



Towards the Pinnacles of **SUCCESS**



AEON CO. (M) BHD. (126926-H)
Incorporated In Malaysia

2009 is the Company's 25th anniversary in Malaysia. The 25th Anniversary Logo defines;

- * Handprints placed 'side-by-side' symbolise the 'family-togetherness' between JUSCO staff and customers as we celebrate AEON's 25th anniversary.
- * AEON sincerely thanks you for your incredible support during the past 25 years.
- * Green represents 'Harmony'.
- * Blue represents 'Peace'.
- * Red represents 'Warmth'.
- * Yellow represents 'Happiness'.
- * Magenta represents 'Excitement'.
- * In combining these attributes, we can look forward to a brighter future that's filled with unlimited possibilities.



Towards the Pinnacles of **SUCCESS**

The footprints and the stairs indicate AEON's continuous hunger for success and drive to move forward and bring the Company to pinnacles of greater success. The yellow colour indicates the bright future that the Company envisages.

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25TH ANNIVERSARY



ANNIVERSARY CELEBRATION

AEON was established in 1984 in response to the former Prime Minister, Y.A.Bhg. Tun Dr. Mahathir Mohamad's request to modernise the retail industry in Malaysia. In a span of 25 years, AEON has 25 outlets including 21 general merchandise stores, 17 shopping centres and 4 MaxValu supermarkets.

AEON announced its 25th Anniversary Celebration with the theme, "25th Anniversary – WE THANK YOU". In conjunction with the celebration, AEON introduced a line of special merchandise, offers, activities and campaigns relating to health, environment and food for its loyal customers, supportive suppliers, tenants, business associates and also its staff members.

ANNIVERSARY MERCHANDISE

On 24 April 2009, AEON launched its 25th Anniversary Merchandise at AEON Bukit Tinggi Shopping Centre which was officiated by Dato' Abdullah bin Mohd Yusof, Chairman of AEON CO. (M) BHD.

A total of about 2,500 special anniversary merchandise were available for customers to choose from throughout the year. Customers enjoyed great savings at all JUSCO stores and MaxValu supermarkets with discounts up to 20% on more than 2,500 items in a price saving promotion known as the "PRICE CUT". And in response to the government's initiative to promote local brands and products, AEON introduced local brand of products with the tagline "Best Price at Value Quality" during AEON's silver jubilee celebration.

ANNIVERSARY BEAR

On 1 August 2009, AEON CO. (M) BHD. held an official launch for the 25th Anniversary Bear at AEON AU2 Setiawangsa Shopping Centre. The soft toy bear was specially introduced for this occasion in conjunction with the Company's 25th Anniversary celebrations.

From 10 July to 20 December 2009, AEON held a special Spot & Win contest whereby customers could buy the bear at just RM5.90 each and enter the contest to win JUSCO Gift Vouchers worth up to RM25,000! Every RM1 from the sales of a bear was channelled to fund the "With All Our Hearts" Malaysian JUSCO Foundation philanthropic activities.



25TH ANNIVERSARY



ANNIVERSARY DINNER EXTRAVAGANZA

AEON celebrated its silver jubilee with a spectacular 25th Anniversary Dinner at the Mandarin Oriental Hotel Kuala Lumpur on 3 October 2009. The anniversary dinner was attended by the former Prime Minister, Y.A.Bhg. Tun Dr. Mahathir Mohamad and his wife, Y.A.Bhg. Tun Dr. Siti Hasmah. Also present were Honorary Chairman Mr Takuya Okada and senior management of AEON Co., Ltd..

Earlier on the day, about 2,500 nature lovers took part in the special 25th Anniversary Tree Planting Ceremony at Paya Indah Wetlands, Dengkil, Selangor and planted 25,000 saplings.

ANNIVERSARY COUNT & WIN CONTEST

AEON launched the 25th Anniversary Count & Win Contest from 1 to 25 October 2009 to commemorate AEON's 25 remarkable years in Malaysia. A special prize-giving ceremony was held at AEON AU2 Setiawangsa Shopping Centre on 11 December 2009. Lucky winners from each AEON outlet were invited to receive prizes valued at a total of RM500,000 which included 2 Proton Exoras, RM141,250 worth of JUSCO Gift Vouchers, 7 motorcycles, 8 plasma TVs, 9 home theatres and 10 laptops.

ANNIVERSARY AEON BUSINESS PARTNER ALLIANCE AND TENANT GET TOGETHER PARTY

AEON marked the end of the year 2009 with a special AEON Business Partners Alliance (ABPA) Tenants Get-together Cocktail Party at One World Hotel, on 2 December 2009. The event was graced by the Guest of Honour, Deputy Minister of Domestic Trade, Co-operative and Consumerism of Malaysia, Y.Bhg. Dato' Tan Lian Hoe. Tenants and suppliers were awarded among others for their strategies and determination in achieving high sales productivity.

The main objectives of ABPA are to forge strong relationship through the sharing of ideas and business reviews and provide opportunities for further collaboration between business partners and with AEON.



IN HOUSE BRAND



“Now, That’s Smart Living!”

The ÆON Group’s strategy for private brand is threefold. First, to deliver ÆON’s philosophy and ideals to the customer and focus towards customer-centricity by listening to and acting on the customer’s voice in developing products and services. Second, to deliver incremental profitability, sales and strengthening ÆON’s competitive advantage through differentiation. Third, to make private brand the bond that unites ÆON Group and is the source of pride for all ÆON associates.

