scope to include credit card transactions acquiring business, which is targeted to be launched by 2011.

AEON Credit expects to maintain profitability growth in the prevailing competitive environment through improvement in operational efficiency and productivity.

Acknowledgement

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

Yours sincerely,

Yasuhiro Kasai
Managing Director

Board Of Directors



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from left to right:

DATUK RAMLI BIN IBRAHIM

Independent Non-Executive Director

DATO' MD KAMAL BIN ISMAUN

Independent Non-Executive Director

MR. NG ENG KIAT

Independent Non-Executive Director

MR. TAKATOSHI IKENISHI

Non-Independent Non-Executive Director

MR. NARUHITO KURODA

Non-Independent Non-Executive Director

MR. YOSHIKI MORI

Non-Independent Non-Executive Director

DATO' ABDULLAH BIN MOHD YUSOF

Chairman And Independent Non-Executive Director

MR. YASUHIRO KASAI

Managing Director

MR. TOMOAKI SAITO

Executive Director

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

Executive Director

MR. CLARENCE CHAI

Executive Director



AEON Credit Service (M) Berhad
412767-V

Profile Of Directors



Dato' Abdullah bin Mohd Yusof
(71, 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 THR Hotel (Selangor) Bhd and 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 250,900 ordinary shares directly in the Company and 105,000 ordinary shares indirectly in the Company.

Mr. Yasuhiro Kasai was appointed as an Executive Director for AEON Credit Service (M) Berhad on 7 June 2005. On 20 April 2010, he was appointed as the Managing Director of the Company. Prior to his appointment as the Managing Director of the Company, he was the Head of Operation Management Division. He obtained a Bachelor's Degree in Law from Doshisha University of Japan in 1996. He began his career with AEON Credit Service Co., Ltd in Tokyo, Japan in 1996. He was seconded as Head of Electronic Data Processing in 1997. He has held various responsibilities in our Company, i.e Head of Management Information Systems Department in March 2000 as well as the Credit Assessment Department in March 2001, Senior Manager of Management Information Systems Department, Credit Assessment Department and Electronic Data Operations Department, General Manager/Head of Customer Relations Management Group as well as call centre and risk management sections and Senior General Manager of Customer Relations Management Group. He does not hold any directorship in any other public company. He has attended 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. Yasuhiro Kasai (38, Japanese)
Managing Director



Mr. Yoshiki Mori (59, 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 is currently the Vice President of AEON Co. Ltd., Japan. 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 meetings held in the financial year. He holds 480,000 ordinary shares directly in the Company.

Mr. Naruhito Kuroda was redesignated from Executive Director to Non-Executive Director of AEON Credit Service (M) Bhd. on 20 April 2010. Prior to his redesignation as a Non-Executive Director, he was the Managing Director of the Company from 26 April 2001 to 20 April 2010. He currently oversees the regional operation of AEON Credit Co. Ltd., Japan. He holds a Bachelor's Degree in English Literature from Kansai University of Foreign Studies, Japan, which he obtained in 1984. He joined AEON Co., Ltd. in 1984 and was transferred to AEON Credit Japan and subsequently seconded to AEON Credit Service (Asia) Co., Ltd. Hong Kong, as Senior Manager. In 1995 he was appointed a director of AEON Thana Sinsap (Thailand) PLC and also the Deputy Managing Director of ACS Capital Corporation, which he held from 1998 to 1999. Mr. Kuroda was appointed as a Director of AEON Credit Service (Asia) in Hong Kong from 1999-2000. He was appointed a Director of AEON CO. (M) BHD. from 2007-2010. He is also the President Komisaris of PT AEON Credit Service Indonesia. He has attended all the four (4) Board meetings held in the financial year. He holds 530,000 ordinary shares directly in the Company.



Mr. Naruhito Kuroda (48, Japanese)
Non-Independent Non-Executive Director



Mr. Takatoshi Ikenishi (46, 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 Kwansei Gakuin University, 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 four (4) 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 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 and Yayasan Tuanku Syed Sirajuddin. He also serves as a member of the Audit and Nomination Committees and has attended three (3) Board meetings held in the financial year. He holds 160,000 ordinary shares directly in the Company.



Datuk Ramli bin Ibrahim
(69, Malaysian)
Independent Non-Executive Director

Profile Of Directors (cont'd)



Dato' Md. Kamal bin Ismaun
(62, 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 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 and a fellow member of the Malaysian Institute of Taxation. He has more than thirty (30) years of experience in the field of audit, accountancy and taxation. He had previously served as a member on a number of working groups of the Malaysian Accounting Standards Board, a co-opted member on a number of committees of the Malaysian Institute of Certified Public Accountants and an examiner for the final professional examination of the Malaysian Institute of Certified Public Accountants. Presently, he is the Managing Partner of the merged firm of Azman, Wong, Salleh & Co. and Folks DFK & Co. He sits on the Board of Directors of several private limited companies. He also serves as the Chairman of the Audit Committee and has attended all four (4) Board meetings held in the financial year. He holds 10,000 ordinary shares directly in the Company.



Mr. Ng Eng Kiat (56, Malaysian)
Independent Non-Executive Director



Mr. Tomoaki Saito (38, Japanese)
Executive Director

Mr. Tomoaki Saito was appointed as an Executive Director for AEON Credit Service (M) Berhad on 19 April 2010. He obtained a Bachelor's Degree in Commerce from Doshisha University of Japan in 1996. He began his career with AEON Credit Service Co., Ltd. in Sapporo branch, Japan in 1996. Mr. Tomoaki has held various senior management responsibilities within AEON Credit Service Co., Ltd. from 1999 to 2008 and he has gained broad experience in the Human Resources Division, Accounting and Finance Division and the Corporate Affairs Division. Before he was promoted to Managing Director of AEON Credit Service (TAIWAN) Co., Ltd., he was the Senior Manager of the Accounts and Finance Department of AEON Credit Service (ASIA) Co., Ltd. Currently, he is responsible for overseeing the Operations Management Division of the Company. He has not attended any Board meetings held during the financial year as he was appointed after end of FYE2010. He does not hold any shares in the Company.

Mr. Krishnappan a/l S.P.S. Singaram was appointed as an Executive Director for AEON Credit Service (M) Berhad on 7 June 2005. He obtained the Certified Public Accountant qualification from the Malaysian Institute of Certified Public Accountants ("MICPA") in 1994 and is currently a member of both MICPA and the Malaysian Institute of Accountants ("MIA"). He began his career with KPMG Peat Marwick in 1987. He left to join Sime Darby Berhad as Finance Manager in 1993 before joining Tanjung Serbaneka Holding Sdn. Bhd. as their Group Finance Manager in 1996. Thereafter, he left Tanjung Serbaneka Holding Sdn Bhd to join our Company in 2000 as Manager of Finance Department. In 2003, he was promoted to the position of Assistant General Manager of both Human Resource and Finance Departments. He was made the Head of Finance Group in 2006. On 21 February 2008, he was made Head of Finance and Human Resource Division. He was redesignated as the Head of Finance, Legal and Administration Division on 1 April 2010. He does not hold any directorship in any other public company. He attended four (4) Board meetings held in the financial Year. He holds 90,000 ordinary shares directly in the Company.