These three-pronged strategies for ÆON private brand is the foundation for the TopValu brand identity and positioning, not only in Japan but all international markets in which the ÆON Group operates and markets private brand.

JUSCO SELECTION is AEON Malaysia’s exclusive private brand for its customers. Customer look for quality, safety, value pricing, and brands that add values rather than just being promoted through normal marketing and advertising. JUSCO SELECTION prides itself on always providing the best choice for its customer, as;

- JUSCO SELECTION uses the customer voice in developing product
- JUSCO SELECTION is safe and environmental friendly
- JUSCO SELECTION provides all relevant nutritional and ingredient information
- JUSCO SELECTION is always the best value in the store
- JUSCO SELECTION guarantees your satisfaction

SMART WONDER WORLD

Smart Wonder World (SWW) began its operation in 2006 at JUSCO Taman Maluri Shopping Centre and there are now 15 SWWs in JUSCO stores in Malaysia.

Bearing the concept of “Brighter, Safer & Family Oriented”, our SWW is not just for children under 12 years old but caters for all who patronise JUSCO stores.

The bright and safe surroundings coupled with a wide selection of game machines for all ages are what make our SWW exciting and exceptional from the others. We have Kiddy Rides for young children, sports related games such as basketball and hockey stadium and other fun exciting games such as shooting, car racing and dance machines to cater to all.

In line with the Company’s objectives, SWWs will be established at all new JUSCO stores.

SWW meets the needs of all, being an amusement centre that is both conducive and safe for parents and children.



HUMAN RESOURCE DEVELOPMENT

AEON PEOPLE ARE 'IRREPLACEABLE ASSETS'

Realising the importance of human resource development in sustaining the business growth, AEON put high focus on the training and development of its people.

During the year under review, AEON had developed comprehensive training programmes for AEON people to close the gap on skill and competency in all levels and disciplines. The types of training programme rolled out in the year 2009 included the leadership programme, the skill enhancement programme, the AEON in-house retail programme and development programme for non executives.

A firm believer in life long learning, AEON continued to encourage its people to pursue further education for their personal and career growth. Under the OUM programme in which AEON collaborated with the Open University Malaysia, AEON subsidised 80% of the education fees of its people. For year 2009, a total of 95 employees were enrolled under this programme in various academic fields.

AEON also continued with the New Leader Development Programme, Japan Trainee Programme and Management/Retail Trainee (MT/RT) Programme that involved identifying and grooming future leaders for AEON. A total of 296 AEON people have gone through these programmes.

In addition, AEON had conducted various other learning programmes such as the Emergency Response Team (ERT) Programme and Fire Drill Programme, with assistance from the Fire and Rescue Services Department (BOMBA) to educate and equip AEON people with the right knowledge and skills.



COMPLIANCE WITH THE BEST PRACTICES IN AEON CODE OF CONDUCT

AEON Code of Conduct is a form of self regulation which is aimed at maximising the Customer First philosophy. The Company strives to ensure that the Best Practices highlighted in the AEON Code Of Conduct are adhered to by all AEON people in carrying out their duties and responsibilities.

AEON BANDARAYA MELAKA SHOPPING CENTRE TREE PLANTING CEREMONY



On 6 November 2009, about 600 participants planted 2,000 saplings in a tree planting ceremony held for the opening of AEON's newest shopping centre in Melaka. The ceremony was graced by the Guest of Honour, Y.A.Bhg. Datuk Seri Hj. Mohd. Ali B. Mohd Rustam, Chief Minister of Melaka. It has become a tradition to carry out a tree planting ceremony for every new store that AEON opens. From year 1991 - 2009, AEON has planted more than 400,000 saplings.



AEON WOODLAND PROGRESS

20TH ANNIVERSARY



25TH ANNIVERSARY



On 15 September 2004, AEON CO. (M) BHD. held a special tree planting ceremony at Paya Indah Wetlands in Dengkil, Selangor to commemorate AEON's 20 years in Malaysia. The volunteers included AEON people, invited customers, NGOs, school children, business associates and 1000 volunteers from Japan.

This event was sponsored by the AEON Environment Foundation of Japan, which has sponsored the planting of over 5 million trees around the world.

Representatives of the Foundation have paid regular visits to the site, known as the Malaysian-Japan Friendship Forest, AEON Woodland. It is now a beautiful tract of thriving greenery.



AEON 25TH ANNIVERSARY TREE PLANTING CEREMONY AT AEON WOODLAND

About 2,500 volunteers took part in AEON's 25th Anniversary Tree Planting event on 3 October 2009 to commemorate AEON's 25 years in Malaysia. Approximately 25,000 saplings were planted at the AEON Woodland located in Paya Indah Wetlands. Among those who participated were 500 volunteers from Japan and 2,000 local volunteers consisting of school children, NGOs, Government departments and AEON people.



“WITH ALL OUR HEARTS” MALAYSIAN JUSCO FOUNDATION



CHARITY GALA DINNER

Guests at the 2009 “With All Our Hearts” Malaysian JUSCO Foundation Charity Gala Dinner were hosted to a night of sumptuous food, great company, and famous local singers and comedians.

Dato’ Siti Nurhaliza as Ambassador of “With All Our Hearts” Malaysian JUSCO Foundation, Noryn Aziz, Vince and Reshmonu enthralled the audience with their songs and dances.

Gracing the event was Y.Bhg. Tan Sri’ Faizah Bt. Mohd Tahir, Secretary General of the Ministry of Women, Family and Community Development of Malaysia, who was presented with a mockup key to the Rumah Tunas Harapan Sepenuh Hati 2, by Dato’ Abdullah B. Mohd Yusof, President of the “With All Our Hearts” Malaysian JUSCO Foundation, in a handover ceremony.

The Charity Gala Dinner is a major annual fund raising activity by the Foundation. Proceeds from the sales of tickets were channelled to the Foundation to fund charity events.

The “With All Our Hearts” Malaysian JUSCO Foundation Charity Gala Dinner has become an essential feature since the Foundation’s inception in 2004, an event that is well supported by volunteers and business associates who have contributed time and money into making the charity gala dinner a special event every year.



CHRISTMAS CHEER

On 23 December 2009, the Malaysian JUSCO Foundation held a special Christmas luncheon at the Berjaya Times Square Hotel for about 100 under privileged children from the Good Samaritan Home (Klang), Rumah St. Vincent De Paul (Klang), Angels Children Home (Kuala Lumpur) and Pusat Jagaan Nuri (Setapak).



It was a memorable event where children from two homes performed special dance performances, followed by Christmas carol-singers singing songs of Christmas joy and Father Christmas appeared to surprise the children with presents. The children were also treated with a visit to the Cosmos’ World Theme Park thereafter.



The Foundation donated RM5,000 to the Society for the Severely Mentally Handicapped, Selangor and Wilayah Persekutuan during this joyous Christmas party.

The Foundation is grateful that it continued to receive strong support from customers, business associates, volunteers and good samaritans in its philanthropic activities so far.



“WITH ALL OUR HEARTS” MALAYSIAN JUSCO FOUNDATION



RUMAH TUNAS HARAPAN SEPENUH HATI 2

“With All Our Hearts” Malaysian JUSCO Foundation aims to continue its mission to help under privileged children in Malaysia by providing them the opportunity to be brought up in a normal family environment.

During the year, Rumah Tunas Harapan (RTH) Sepenuh Hati 2 was officially handed over to Jabatan Kebajikan Masyarakat Malaysia (JKMM) by Dato’ Abdullah bin Mohd Yusof, President of “With All Our Hearts” Malaysian JUSCO Foundation with the presence of Dato’ Siti Nurhaliza, the Ambassador of “With All Our Hearts” Malaysian JUSCO Foundation in a simple ceremony at the home. The first home set up by the “With All Our Hearts” Malaysian JUSCO Foundation, Rumah Tunas Harapan Sepenuh Hati was handed over to JKMM in April 2006 and in the past 3 years, has seen considerable success in building a better future for under privileged children.

RTH Sepenuh Hati is a family-concept home that provides for underprivileged children to be cared for by full-time foster parents.



CHARITY GOLF TOURNAMENT

A Charity Golf Tournament organised by the Foundation was held on 28 April 2009 at Kajang Hill Golf Club. A total of RM47,600 in donation was collected from this event for the Foundation’s fund.



COMMUNITY EVENT

On 8 October 2009, the Foundation invited 120 children from 4 Homes around Klang Valley to watch a musical play entitled “Gamat”, at the Istana Budaya, Kuala Lumpur, providing the children with exposure to the musical theater and positive values of the play.



NAME CHANGE

“With All Our Hearts” Malaysian JUSCO Foundation had recently in 2010 changed its name to “With All Our Hearts” Malaysian AEON Foundation. AEON Credit Service (M) Berhad had recently become a member of the Foundation. With the inclusion of AEON Credit Service (M) Berhad, the Foundation will further enjoy support from more business associates and the public.

CORPORATE SOCIAL RESPONSIBILITY

AEON ECO PROGRAMMES

World Environment Day

AEON celebrated World Environment Day at its eco-friendly AEON AU2 Setiawangsa Shopping Centre on 5 June 2009. The event was officiated by Y.Bhg. Datuk Hj. Mhd. Amin Nordin bin Abd Aziz, Deputy Director General (Service), DBKL.

This event is part of AEON's green initiatives and commitment as a good corporate citizen in Malaysia, to create awareness and educate the local community on the importance of preserving the environment for future generations. The main attractions at the event were the gigantic indoor eco-tunnel, where customers could learn about various facts and tips on how to preserve the environment and the magnificent chandelier made from recycled plastic materials.



ECO BAGS

AEON Launches A Unique Eco Bag

AEON officially launched its AEON-JICA Eco Bag at AEON Bukit Tinggi Shopping Centre on 31 October 2009. This exclusive bag was the result of the collaboration between AEON CO. (M) BHD. and Japan International Cooperation Agency (JICA).



The bags were designed by world renowned Malaysian designer Zang Toi and retailed at just RM19.90 each at all major JUSCO stores. The bags come in 10 different unique designs, all chosen by the members of the public during an exhibition that featured beautiful drawings created by individuals with disabilities. The exhibition, organised by JICA and themed "Saya Boleh, Anda Boleh!", was held at Kinta City Shopping Centre, AEON Tebrau City Shopping Centre, AEON Cheras Selatan Shopping Centre and AEON Bukit Tinggi Shopping Centre from August until October 2009. The event was launched by His Excellency Mr Masahiko Horie, Ambassador of Japan.