Mr. Krishnappan a/l S.P.S. Singaram
(43, Malaysian) Executive Director



Mr. Clarence Chai (47, 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. He was later promoted to Assistant General Manager, and General Manager/Head of Branch Operations Group. He is responsible for overseeing the company's entire branch network and service centres network. On 21 February 2008, he was made Head of Regional Sales and Operations Division. He has attended 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



**MR. YASUHIRO
KASAI**

Managing Director



**MR. TOMOAKI
SAITO**

General Manager /
Head of Operations
Management Division



**MR. KRISHANAPPAN
A/L S.P.S. SINGARAM**

Senior General Manager /
Head of Finance, Legal &
Administration Division



MR. CLARENCE CHAI

Senior General Manager /
Head of Regional Sales &
Operations Division



**MR. DANNY
POH WAN CHUNG**

General Manager / Head
of Marketing & Business
Development Division



MS. LEE TYAN JEN

General Manager /
Head of Credit Operations
Division



MS. NG SOO LEE

Assistant General Manager /
Head of Human Resource
Group



**MR. AJITH A/L
JAYARAM**

Senior Manager /
Assistant Head of
Credit Management Group

Statement On Corporate Governance

Compliance Statement

The Board of Directors ("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 on Corporate Governance ("the Code") and the manner in which it has applied and complied with the principles and 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 of 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) establishes 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 and manage the Company effectively.

The Board currently consists of eleven (11) members, comprising one (1) Chairman who is Non-Executive Director, four (4) Executive Directors and six (6) Non-Executive Directors. The Chairman and three (3) of the Non-Executive Directors are Independent Directors of the Company. This complies with Paragraph 15.02 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") which required at least two (2) or one third (1/3) of the Board of the Company, whichever is the higher, are Independent

Directors. The Directors' profiles are presented on pages 19 to 22 of the Annual Report.

Datuk Ramli bin Ibrahim is the Senior 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 and transparent procedures for the appointment of new Directors to the Board. These procedures ensure that all nominees to the Board are first considered by the Nomination Committee, taking into account the required mix of skills, experience and other qualities of Board members, prior to making a recommendation to the Board and major shareholders of the Company.

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 four (4) times a year on a quarterly basis. Additional meetings are held as and when required. During the financial year, the Board met four (4) times where it deliberated and considered a variety of matters, inclusive of financial results, operation performance and resolutions.

	Name of Director	Number of meetings attended/ held during the Directors' term in office
1	Dato' Abdullah bin Mohd Yusof	4/4
2	Mr Naruhito Kuroda	4/4
3	Mr Yoshiki Mori	2/4
4	Datuk Ramli bin Ibrahim	3/4
5	Dato' Md Kamal bin Ismaun	4/4
6	Mr Ng Eng Kiat	4/4
7	Mr Yasuhiro Kasai	4/4
8	Mr Krishnappan A/L S.P.S. Singaram	4/4
9	Mr Clarence Chai	4/4
10	Mr Takatoshi Ikenishi	4/4

Statement On Corporate Governance (cont'd)

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 or respective Board Committees 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 on the Company's history, operations and performance. All Directors of the Company have completed the Mandatory Accreditation Programme as at end of February 2010. The Directors have also been provided with updates on relevant new laws and regulations affecting their role as Directors.

During the financial year ended 20 February 2010, the relevant training programmes, seminars, forums, workshops and discussions attended by the Directors of the Company were on the following topics:

Title of Seminar / Workshops / Courses

1. Malaysian Institute of Corporate Governance Session: "Governance in Action in Today's World"
2. Malaysian Alliance of Corporate Directors Session: "Raising the Bar for Corporate Directors – Towards Global Competitiveness"
3. PLCs Forum on Corporate Governance Best Practices
4. New Framework for Listings and Equity Fund-Raisings and Bursa Malaysia Securities Berhad Main Market Listing Requirements
5. Forum on "The Challenges of Implementing FRS 139"
6. BURSA Malaysia Evening Talk on Corporate Governance.
7. National Tax Conference
8. Financial Reporting during Financial Turbulence
9. Briefing on Bursa Malaysia Securities Berhad's revised Listing Requirements

10. National Seminar on Taxation

11. Workshop on FRS 132, FRS139, FRS7 and IC9

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

Re-election of Directors

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

Directors appointed by the Board in each financial year shall hold office only until the next AGM and shall then be eligible for re-election.

Board Committees

The Board delegates certain responsibilities to Board Committees based on defined terms of reference. 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. 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 28 to 31 of the Annual Report.

Nomination Committee

The Nomination Committee comprises the following members:

- ⊙ Mr Yoshiki Mori (Chairman)
- ⊙ Dato' Abdullah bin Mohd Yusof
- ⊙ Mr Takatoshi Ikenishi
- ⊙ Datuk Ramli bin Ibrahim
- ⊙ Dato' Md. Kamal bin Ismaun

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

The Nomination 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 interest of the minority shareholders are fairly reflected on the Board. The Nomination 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 Nomination Committee also assesses annually the effectiveness of the Board as a whole, the Board Committees and contribution of each individual Director as well as the effectiveness and performance of the Executive Directors.

During the financial year ended 20 February 2010, one (1) Nomination Committee meeting was held. 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 bin Mohd Yusof
- ⊙ Mr Takatoshi Ikenishi

The Remuneration Committee is responsible for recommending to the Board, the remuneration of Executive Directors and Non-Executive Directors of the Company in all its forms. The Executive Directors concerned play no part in the decision of their own remuneration but may attend the committee meetings at the invitation of the Chairman of the Remuneration Committee if their presence are 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 2010, one (1) Remuneration Committee meeting was held. During the year, the Remuneration Committee reviewed and recommended to the Board, the remuneration for the Managing Director and Executive Directors of the Company and further recommended the Non-Executive Directors' fees to the Board to seek shareholders' approval at the Company's AGM.

Directors' Remuneration

The breakdown of the remuneration of the Directors, categorised into appropriate components for the financial year ended 20 February 2010 is as follows:-

	Executive Directors	Non-Executive Directors	(RM) Total
Fees	–	397,000	397,000
Salaries, bonus and other contributions	2,503,579	–	2,503,579
Benefits-in-kind	194,682	–	194,682
TOTAL	2,698,261	397,000	3,095,261

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

	Number of Directors		
	Executive	Non-Executive	Total
Below RM50,000	–	2	2
RM50,001 to RM100,000	–	3	3
RM100,001 to RM150,000	–	–	–
RM150,001 to RM200,000	–	1	1
RM200,001 to RM300,000	–	–	–
RM300,001 to RM400,000	1	–	1
RM400,001 to RM450,000	1	–	1
RM450,001 to RM700,000	1	–	1
RM700,001 to RM1,250,000	1	–	1
	4	6	10

Statement On Corporate Governance (cont'd)

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 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 AGM, 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 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 on Internal Control

The Statement on Internal Control as set out on page 32 of the Annual Report provides an overview of the state of internal control within the Company.

Recurrent Related Party Transactions

At the Twelfth AGM held on 16 June 2009, 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 2010 are disclosed in Note 18 of the financial statements on page 60 of the Annual Report 2010.