ENERGY SAVING PROGRAMME

In order to become more energy efficient and reduce carbon footprint, AEON implemented new energy saving devices at its outlets to reduce electricity consumption. These are: -

- 1) Inverter systems for the air conditioning system
- 2) LED for flood lighting, neon sign lighting and street lighting
- 3) Energy saving fluorescent light for covered car parks and selling floor
- 4) Motion detector lighting devices at low traffic areas such as toilets, lobbies or pavements



CORPORATE SOCIAL RESPONSIBILITY

CSR EVENTS

Mega Car Wash

The Malaysian JUSCO Foundation organised a fun filled 6-hour Mega Charity Car Wash on 28 March 2009 at all AEON shopping centres. AEON people from each JUSCO outlet and AEON shopping centre participated voluntarily in the Mega Charity Car Wash with the support from AEON's suppliers who sponsored the car washing equipments. The Malaysian public gave tremendous support as they gladly paid RM10 each for getting their vehicles washed for a worthy cause. The total amount raised was RM15,257 and a total of 1,497 cars were washed.



Mega Gotong Royong To Clean Up River / Seaside

A "Mega Gotong-royong Clean Up River/Seaside" programme took place at various rivers, forest parks and a beach on 27 June 2009. AEON people joined hands with local authorities and nearby residents to clean, remove rubbish and to plant trees to preserve the environment at the following selected locations:

- 1) Taman Negeri Selangor Sungai Tua, Ulu Yam, Selangor
- 2) Ulu Chepor Waterfalls, Perak
- 3) Taman Rimba, Jabatan Perhutanan Cherok Tok Kun, Bukit Mertajam, Penang
- 4) Taman Rekreasi Empangan Klang Gate, Taman Melawati, Selangor
- 5) Sungai Air Panas, Taman Rekreasi Kg. Tehel, Bemban, Melaka
- 6) Pantai Stulang, Johor Bahru
- 7) Hutan Lipur Sg. Congkak, Hulu Langat, Selangor
- 8) Kampung Sungai Kayu Ara, Mambau, Negeri Sembilan



Pre Ramadhan Mega Blood Donation 2009

Understanding how vital blood is in saving lives, AEON embarked on a mega blood donation campaign at all AEON shopping centres across Malaysia to recruit blood donors among AEON people and customers. Billed as the Pre Ramadhan Mega Blood Donation 2009, AEON team up with Pusat Darah Negara, and local hospitals to help boost the blood banks around Malaysia. The blood donation campaign from 14 – 16 August 2009 was officially launched by Y.A.Bhg. Tun Dr. Siti Hasmah Mohd Ali, Patron of ANSARA on 14 August 2009 at AEON Bukit Tinggi Shopping Centre. A total of 3,524 bags of blood were collected from this campaign.



Sharing The Spirit Of Generosity During Ramadhan

In conjunction with the holy month of Ramadhan, AEON organised the Mega Bubur Lambuk For Charity Event on 5 September 2009 at all AEON shopping centres. Bubur Lambuk is a type of porridge that is cooked with coconut milk, herbs and meat. It is a delicious delicacy that is often prepared during the Ramadhan month to be distributed to local communities and charity homes. The process of preparing the Bubur Lambuk is an art that requires teamwork and perseverance and helps to promote unity within the community. Jasmine Food Corporation Sdn. Bhd., our business associate was the main sponsor for the event. Proceeds from the sale amounting to RM15,392 was channelled to The "With All Our Hearts" Malaysian JUSCO Foundation's fund.

CORPORATE SOCIAL RESPONSIBILITY

MEGA CHARITY JOGATHON 2009

AEON organised charity jogathons on 12 December 2009 at six of its shopping centres at Alpha Angle, Bandar Utama, Taman Equine, Kinta City, Seberang Prai City, and Bukit Indah. The charity jogathons were opened to all age 13 and above at an entrant fee of RM10 from each participant. The amount collected was RM6,975 which was channelled to the "With All Our Hearts" Malaysian JUSCO Foundation's fund. Participants were mainly customers and AEON people.



DONATIONS

AEON and AEON Credit Service (M) Berhad (ACS) donated a total of RM107,000 for the Sumatra Earthquake Victims Fund to support humanitarian aid efforts in the earthquake-affected areas of Padang. Donation boxes were placed at all JUSCO stores and AEON shopping centres throughout the country for the shoppers, suppliers and AEON people to donate to the cause. "With All Our Hearts" Malaysian JUSCO Foundation donated another RM43,500 to the RM43,500 collected through the donation boxes. ACS also placed donation boxes in all their offices, branches and service centres nationwide from which a total of RM20,000 was collected.



The Indonesian Ambassador, Y.Bhg. Tan Sri Da'i Bachtiar on behalf of the cause, received cheques of RM87,000 from Mr Nagahisa Oyama, Managing Director of AEON and RM20,000 from Mr Naruhito Kuroda, Managing Director of ACS in a cheque presentation ceremony held at the Embassy of The Republic of Indonesia on 30 October 2009.



In 2009, AEON also made various donations which totalled more than RM200,000 in cash and kind to schools, NGOs and Government welfare agencies.

SUPPORTING LOCAL SME

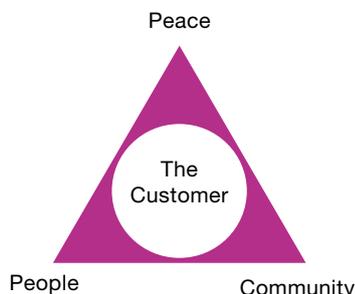
Partnership With Government Agencies

In 2009 AEON continued its partnership with Government agencies; MOA, MARA, MECD, MDTCA, Malaysia Craft and FAMA, to support small and medium enterprises (SMEs) on opportunities to gain marketing experience and promote local brands to the public. Besides providing road show venues to help promote their products, these entrepreneurs were given special shelf space and kiosk to sell their products in JUSCO stores.



AN INTRODUCTION TO AEON

ÆON 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 make a continuing contribution to the community.

ÆON CO. (M) BHD. is a leading retailer in Malaysia with a total revenue of RM3.736billion in the financial year under review. The Company was incorporated on 15 September 1984. AEON CO. (M) BHD. (AEON or the Company) was set up in response to the Malaysian Government's invitation to ÆON Japan to help modernise the retailing industries in Malaysia. The 'JUSCO' name today is well established among Malaysians as well as foreigners, especially due to its association with the international ÆON group of companies. AEON has established itself as a leading chain of General Merchandise Stores. AEON's constant interior refurbishment of stores to project an image designed to satisfy the ever changing needs and desires of consumers is clear evidence of this. The Company's performance has been further enhanced by the management's acute understanding of target market needs and the provision of an optimal product-mix. AEON's stores are mostly situated in suburban residential areas, catering to Malaysia's vast middle income group.

The ÆON group of companies consists of ÆON Co., Ltd., and more than 150 consolidated subsidiaries and affiliated companies. In addition to its core General Merchandise Stores (GMS) plus its supermarket and convenience store operations, ÆON is also active in specialty store operations and shopping centre development, operations, credit card business and services. The ÆON group of companies is an integrated Japanese retailer and is active not only in Japan but also throughout Southeast Asia, China and North America. At all times, in every market, ÆON's activities are guided by its unchanging 'Customer First' philosophy. Its aim is to surpass expectations by combining excellent products with unique personal services that enhance the shopping experience to make customers smile every time they shop.

OUR PRINCIPLE

The fundamental principle of ÆON is its 'Customer Centred Approach'. ÆON's mission is and always will be to contribute to the customers.

ÆON's most basic and abiding principles are the pursuit of peace, respect for humanity and contribution to local communities through customer-centred initiatives. Under these principles, we are determined to achieve global management standards while being the best serving retailer in the local community.

OUR STRATEGY

ÆON follow two strategies for continuous growth: Organic Growth and Company Tie-ups. Its core business of shopping centre operations includes General Merchandise Stores and Supermarkets. ÆON builds complementary operations such as specialty stores and shopping centre development and services, and works to create synergies among this diverse business.

OUR GOAL

ÆON's goal is to operate as an "international-scale retailing group", recognised for excellence not only in Japan, but also in other nations. The international recognition we are working to achieve is not one which can be measured merely in quantifiable term of size, growth and profitability. We hope to be competitive at the global level in intangible aspects such as customer satisfaction and corporate citizenship. We are dedicated to the idea of "quality management" to further enhance our capabilities.

CORPORATE INFORMATION AND DIRECTORY

BOARD OF DIRECTORS

- Dato' Abdullah bin Mohd Yusof (Chairman)
- Mr Jerome Thomas Black
- Mr Nagahisa Oyama
- Datuk Ramli bin Ibrahim
- Brig Jen (B) Dato' Mohamed Idris bin Saman
- Datuk Zawawi bin Mahmuddin
- Dato' Chew Kong Seng
- Mr Naruhito Kuroda
- Mr Naoki Hayashi
- Mr Yasuo Masuda

SECRETARIES

- Tai Yit Chan (MAICSA 7009143)
- Wong Lai Kuan (MAICSA 7032123)

REGISTERED OFFICE AND HEAD OFFICE

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

AUDITORS

KPMG Desa Megat & Co. (AF0759)
Chartered Accountants,
Level 10, KPMG Tower,
8, First Avenue,
Bandar Utama,
47800 Petaling Jaya.

REGISTRARS

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

DATE OF INCORPORATION

15 September 1984

STOCK EXCHANGE LISTING

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

HOMEPAGE

<http://www.jusco.com.my>

PRINCIPAL BANKERS

- Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad (302316-U)
- Malayan Banking Berhad (3813-K)
- CIMB Bank Berhad (13491-P)