Relationship with Auditors

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

The relationship between the Board and External Auditors is also formalized through the Audit Committee's terms of reference.

Compliance with the Code

The Board is pleased to state that the Company was in compliance with all the principles and best practices as advocated in the Code 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 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, 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, representatives of the External Auditors, Messrs KPMG, the Managing Director and the Head of Finance & Human Resource Division 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 29 to 31. During the financial year under review, the Audit Committee carried out the following main activities:

- ⊙ Reviewed and approved the annual internal audit plan of the Internal Audit Department, including its audit strategy, scope, functions, competency, resource requirements and the necessary authority to carry out its work.
- ⊙ Reviewed and deliberated reports issued by the External Auditors, Messrs KPMG and Internal Audit Department on significant findings and remedial actions to be taken by Management to address the issues raised.
- ⊙ Reviewed and recommended the quarterly unaudited financial results and the annual audited financial statements of the Company to the Board for consideration and approval.
- ⊙ Reviewed with the external auditors the scope of work, audit plan and their professional fees and thereafter recommended the same to the Board for approval.
- ⊙ Reviewed the incidence and nature of recurrent related party transactions and also reviewed the annual circular to shareholders in respect of the recurrent related party transactions of revenue and trading nature and recommended the same to the Board for consideration and approval.
- ⊙ Discussed and recommended to the Board for approval, the Statements on Corporate Governance and Internal Control and the Audit Committee activities report for inclusion in the annual report.
- ⊙ Reviewed with the Management on changes to significant accounting policies and thereafter recommended to the Board for consideration and approval.
- ⊙ Reviewed with the Management the impact of the implementation of new / revised Financial Reporting Standards (FRS).

- ⊙ Conducted an annual assessment of the Internal Audit Department's scope, functions, competency and resources pursuant to the Listing Requirements of Bursa Securities.
- ⊙ Reported to the Board on its activities and any significant issues and remedial actions taken arising from the audits undertaken by the external and internal auditors.

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

Internal Audit Functions and Summary of Activities

The Company has established an Internal Audit Department which reports to the Audit Committee. The Internal Audit Department serves as a governance control and provides the Audit Committee with independent and objective reports on the state of internal control 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 2010 was RM458,000. During the financial year 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 incidents 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.

Terms Of Reference Of The Audit Committee (cont'd)

Responsibilities and Duties

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

- a. Review with 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 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 Main Market Listing Requirements of Bursa Securities.

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.

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 control. 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, audit findings and recommendations, 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

1. 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 2010, 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 and Datuk Ramli bin Ibrahim, both 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 RM7.484 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 JCARD points from AEON CO. (M) BHD. During the year under review, the value of total additional J CARD points purchased by the Company was RM0.785 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 RM78.965 million and the total commission receivable was RM1.146 million.

2. Non-Audit Fees

The amount of non-audit fees incurred for services rendered to the Company by the Company's auditors, or a firm or company affiliated to the auditors' firm for the financial year ended 20 February 2010 was RM60,000.

Risk Management

The Company's Risk Management Section was established in June 2009 to provide the Company with a mechanism to develop an overall approach to manage risks faced by the organization.

The risk management framework was developed with the purpose of providing guidance to advance the use of a more systematic approach to risk management. The framework will ensure that significant risk areas associated with policies, procedures and practices are identified, assessed and monitored.

A Risk Management Committee, primarily comprising senior management, has been set up to address risks issues faced by the Company. Risk Management meetings are conducted monthly. The Committee is responsible for

- (i) Enhancing the risk management process by improving and monitoring the Company's risk.
- (ii) Providing direction and guidance to management as required.

Risk Management is responsible to report to the Board on a quarterly basis on the significant risk issues faced by the Company.



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Directors' Report

for the year ended 20 February 2010

The Directors have pleasure in submitting their report and the audited financial statements of the Company for the year ended 20 February 2010.

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	54,275

RESERVES AND PROVISIONS

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

DIVIDENDS

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

- i) a final ordinary dividend of 11.34 sen per ordinary share less tax at 25% totalling RM10,206,000 (8.51 sen net per ordinary share) in respect of the year ended 20 February 2009 on 14 July 2009; and
- ii) an interim ordinary dividend of 10.50 sen per ordinary share less tax at 25% totalling RM9,450,000 (7.88 sen net per ordinary share) in respect of the financial year ended 20 February 2010 on 20 October 2009.

The final ordinary dividend recommended by the Directors in respect of the year ended 20 February 2010 is 12.00 sen per ordinary share less tax at 25% totalling RM10,800,000 (9.00 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
Dato' Md Kamal Bin Ismaun
Datuk Ramli Bin Ibrahim
Clarence Chai
Krishnappan A/L S.P.S. Singaram
Naruhito Kuroda
Ng Eng Kiat
Takatoshi Ikenishi
Yasuhiro Kasai
Yoshiki Mori
Tomoaki Saito (Appointed on 19 April 2010)



Directors' Report (cont'd)

for the year ended 20 February 2010

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:

	Number of ordinary shares of RM0.50 each			
	At 21.2.2009	Bought	Sold	At 20.2.2010
The Company				
Direct interest:				
Dato' Abdullah Bin Mohd Yusof	359,900	—	(99,500)	260,400
Dato' Md Kamal Bin Ismaun	5,000	—	—	5,000
Datuk Ramli Bin Ibrahim	160,000	—	—	160,000
Clarence Chai	22,000	—	—	22,000
Krishnappan A/L S.P.S Singaram	90,000	—	—	90,000
Naruhito Kuroda	530,000	—	—	530,000
Ng Eng Kiat	10,000	—	—	10,000
Yasuhiro Kasai	90,000	—	—	90,000
Yoshiki Mori	480,000	—	—	480,000
Deemed interest:				
Dato' Abdullah Bin Mohd Yusof				
- own	20,000	—	(20,000)	—
- others*	103,000	2,000	—	105,000
Yasuhiro Kasai				
- others*	50,000	—	—	50,000
Number of ordinary shares of RM1.00 each				
	At 21.2.2009	Bought	Sold	At 20.2.2010
Related company				
AEON CO. (M) BHD.				
Direct interest:				
Dato' Abdullah Bin Mohd Yusof	536,000	—	(10,000)	526,000
Naruhito Kuroda	32,000	—	—	32,000
Yasuhiro Kasai	800	—	—	800
Deemed interest:				
Dato' Abdullah Bin Mohd Yusof				
- own	1,257,800	—	(90,000)	1,167,800
- others*	3,000	—	—	3,000
Datuk Ramli Bin Ibrahim				
- others*	560,000	—	—	560,000

Directors' Report (cont'd)
for the year ended 20 February 2010

	Number of ordinary shares of HKD0.10 each			
	At 21.2.2009	Bought	Sold	At 20.2.2010
Related company				
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 21.2.2009	Bought	Sold	At 20.2.2010
Related company				
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 JPY248.68 each			
	At 21.2.2009	Bought	Sold	At 20.2.2010
Ultimate holding company				
AEON Co., Ltd.				
Direct interest:				
Yoshiki Mori	7,500	2,000	–	9,500

	Number of ordinary shares JPY98.57 each			
	At 21.2.2009	Bought	Sold	At 20.2.2010
Immediate holding company				
AEON Credit Service Co., Ltd.				
Direct interest:				
Naruhito Kuroda	1,980	–	–	1,980
Yoshiki Mori	42,126	5,900	–	48,026
Yasuhiro Kasai	364	–	–	364
Takatoshi Ikenishi	100	100	–	200

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



Directors' Report (cont'd)

for the year ended 20 February 2010

DIRECTORS' BENEFITS

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

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

ISSUE OF SHARES AND DEBENTURES

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

There were no debentures issued 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.