CORPORATE CALENDAR

Notice of Annual General Meeting 4 May 2009

Annual General Meeting 26 May 2009

Payment of Dividend Book Closure
– 21 July 2009

Payment
– 19 August 2009

Quarterly Results Announcement 1st Quarter
– 26 May 2009

2nd Quarter
– 13 August 2009

3rd Quarter
– 18 November 2009

4th Quarter
– 23 February 2010

SHARE PRICE

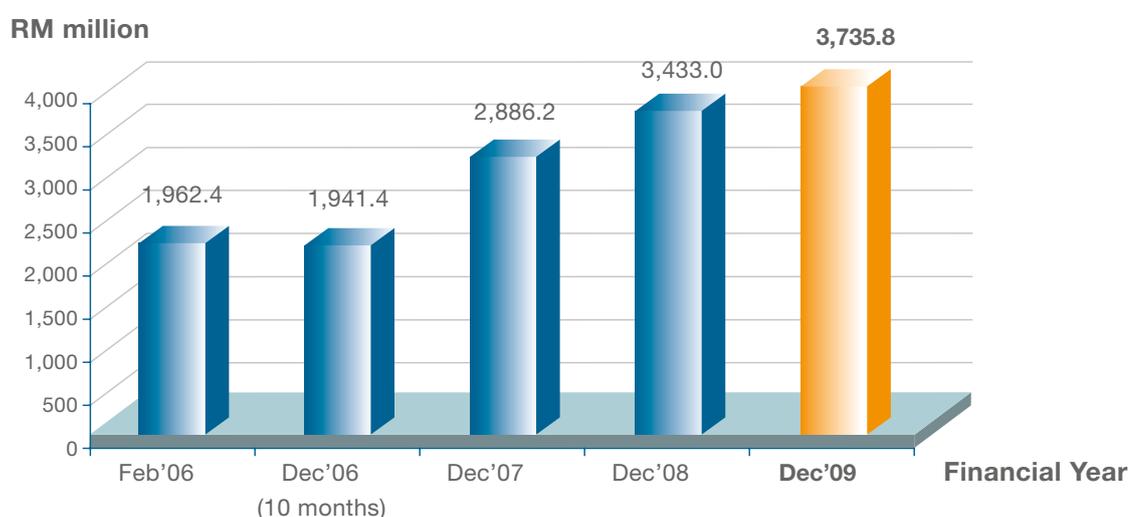
Stock Code : 6599

Stock Name : AEON

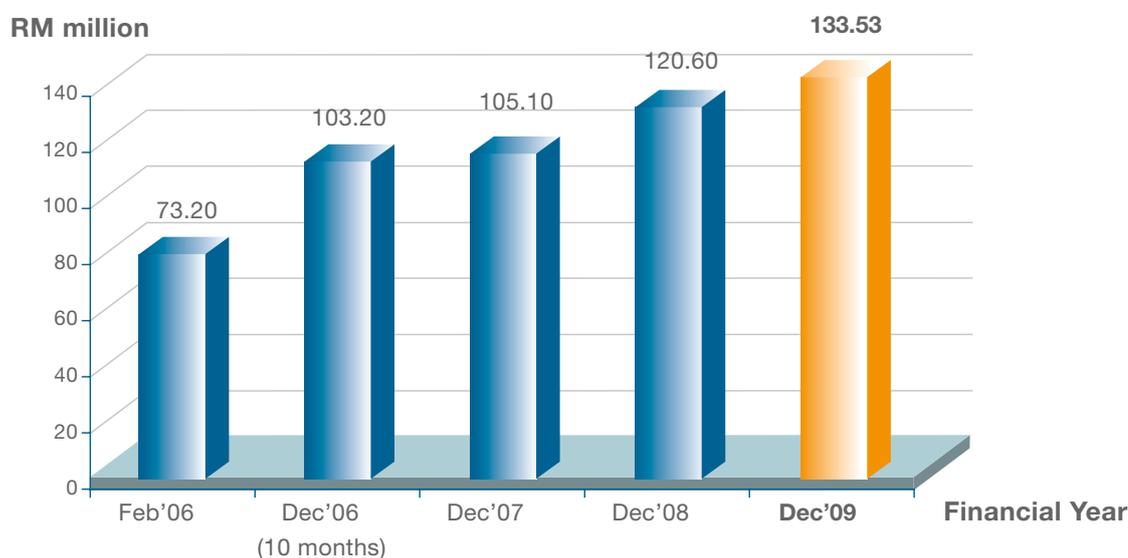
2009

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
High (RM)	4.20	4.02	3.80	4.10	4.60	4.46	4.50	5.00	4.80	5.24	5.19	5.08
Low (RM)	3.94	3.50	3.64	3.70	4.00	4.04	4.08	4.30	4.50	4.60	4.82	4.82
Volume ('000)	3,499	5,179	1,791	3,078	8,302	4,699	5,080	5,066	2,878	2,708	1,864	1,878

REVENUE



PROFIT ATTRIBUTABLE TO SHAREHOLDERS



FIVE YEARS FINANCIAL HIGHLIGHTS

	31/12/09	31/12/08	31/12/07	31/12/06 (10 months)	28/02/06
	RM'000	RM'000	RM'000	RM'000	RM'000
INCOME STATEMENT					
Revenue	3,735,755	3,433,049	2,886,220	1,941,431	1,962,445
Retailing	3,362,262	3,124,186	2,640,341	1,763,283	1,807,753
Property Management Services	373,493	308,863	245,879	178,148	154,692
Profit before tax	194,372	176,349	159,006	140,741	112,198
Profit after tax	133,529	120,604	105,176	103,246	73,204
Net dividend	31,590	31,590	29,098	20,498	18,954
BALANCE SHEET					
ASSETS					
Property, plant and equipment	1,507,772	1,558,168	1,195,392	1,069,521	971,256
Investments	1,075	1,075	1,075	1,075	1,075
Current assets	532,366	532,895	526,007	367,777	239,161
Total assets	2,041,213	2,092,138	1,722,474	1,438,373	1,211,492
EQUITY					
Share capital	351,000	351,000	175,500	175,500	175,500
Revaluation reserve	31,666	32,183	32,700	33,217	33,648
Share Premium	-	-	20,609	20,609	20,609
Retained earnings	601,528	499,072	562,012	476,817	392,094
Total equity attributable to equity holders of the Company	984,194	882,255	790,821	706,143	621,851
LIABILITIES					
Deferred tax liabilities	30,698	37,138	23,829	29,113	29,281
Current liabilities	1,026,321	1,172,745	907,824	703,117	560,360
Total equity and liabilities	2,041,213	2,092,138	1,722,474	1,438,373	1,211,492
STATISTICS					
Net earnings per share (sen)	38.0	34.4	*30.0	*29.4	*20.9
Gross dividend per share (%)	12	12	**21	16	15
Net assets per share (RM)	2.80	2.51	4.51	4.02	3.54

Note : The carrying amounts of land have been adjusted following the adoption of the amendments to FRS 117, Leases, where leasehold land in substance is a finance lease, has been reclassified from prepaid lease payments to property, plant and equipment. Comparative figures have been restated accordingly.

* Earnings per share has been calculated based on the number of ordinary shares of 351,000,000. Comparative earnings per share information has been restated after adjusting for the bonus issue undertaken by the Company.

** Gross dividend per share is inclusive of the 4% special tax exempt dividend.

DIRECTORS' PROFILES



DATO' ABDULLAH BIN MOHD YUSOF
Non-Independent Non-Executive Chairman
Malaysian
71

Dato' Abdullah bin Mohd Yusof was appointed the Chairman of AEON CO. (M) BHD. on 26 October 1984. He holds a Bachelor of Law (Honours) from University of Singapore, which he obtained in 1968. He has more than forty (40) years of experience as an Advocate & Solicitor. 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 & Zainuddin, Advocates and Solicitors. He sits on the Board of Directors of MMC Corporation Berhad, Zelan Berhad, Tradewinds Corporation Berhad and AEON Credit Service (M) Berhad, all of which are companies listed on Bursa Malaysia Securities Berhad. He also sits on the Board of Directors of THR Hotel (Selangor) Bhd and several private limited companies. He is a member of the Remuneration and Nomination Committee of the Board. Dato' Abdullah bin Mohd Yusof has attended all the four (4) Board meetings held in the financial year. He holds 526,000 ordinary shares directly and 1,170,800 ordinary shares indirectly in the Company.



MR JEROME THOMAS BLACK
Non-Independent Non-Executive Director
American
50

Mr Jerome Thomas Black was appointed Non-Executive Director of AEON CO. (M) BHD. on 13 August 2009. He holds a Bachelor's Degree in Business Administration from West Virginia University, the United States of America. He joined Kurt Salmon Associates Inc. (KSA) in 1995, and served as the Managing Director, Global Practice Development Division in 2002, and in 2005 as Managing Director for KSA North America. From 2006 to 2008, he was the President in charge of KSA's Consumer Division and then the CEO of KSA in 2008. He joined AEON Co., Ltd. in March 2009 as an advisor and became the Vice President, Chief Strategy & Information Officer and CEO, Asia Business Division in May 2009. Mr Jerome Thomas Black is now a Vice President, CEO, ASEAN Business Chief Information Officer and CEO, Digital Business Chief Strategy Officer of AEON Co., Ltd.. Mr Jerome Thomas Black is also the Chairman of the Nomination and Remuneration Committees of the Board. He has attended two (2) Board meetings held during his term in office in the financial year. He does not hold any shares in the Company.

Note: Save as disclosed in this annual report, all the Directors mentioned in pages 19 to 22 have no conflicts of interest with AEON CO. (M) BHD. or any family relationship with any Directors and / or substantial shareholder nor have they any convictions for offences within the past 10 years, except for traffic summons, if any.

DIRECTORS' PROFILES



MR NAGAHISA OYAMA
Managing Director
Japanese
55

Mr Nagahisa Oyama was appointed the Managing Director of AEON CO. (M) BHD. on 22 June 2005. He holds a Bachelor's Degree in Business Management from Kinki University, Japan, which he obtained in 1977. He joined AEON Co., Ltd. in 1977 as a Management Trainee and was promoted to be Softline Merchandiser in 1980. He was seconded to Siam JUSCO, Thailand to set up the GMS Merchandising Division. Following his appointment at Siam JUSCO, Thailand from 1989 to 1991, he was promoted to General Manager of Tonami Regional Shopping Centre in 1991. Mr Nagahisa Oyama was next appointed as the General Manager of Kaga Regional Shopping Centre in 1996. He served as General Manager of Higashi Mikawa and Shizuoka Prefecture, Japan, where he was in charge of the overall planning, opening and operations of three (3) new Regional Shopping Centres and the operations of seven (7) existing Regional Shopping Centres in the Shizuoka Prefecture. Mr Nagahisa Oyama has attended all the four (4) Board meetings held in the financial year. He holds 20,000 ordinary shares directly in the Company



DATUK RAMLI BIN IBRAHIM
Non-Independent Non-Executive Director
Malaysian
69

Datuk Ramli bin Ibrahim was appointed Non-Executive Director of AEON CO. (M) BHD. on 20 August 1996. He is a Member of the Malaysian Institute of Accountants and a Fellow of the Australian Institute of Chartered Accountants. He was attached to KPMG Peat Marwick (now known as KPMG) in Australia, United Kingdom and Malaysia from 1959 to 1995. He was appointed as a Partner of KPMG Malaysia in 1971. In 1989, he was made the first bumiputera Senior Partner of KPMG Malaysia. He also served on the Boards of KPMG International and KPMG Asia Pacific from 1990 to 1995. He retired from KPMG Malaysia in 1995. From December 1995 to December 2000, he served as the Executive Chairman of Kuala Lumpur Options & Financial Futures Exchange Berhad. Currently, he sits on the Board of Directors of Ranhill Berhad, Measat Global Berhad, BCT Technology Berhad, AEON Credit Service (M) Berhad and several other unlisted public and private limited companies including HSBC Bank Malaysia Berhad and Yayasan Tuanku Syed Sirajuddin. He is also a member of the Audit and Remuneration Committees of the Board. Datuk Ramli bin Ibrahim has attended all the four (4) Board meetings held in the financial year. He holds 560,000 ordinary shares indirectly in the Company.