Directors' Report (cont'd)
for the year ended 20 February 2010

OTHER STATUTORY INFORMATION (CONTINUED)

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

In the opinion of the Directors, the financial performance of the Company for the financial year ended 20 February 2010 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

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Naruhito Kuroda

Kuala Lumpur,
Date: 30 April 2010



Balance Sheet

as at 20 February 2010

	Note	2010 RM'000	2009 RM'000
Assets			
Plant and equipment	3	22,047	24,820
Investments	4	1,797	1,797
Receivables	5	360,704	323,325
Total non-current assets		384,548	349,942
Receivables, deposits and prepayments	5	622,484	557,718
Cash and bank balances		3,161	2,462
Total current assets		625,645	560,180
Total assets		1,010,193	910,122
Equity			
Share capital		60,000	60,000
Share premium		56,147	56,147
Retained earnings		134,315	99,696
Total equity attributable to equity holders of the Company	6	250,462	215,843
Liabilities			
Borrowings	7	460,041	358,529
Deferred tax liabilities	8	1,782	2,386
Total non-current liabilities		461,823	360,915
Payables and accruals	9	44,453	50,035
Borrowings	7	246,631	276,279
Taxation		6,824	7,050
Total current liabilities		297,908	333,364
Total liabilities		759,731	694,279
Total equity and liabilities		1,010,193	910,122

The notes on pages 45 to 63 are an integral part of these financial statements.

Income Statement

for the year ended 20 February 2010

	Note	2010 RM'000	2009 RM'000
Continuing operations			
Revenue	10	210,144	186,919
Staff costs		(57,247)	(54,203)
Depreciation of plant and equipment	3	(11,098)	(10,216)
Operating expenses		(88,838)	(72,314)
Other income		49,933	42,135
Operating profit	11	102,894	92,321
Finance costs	13	(30,668)	(26,391)
Profit before tax		72,226	65,930
Tax expense	14	(17,951)	(17,173)
Profit for the year attributable to equity holders of the Company		54,275	48,757
Basic earnings per ordinary share (sen)	16	45.23	40.63

The notes on pages 45 to 63 are an integral part of these financial statements.

Statement of Changes in Equity

for the year ended 20 February 2010

	Note	Share capital RM'000	Non- distributable Share premium RM'000	Distributable Retained earnings RM'000	Total RM'000
At 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 / 21 February 2009		60,000	56,147	99,696	215,843
Profit for the year		–	–	54,275	54,275
Dividends	15	–	–	(19,656)	(19,656)
At 20 February 2010		60,000	56,147	134,315	250,462

Note 6.1

Note 6.2

Note 6.3

Cash Flow Statement

for the year ended 20 February 2010

	Note	2010 RM'000	2009 RM'000
Cash flows from operating activities			
Profit before tax		72,226	65,930
Adjustments for:			
Depreciation of plant and equipment	3	11,098	10,216
Finance costs		30,668	26,391
Gain on disposal of plant and equipment		–	(45)
Dividend income		(122)	(105)
Operating profit before working capital changes		113,870	102,387
Changes in working capital:			
Receivables, deposits and prepayments		(102,145)	(174,737)
Payables and accruals		(2,883)	4,508
Cash generated from/(used in) operations		8,842	(67,842)
Income taxes paid		(18,781)	(15,329)
Finance costs paid		(33,367)	(23,446)
Net cash used in operating activities		(43,306)	(106,617)
Cash flows from investing activities			
Dividend income		122	105
Acquisition of plant and equipment	3	(8,325)	(13,511)
Proceeds from disposal of plant and equipment		–	128
Acquisition of investments		–	(771)
Net cash used in investing activities		(8,203)	(14,049)
Cash flows from financing activities			
Repayment of bank borrowings		(275,655)	(189,807)
Proceeds from borrowings		347,192	325,249
Dividends paid to ordinary shareholders of the Company	15	(19,656)	(14,491)
Net cash generated from financing activities		51,881	120,951
Net increase in cash and cash equivalents		372	285
Cash and cash equivalents at beginning of year	(i)	2,462	2,177
Cash and cash equivalents at end of year	(i)	2,834	2,462

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

	2010 RM'000	2009 RM'000
Cash and bank balances	3,161	2,462
Overdrafts	(327)	–
	2,834	2,462

The notes on pages 45 to 63 are an integral part of these financial statements.

Notes to the Financial Statements

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

Principal place of business

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

Registered office

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

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

The immediate and ultimate holding companies 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 30 April 2010.

1. BASIS OF PREPARATION

(a) Statement of compliance

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

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

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2009

- FRS 8, Operating Segments

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2010

- FRS 4, Insurance Contracts
- FRS 7, Financial Instruments: Disclosures
- FRS 101, Presentation of Financial Statements
- FRS 123, Borrowing Costs (revised)
- FRS 139, Financial Instruments: Recognition and Measurement
- Amendments to FRS 1, First-time Adoption of Financial Reporting Standards
- Amendments to FRS 2, Share-based Payment: Vesting Conditions and Cancellations
- Amendments to FRS 7, Financial Instruments: Disclosures
- Amendments to FRS 101, Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation
- Amendments to FRS 127, Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

1. BASIS OF PREPARATION (CONTINUED)

(a) Statement of compliance (continued)

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2010 (continued)

- Amendments to FRS 132, Financial Instruments: Presentation
 - Puttable Financial Instruments and Obligations Arising on Liquidation
 - Separation of Compound Instruments
- Amendments to FRS 139, Financial Instruments: Recognition and Measurement, FRS 7, Financial Instruments: Disclosures and IC Interpretation 9, Reassessment of Embedded Derivatives
- Amendments to FRS 139, Financial Instruments: Recognition and Measurement
 - Reclassification of Financial Assets
 - Collective Assessment of Impairment for Banking Institutions
- Improvements to FRSs (2009)
- IC Interpretation 9, Reassessment of Embedded Derivatives
- IC Interpretation 10, Interim Financial Reporting and Impairment
- IC Interpretation 11, FRS 2 – Group and Treasury Share Transactions
- IC Interpretation 13, Customer Loyalty Programmes
- IC Interpretation 14, FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 March 2010

- Amendments to FRS 132, Financial Instruments: Presentation – Classification of Rights Issues

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2010

- FRS 1, First-time Adoption of Financial Reporting Standards (revised)
- FRS 3, Business Combinations (revised)
- FRS 127, Consolidated and Separate Financial Statements (revised)
- Amendments to FRS 2, Share-based Payment
- Amendments to FRS 5, Non-current Assets Held for Sale and Discontinued Operations
- Amendments to FRS 138, Intangible Assets
- IC Interpretation 12, Service Concession Agreements
- IC Interpretation 15, Agreements for the Construction of Real Estate
- IC Interpretation 16, Hedges of a Net Investment in a Foreign Operation
- IC Interpretation 17, Distribution of Non-cash Assets to Owners
- Amendments to IC Interpretation 9, Reassessment of Embedded Derivatives

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2011

- Amendments to FRS 1, First-time Adoption of Financial Reporting Standards-Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
- Amendments to FRS 7, Financial Instruments: Disclosure-Improving Disclosures about Financial Instruments

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

- from the annual period beginning 21 February 2010 for those standards, amendments or interpretations that will be effective for annual periods beginning on or after 1 July 2009 or 1 January 2010, except for FRS 4, Amendments to FRS 2, Amendments to FRS 101, Amendments to FRS 127, Amendments to FRS 132, IC Interpretation 11 and IC Interpretation 14 which are not applicable to the Company; and

Notes to the Financial Statement (cont'd)

1. BASIS OF PREPARATION (CONTINUED)

(a) Statement of compliance (Continued)

- from the annual period beginning 21 February 2011 for those standards, amendments or interpretations that will be effective for annual periods beginning on or after 1 March 2010, 1 July 2010 and 1 January 2011, except for FRS 1, FRS 3, FRS 127, Amendments to FRS 1, Amendments to FRS 2, Amendments to FRS 5, Amendments to FRS138, IC Interpretation 12 and IC Interpretation 15 which are not applicable to the Company.

The impacts and disclosures as required by FRS 108.30(b), Accounting Policies, Changes in Accounting Estimates and Errors, in respect of applying FRS 7 and FRS 139 are not disclosed by virtue of the exemptions given in these respective FRSs.

The initial application of other standards, amendments and interpretations are not expected to have any significant financial impacts to the financial statements upon their first adoption.

(b) Basis of measurement

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

(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 judgments

The preparation of financial statements requires management to make judgments, 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 judgments in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than determination of the allowance for doubtful debts as disclosed in Note 5.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 "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.

(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 | 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.

Notes to the Financial Statement (cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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:

- a) the recognition of an asset on the day it is received by the entity, and
- b) 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.

Receivables are classified as non-performing and sub-standard when repayments are in arrears for more than three months from the first day of default.

Allowance for doubtful debts is provided for all debts contractually past due for approximately 2 months. The allowance for doubtful debts is provided based on expected cash flows taking into consideration the historical loss rates. In addition, for debts contractually past due for approximately 3 months, allowance for doubtful debts is made after taking into consideration the estimated realisable value from the collateral recovered from customers or the amount recoverable from insurance.

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 and bank balances 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 and pledged deposits.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Impairment of assets

The carrying amounts of assets except for deferred tax assets and 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. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated 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.

Notes to the Financial Statement (cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 accrual basis.

Income from credit cards issuance

Income from finance charges, cash advance fees and transaction charges are recognised on accrual basis.

(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 interest 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 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(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.

(o) Segmental reporting

A segment is a distinguishable component of the Company that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

(p) Foreign currency transactions

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

Monetary assets and liabilities denominated in foreign currencies at reporting period are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

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

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 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/ 21 February 2009	5,927	40,768	1,789	3,225	11,053	62,762
Additions	495	7,237	64	106	423	8,325
Write-off	—	(3)	—	—	—	(3)
At 20 February 2010	6,422	48,002	1,853	3,331	11,476	71,084
Accumulated depreciation						
At 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/ 21 February 2009	4,215	23,137	809	2,535	7,246	37,942
Charge for the year	870	7,661	322	389	1,856	11,098
Write-off	—	(3)	—	—	—	(3)
At 20 February 2010	5,085	30,795	1,131	2,924	9,102	49,037
Carrying amounts						
At 21 February 2008	1,447	15,210	1,079	599	3,273	21,608
At 20 February 2009/ 21 February 2009	1,712	17,631	980	690	3,807	24,820
At 20 February 2010	1,337	17,207	722	407	2,374	22,047

Notes to the Financial Statement (cont'd)

4. INVESTMENTS

	2010 RM'000	2009 RM'000
Unquoted shares outside Malaysia	1,797	1,797

5. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	2010 RM'000	2009 RM'000
Non-current			
Trade			
Trade receivables		360,704	323,325
Current			
Trade			
Trade receivables		1,164,547	1,082,507
Less: Unearned carrying charges		(196,848)	(189,467)
Allowance for doubtful debts	5.2	(21,426)	(20,181)
	5.1	946,273	872,859
Less: Trade receivables (Non-current portion)		(360,704)	(323,325)
Trade receivables (Current portion)		585,569	549,534
Non-trade			
Other receivables, deposits and prepayments		36,915	8,184
		622,484	557,718

5.1 During the year, trade receivables amounting to RM48,981,000 (2009 – RM31,594,000) was written off against the allowance for doubtful debts.

Included in trade receivables is an amount of RM493,299,000 (2009 – RM455,656,000) relating to the Company's easy payment and personal financing schemes based on Islamic principles.

Trade receivables amounting to RM214,000,000 (2009 – Nil) have been sold under the Asset Backed Medium Term Notes securitised funding programme (Note 7). Based on the terms of the transaction, the said receivables will not be de-recognised from the balance sheet of the Company.

5.2 The Company makes allowance for doubtful debts based on assessment of recoverability. Whilst management's judgment is guided by past experience, judgment is required about future recovery of debts.

6. SHARE CAPITAL AND RESERVES

6.1 Share capital

	Amount 2010 RM'000	Number of shares 2010 '000	Amount 2009 RM'000	Number of shares 2009 '000
Authorised:				
Ordinary shares of RM0.50 each	100,000	200,000	100,000	200,000
Issued and fully paid:				
Ordinary shares of RM0.50 each	60,000	120,000	60,000	120,000

6. SHARE CAPITAL AND RESERVES (CONTINUED)**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 Retained earnings

Subject to agreement of the Inland Revenue Board, the Company has sufficient Section 108 tax credit and tax exempt income to frank approximately RM23,897,000 out of its retained earnings at 20 February 2010 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 20 February 2010 will be available to the Company until such time the credit is fully utilised or upon expiry of the transitional period on 20 February 2013, whichever is earlier.

7. BORROWINGS

	Note	2010 RM'000	2009 RM'000
Non-current			
Long term loans / financing (unsecured)	7.1	181,337	90,487
Medium term notes (unsecured)	7.2	178,704	268,042
Asset Backed Medium Term Notes (secured)	7.3	100,000	–
		460,041	358,529
Current			
Bank overdrafts (unsecured)	7.1	327	–
Revolving credits (unsecured)	7.1	59,343	138,990
Short term loans / financing (unsecured)	7.1	17,000	87,800
Medium term notes (unsecured)	7.2	119,961	49,489
Asset Backed Medium Term Notes (secured)	7.3	50,000	–
		246,631	276,279

7.1 Bank overdrafts, revolving credits and term loans / financing

The bank overdrafts bear interest rates varying between 6.10% and 6.15% (2009 – 6.45% to 6.60%) per annum. The revolving credits are subject to profit / interest rates ranging from 2.58% to 3.32% (2009 – 2.79% to 5.10%) per annum and term loans / financing are subject to profit / interest rates ranging from 3.35% to 5.45% (2009 – 4.65% to 5.84%) 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.

Notes to the Financial Statement (cont'd)

7. BORROWINGS (CONTINUED)
7.1 Bank overdrafts, revolving credits and term loans / financing (continued)

Included in revolving credits and term loans / financing are borrowings in the following currencies:

	2010 RM'000	2009 RM'000
Revolving credits		
Ringgit Malaysia	13,500	13,000
U.S. Dollar	–	90,872
Japanese Yen	45,843	35,118
	59,343	138,990
Term loans / financing		
Ringgit Malaysia	91,000	104,799
U.S. Dollar	30,000	30,000
Japanese Yen	77,337	43,488
	198,337	178,287

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

7.2 Medium term notes

	2010 RM'000	2009 RM'000
Nominal value	300,000	320,000
Discount	(1,105)	(2,114)
Deferred issuance cost	(230)	(355)
	298,665	317,531

The above represents RM260 million (2009 - RM240 million) of bank guaranteed Islamic Medium Term Notes ("Islamic MTN") and RM40 million (2009 - RM80 million) of bank guaranteed Conventional Medium Term Notes ("Conventional MTN") with the following redemption periods and profit/interest rates:

Redemption periods:

	Total RM'000	Less than 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000
2010					
Islamic MTN	260,000	80,000	110,000	70,000	–
Conventional MTN	40,000	40,000	–	–	–
	300,000	120,000	110,000	70,000	–

7. BORROWINGS (CONTINUED)**7.2 Medium term notes (continued)****Redemption periods:**

	Total RM'000	Less than 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000
2009					
Islamic MTN	240,000	50,000	120,000	45,000	25,000
Conventional MTN	80,000	40,000	40,000	–	–
	320,000	90,000	160,000	45,000	25,000

Profit/Interest rates

The Islamic MTN and Conventional MTN are issued at profit/interest rates ranging from 3.81% to 5.25% (2009 - 3.00% to 5.00%) per annum.

7.3 Asset Backed Medium Term Notes

	2010 RM'000	2009 RM'000
Nominal value	150,000	–

The above represents RM150 million (2009 - Nil) of Fixed Rate Asset Backed Medium Term Notes with the coupon rate of 4.20% per annum (2009 - Nil).

The Asset Backed Medium Term Notes are backed by trade receivables amounting to RM214 million (2009 – Nil) (Note 5.1).

8. DEFERRED TAX LIABILITIES**Recognised deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Plant and equipment	–	–	(3,173)	(3,329)	(3,173)	(3,329)
Provisions	1,391	943	–	–	1,391	943
Net tax assets / (liabilities)	1,391	943	(3,173)	(3,329)	(1,782)	(2,386)

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

Notes to the Financial Statement (cont'd)

9. PAYABLES AND ACCRUALS

	Note	2010 RM'000	2009 RM'000
Trade			
Trade payables		25,212	24,841
Related company	9.1	621	615
		25,833	25,456
Non-trade			
Other payables and accruals		18,353	24,286
Holding company	9.1	135	186
Related company	9.1	132	107
		18,620	24,579
		44,453	50,035

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 normal trade term.

10. REVENUE

	2010 RM'000	2009 RM'000
Interest income, finance charges and profit revenue from easy payment schemes, personal financing schemes and credit cards business	205,403	182,629
Cash advance fees, transaction charges, merchant commission and Visa / MasterCard interchange fees	4,741	4,290
	210,144	186,919

11. OPERATING PROFIT

	2010 RM'000	2009 RM'000
Operating profit is arrived at after crediting:		
Bad debts recovered	8,975	6,025
Dividend income	122	105
Gain on disposal of plant and equipment	–	45
and after charging:		
Allowance for doubtful debts	50,226	34,451
Auditors' remuneration:		
- statutory audit	120	100
- other services	60	30
Personnel expenses (including key management personnel):		
- contributions to Employees Provident Fund	4,986	4,524
- wages, salaries and others	52,261	49,679
Rental expense on:		
- office premises	6,919	5,913
- motor vehicles	6	11
- office equipment	237	227

12. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensations are as follows:

	2010 RM'000	2009 RM'000
Directors		
- Fees	397	383
- Remuneration	2,504	2,349
- Other short term employee benefits (including estimated monetary value of benefits-in-kind)	194	199
	3,095	2,931

13. FINANCE COSTS

	2010 RM'000	2009 RM'000
Comprised the following:		
- Bank overdrafts	89	149
- Revolving credits	3,260	6,139
- Term loans / financing and medium term notes	20,074	20,103
- Asset Backed Medium Term Note	7,245	–
	30,668	26,391

14. TAX EXPENSE***Recognised in the income statement***

	2010 RM'000	2009 RM'000
Current tax expense		
- Current year	19,035	17,310
- Over-provision in prior year	(480)	–
	18,555	17,310
Deferred tax expense		
- Reversal and origination of temporary differences	(604)	(137)
Total tax expense	17,951	17,173

Reconciliation of tax expense

Profit before tax	72,226	65,930
Tax at Malaysian tax rate of 25%	18,057	16,483
Non-deductible expenses	374	690
	18,431	17,173
Over-provision in prior year	(480)	–
	17,951	17,173

Notes to the Financial Statement (cont'd)

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
2010			
Interim 2010 ordinary	7.88	9,450	20 October 2009
Final 2009 ordinary	8.51	10,206	14 July 2009
Total		19,656	
2009			
Interim 2009 ordinary	6.57	7,884	24 October 2008
Final 2008 ordinary	5.51	6,607	18 July 2008
Total		14,491	

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 at the forthcoming Annual General Meeting.

	Sen per share (net of tax)	Total amount RM'000
Final ordinary	9.00	10,800

16. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The calculation of basic earnings per share at 20 February 2010 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

	2010 RM'000	2009 RM'000
Profit attributable to ordinary shareholders	54,275	48,757
	2010 '000	2009 '000
Weighted average number of ordinary shares at 20 February	120,000	120,000
	2010 Sen	2009 Sen
Basic earnings per share	45.23	40.63

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 comprise all the Directors of the Company. The key management personnel compensation is disclosed in Note 12.

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

	2010 RM'000	2009 RM'000
Related companies		
AEON CO. (M) Bhd.		
Customers' transactions via related company*		
Sales through Easy Payment Schemes	7,484	7,696
Sales through AEON Credit Cards	78,965	53,012
Revenue		
Credit cards commission income	1,146	775
Expenses		
Convertible J-Card points charges	(785)	(328)
Office and promotion space rental	(2,985)	(2,634)
AEON Credit Service Co. Ltd.		
Expenses		
Corporate support fees	(1,131)	(792)
AEON Credit Technology Systems (Philippines) Inc.		
Assets		
IT systems development	763	–

* In the capacity 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.

Notes to the Financial Statement (cont'd)

19. OPERATING LEASES

Non-cancellable operating lease rentals are payable as follows:

	2010 RM'000	2009 RM'000
Less than one year	6,043	5,919
Between one and five years	4,876	6,777

20. CAPITAL COMMITMENT

	2010 RM'000	2009 RM'000
Plant and equipment		
Contracted but not provided for	4,788	3,805
Authorised but not contracted for	835	–

21. 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 vehicles. 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 and foreign currency 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.

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 that are denominated in foreign currencies. The repayment of all borrowings in foreign currency is hedged by forward exchange contracts or cross currency swaps entered into by the Company upon initial drawdown of the borrowings.

During the year under review, certain Japanese YEN and U.S. dollar denominated borrowings have been fully hedged using forward exchange contracts which mirror the estimated cash flow of the borrowings. The forward exchange contracts with a total nominal value of RM46.00 million (2009: RM126.00 million).

The unrecognised net fair value of forward exchange contracts at 20 February 2010 was RM0.02 million (2009: RM0.51 million) comprising assets of RM1.01 million (2009: RM13.37 million) and liabilities of RM1.03 million (2009: RM13.88 million).

Cross currency swaps have been entered into to achieve an appropriate fixed rate exposure for interest rate and currency exchange rate. The cross currency swaps with a total nominal value of RM107.00 million (2009: RM73.50 million) matures over the next 3-5 years, have fixed swap rates ranging from 3.35% to 4.65% (2009: 3.95% to 4.65%) per annum.

The unrecognised net fair value of swaps at 20 February 2010 was RM0.70 million (2009: RM0.80 million) comprising assets of RM5.50 million (2009: RM9.30 million) and liabilities of RM4.80 million (2009: RM10.10 million).

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, where appropriate.

21. FINANCIAL INSTRUMENTS (CONTINUED)**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.

2010	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
Financial assets									
Trade receivables	5	23.67	946,273	585,569	262,270	59,060	39,374	-	-
Financial liabilities									
Unsecured bank overdrafts	7	6.10 – 6.15	(327)	(327)	-	-	-	-	-
Unsecured term loans / financing	7	3.35 – 5.45	(198,337)	(17,000)	(43,488)	(33,849)	(79,000)	(25,000)	-
Unsecured medium term notes	7	3.81 – 5.25	(298,665)	(119,961)	(108,788)	(69,916)	-	-	-
Unsecured revolving credits	7	2.58 – 3.32	(59,343)	(59,343)	-	-	-	-	-
Asset Backed Medium Term Notes	7	4.20	(150,000)	(50,000)	(68,750)	(31,250)	-	-	-
			(706,672)	(246,631)	(221,026)	(135,015)	(79,000)	(25,000)	-
2009									
Financial assets									
Trade receivables	5	24.31	872,859	549,534	232,888	54,262	36,175	-	-
Financial liabilities									
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)	-

Notes to the Financial Statement (cont'd)

21. 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.

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

	2010		2009	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Financial assets				
Investments - unquoted shares	1,797	2,754	1,797	2,245
Financial liabilities				
Unsecured term loans / financing	198,337	199,599	178,287	177,671
Unsecured medium term notes	298,665	301,139	317,531	322,272
Asset Backed Medium Term Notes	150,000	149,759	–	–
	647,002	650,497	495,818	499,943

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 2010, the estimated fair values of trade receivables approximate their carrying amounts.

For investments, the fair value of the unquoted shares is determined with reference made to the Net Tangible Assets of the investee companies.

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

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

	2010	2009
Unsecured term loans / financing	4.41 – 5.55%	4.54 – 5.62%
Unsecured medium term notes	3.89 – 5.25%	3.81 – 5.25%
Asset Backed Medium Term Notes	4.76%	–

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 41 to 63 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 2010 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: 30 April 2010

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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 41 to 63 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 30 April 2010.

Krishnappan A/L S.P.S Singaram

Before me:

P. Thurirajoo
No. W438

Commissioner of Oath
Kuala Lumpur



AEON Credit Service (M) Berhad
412767-V

Independent Auditors' Report

to the members of AEON Credit Service (M) Berhad

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of AEON Credit Service (M) Berhad, which comprise the balance sheet as at 20 February 2010, 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 41 to 63.

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 2010 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

Petaling Jaya,
Date: 30 April 2010

Ow Peng Li
Approval Number: 2666/09/11(J)
Chartered Accountant

Analysis of Shareholdings

as at 30 April 2010

Authorised Share Capital : RM 100,000,000
 Paid-up share capital : RM 60,000,000
 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	15	0.61	562	0.00
100 - 1,000	806	32.97	649,088	0.54
1,001 - 10,000	1,264	51.70	5,266,350	4.39
10,001 - 100,000	299	12.23	9,577,500	7.98
100,001 - 5,999,999	60	2.45	36,466,500	30.39
6,000,000 And Above	1	0.04	68,040,000	56.70
TOTAL	2,445	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
2	MAYBAN NOMINEES (TEMPATAN) SDN BHD	7,897,900	6.58	—	—
3	HSBC NOMINEES (ASING) SDN BHD	6,790,100	5.66	—	—

DIRECTORS' INTEREST

No.	Names	Direct Interest	No of Shares %	Indirect Interest	%
1	Dato' Abdullah bin Mohd Yusof	250,900	0.21	105,000	0.09
2	Yasuhiro Kasai	90,000	0.08	50,000	0.04
3	Yoshiki Mori	480,000	0.40	—	—
4	Dato' Ramli bin Ibrahim	160,000	0.13	—	—
5	Dato' Md Kamal bin Ismaun	—	—	—	—
6	Ng Eng Kiat	10,000	0.01	—	—
7	Naruhito Kuroda	530,000	0.44	—	—
8	Krishnappan A/L S.P.S Singaram	90,000	0.08	—	—
9	Clarence Chai	22,000	0.02	—	—
10	Takatoshi Ikenishi	—	—	—	—
11	Tomoaki Saito	—	—	—	—



Analysis of Shareholdings (cont'd)

as at 30 April 2010

LIST OF THIRTY (30) LARGEST SHREHOLDERS AS AT 30 APRIL 2010

No.	Names	No of Shares	% of Shares held
1	AEON CREDIT SERVICE CO., LTD	68,040,000	56.70
2	HSBC NOMINEES (ASING) SDN BHD HSBC -FS I FOR APOLLO ASIA FUND LTD	4,301,000	3.58
3	MAYBAN NOMINEES (TEMPATAN) SDN BHD MAYBAN TRUSTEES BERHAD FOR SAHAM AMANAH SABAH (ACC 2-940410)	2,789,100	2.32
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	MAYBAN NOMINEES (TEMPATAN) SDN BHD ABERDEEN ASSET MANAGEMENT SDN BHD FOR KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (FD 1 - 280305)	1,800,000	1.50
8	SIA TONG HOCK	1,418,800	1.18
9	AMSEC NOMINEES (TEMPATAN) SDN BHD AMTRUSTEE BERHAD FOR PACIFIC PEARL FUND (UT- PM-PPF)	1,292,100	1.08
10	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR HWANGDBS SELECT OPPORTUNITY FUND (3969)	1,135,900	0.95
11	AMSEC NOMINEES (TEMPATAN) SDN BHD ABERDEEN ASSET MANAGEMENT SDN BHD FOR TENAGA NASIONAL BERHAD RETIREMENT BENEFIT TRUST FUND (FM-ABERDEEN)	1,070,000	0.89
12	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR BNP PARIBAS SECURITIES SERVICES (SINGAPORE- SGD)	1,000,000	0.83
13	MAYBAN NOMINEES (TEMPATAN) SDN BHD ABERDEEN ASSET MANAGEMENT SDN BHD FOR THE EMPLOYEES' PROVIDENT FUND BOARD (250416)	900,000	0.75
14	DATO' CHONG WENG CHOY	800,500	0.67
15	MAYBAN NOMINEES (TEMPATAN) SDN BHD MAYBAN TRUSTEES BERHAD FOR CIMB- PRINCIPAL SMALL CAP FUND (240218)	797,900	0.66
16	LEONG SOO KENG	717,000	0.60
17	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KONG GOON KHING (E- BTR)	560,000	0.47
18	WONG CHEE LING	548,000	0.46
19	NARUHITO KURODA	530,000	0.44
20	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR BANK SARASIN -RABO (ASIA) LIMITED (AC CLIENT FRGN)	500,000	0.42
21	AMANAHRAYA TRUSTEES BERHAD PUBLIC SMALLCAP FUND	486,300	0.41
22	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK,NATIONAL ASSOCIATION (NORGES BK LEND)	481,700	0.40
23	MOTOYA OKADA	480,000	0.40
24	YOSHIKI MORI	480,000	0.40
25	AMANAH SAHAM MARA BERHAD	473,100	0.39
26	LEONG LI NAR	460,600	0.38
27	AMANAHRAYA TRUSTEES BERHAD ASM PREMIER FUND	400,000	0.33
28	HDM NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN (HONG KONG) LIMITED (CLIENTS)	391,800	0.33
29	HSBC NOMINEES (ASING) SDN BHD AA NOMS SVS HK FOR TSE, KWONG	360,000	0.30
30	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR HWANGDBS ASIA QUANTUM FUND (4579)	320,000	0.27
TOTAL		98,713,800	82.26

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Thirteenth 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 15 June 2010 at 10.00 a.m.

A G E N D A

As Ordinary Business

1. To receive and adopt the Audited Financial Statements for the financial year ended 20 February 2010 together with the Reports of the Directors and Auditors thereon. **Ordinary Resolution 1**
2. To declare a final dividend of 12.00 sen less 25% tax for the financial year ended 20 February 2010. **Ordinary Resolution 2**
3. To approve the Directors' Fees for the financial year ended 20 February 2010 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:

<ol style="list-style-type: none"> (i) Datuk Ramli Bin Ibrahim (ii) Mr Naruhito Kuroda (iii) Mr Krishnappan A/L S.P.S. Singaram (iv) Mr Tomoaki Saito 	Ordinary Resolution 4 Ordinary Resolution 5 Ordinary Resolution 6 Ordinary Resolution 7
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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 ("Proposed Shareholders' Mandate")**

"THAT, subject to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company to enter into the recurrent transactions of a revenue or trading nature as set out in 2.2 of the Circular to Shareholders dated 24 May 2010 ("Circular") with the related parties mentioned therein which are necessary for the Company's day-to-day operations."



Notice of Annual General Meeting (cont'd)

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

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

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

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

whichever is earlier.

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

Ordinary Resolution 11

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NOTICE OF DIVIDEND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT, subject to the approval of the shareholders at the Thirteenth Annual General Meeting, a final dividend of 12.00 sen less 25% tax, for the financial year ended 20 February 2010 will be paid to shareholders on 13 July 2010. The entitlement date for the said dividend shall be 29 June 2010.

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 29 June 2010 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: 24 May 2010

Notice of Annual General Meeting (cont'd)

NOTES:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149(1) (b) of the Companies Act, 1965 shall not apply.
2. A member is entitled to appoint up to two (2) proxies to attend and vote in his place, at the same meeting.
3. Where a member appoints up to two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
5. The instrument appointing a proxy or (in the case of a power of attorney appointing an attorney to or to (inter alia) attend and vote at meetings or polls) such power of attorney or a notarially certified copy of such power or authority and (if required by any Director) any authority under which such proxy or power of attorney is executed or a copy of such authority certified notarially or in some other way approved by the Directors shall be deposited at the Registered Office of the Company at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia 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 Company had, during its Twelfth Annual General Meeting ("AGM") held on 16 June 2009, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Section 132D of the Companies Act, 1965 ("the Act"). The Company did not issue any shares pursuant to this mandate obtained.

The Ordinary Resolution 9 proposed under item 7 of the Agenda is a renewal of the general mandate for issuance of shares by the Company under S132D of the Act. The Ordinary Resolution 9, 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.

At this juncture, there is no decision to issue new shares. If there should be a decision to issue new shares after the general mandate is sought, the Company will make an announcement in respect of the purpose and utilisation of proceeds arising from such issue.

- **Proposed Shareholders' Mandate**

Further information on Ordinary Resolution 11 is set out in the Circular to Shareholders dated [] which is despatched together with the Annual Report of the Company for the financial year ended 20 February 2010.

PROXY FORM

AEON CREDIT SERVICE (M) BERHAD

(Company No. 412767-V)

(Incorporated in Malaysia)

No. of Shares	
CDS account No.	

I/We, _____
of _____
being a member(s) of AEON CREDIT SERVICE (M) BERHAD (412767-V) hereby appoint _____
I/C No. _____
of _____
or failing him/her, _____
I/C No. _____ of _____

or failing him/her, *the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Thirteenth 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 15 June 2010 at 10.00 a.m. and at any adjournment thereof in respect of my/our shareholding in the manner indicated below:

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

No.	Resolution	For	Against
	ORDINARY BUSINESS		
Ordinary Resolution 1	Adoption of Audited Financial Statements and Reports for the financial year ended 20 February 2010.		
Ordinary Resolution 2	Declaration of a final dividend of 12.00 sen less 25% tax for the financial year ended 20 February 2010.		
Ordinary Resolution 3	Approval of Directors' Fees for the financial year ended 20 February 2010 and payment thereof.		
Ordinary Resolution 4	Re-election of Datuk Ramli Bin Ibrahim.		
Ordinary Resolution 5	Re-election of Mr Naruhito Kuroda.		
Ordinary Resolution 6	Re-election of Mr Krishnappan A/L S.P.S. Singaram.		
Ordinary Resolution 7	Re-election of Mr Tomoaki Saito.		
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 and to authorize the Directors to fix their remuneration.		
	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 for Recurrent Related Party Transactions of a Revenue or Trading Nature		

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

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

Signature:
Shareholder or Common Seal

Dated this _____ day of _____ 2010.

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.
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5. The instrument appointing a proxy or (in the case of a power of attorney appointing an attorney to or to (inter alia) attend and vote at meetings or polls) such power of attorney or a notarially certified copy of such power or authority and (if required by any Director) any authority under which such proxy or power of attorney is executed or a copy of such authority certified notarially or in some other way approved by the Directors shall be deposited at the Registered Office of the Company at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time set for holding the meeting or any adjournment thereof.



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Postage
Stamp

The Company Secretaries
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

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