BRIG JEN (B) DATO' MOHAMED IDRIS BIN SAMAN
Independent Non-Executive Director
Malaysian
65

Brig Jen (B) Dato' Mohamed Idris bin Saman was appointed Non-Executive Director of AEON CO. (M) BHD. on 16 June 2000. He holds a Post Graduate Diploma in Management Studies from the Slough College, United Kingdom which he obtained in 1980. He was a graduate of the Air Command & Staff College, Maxwell, USA and the Armed Forces Defence College, Kuala Lumpur. He joined the Royal Malaysian Air Force as a Pilot Officer and served for thirty-five (35) years, in various executive positions within its Logistic Branch. He retired from the Royal Malaysian Air Force in 2000 as the Assistant Chief of the Air Force (Material). He is a Director of Affin Fund Management Bhd. He is also a Fellow of the Malaysian Institute of Logistics. Brig Jen (B) Dato' Mohamed Idris bin Saman is a member of the Audit and Nomination Committees of the Board. Brig Jen (B) Dato' Mohamed Idris bin Saman has attended all the four (4) Board meetings held in the financial year. He does not hold any shares in the Company.

DIRECTORS' PROFILES



DATUK ZAWAWI BIN MAHMUDDIN
Independent Non-Executive Director
Malaysian
64

Datuk Zawawi bin Mahmuddin was appointed Non-Executive Director of AEON CO. (M) BHD. on 23 July 2001. He holds a Bachelor of Arts (Honours) Degree from the University of Malaya, which he obtained in 1968. Datuk Zawawi bin Mahmuddin joined the Administrative and Diplomatic Service and began his career as an Administrative Officer in the Ministry of Transport in 1968. From 1970 to 1975 he served as private secretary to the Deputy Prime Minister and thereafter held various positions in the Cabinet Secretariat of the Prime Minister's Department from 1975 to 1990. His subsequent appointments were as follows:- Federal Secretary in Sarawak (1990 – 1992), Deputy Secretary General 1, Ministry of Home Affairs (1992 – 1994), Secretary General, Ministry of Information (1994 – 2000). Datuk Zawawi bin Mahmuddin was formerly on the Board of Syarikat Explosive Malaysia Sdn. Bhd. (SME), National Film Development Corporation (FINAS), Governing Council, Bernama and Sukom Ninety Eight Bhd. Besides being Chairman of Northport Distripark Sdn. Bhd., he also sits on the Board of a few private limited companies. He is also a member of the Nomination Committee of the Board. Datuk Zawawi bin Mahmuddin has attended all the four (4) Board meetings held in the financial year. He does not hold any shares in the Company.



DATO' CHEW KONG SENG
Independent Non-Executive Director
Malaysian
72

Dato' Chew Kong Seng was appointed Non-Executive Director of AEON CO. (M) BHD. on 23 July 2001. He is a Fellow of Institute of Chartered Accountants in England and Wales, a Member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants. He was a tax officer in the Inland Revenue Department in the United Kingdom and then joined Stoy Hayward & Co. in the United Kingdom from 1964 to 1970. He returned to Malaysia and joined Turquand Young & Co. (now known as Ernst & Young) and was subsequently transferred to Sarawak office as Manager in-charge and later as Partner in-charge. He was appointed as the Managing Partner of Ernst & Young from 1990 to 1996. Currently, Dato' Chew Kong Seng is a Director and Audit Committee Chairman of Petronas Dagang Berhad, PBA Holdings Berhad and Bank of America Malaysia Berhad, as well as a Director and a member of the Audit Committee of Petronas Gas Berhad and GuocoLand (Malaysia) Berhad and Encorp Berhad. He is also a Director of Great Wall Plastic Industries Berhad and a private limited company. Dato' Chew Kong Seng is the Chairman of the Audit Committee and a member of the Nomination Committee of the Board. Dato' Chew Kong Seng has attended all the four (4) Board meetings held in the financial year. He does not hold any shares in the Company.



MR NARUHITO KURODA
Non-Independent Non-Executive Director
Japanese
47

Mr Naruhito Kuroda was appointed Non-Executive Director of AEON CO. (M) BHD. on 16 May 2007. 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 Naruhito Kuroda was appointed as a Director of AEON Credit Service (Asia) in Hong Kong from 1999-2000. He was appointed the Managing Director of AEON Credit Service (M) Berhad in 2001. He currently sits on the Board of Directors of PT AEON Credit Service Indonesia. Mr Naruhito Kuroda has attended all the four (4) Board meetings held in the financial year. He holds 32,000 ordinary shares directly in the Company. Mr Naruhito Kuroda resigned as Non-Executive Director of the Company with effect from 14 April 2010.

DIRECTORS' PROFILES



MR NAOKI HAYASHI

Non-Independent Non-Executive Director
Japanese
62

Mr Naoki Hayashi was appointed Non-Executive Director of AEON CO. (M) BHD. on 13 August 2009. He holds a Bachelor's Degree in Economics from Keio University, Japan. He joined AEON Co., Ltd. in March 1970 and promoted to General Manager, Executive Secretary Office in March 1987. In September 1990, Mr Naoki Hayashi assumed the post of General Manager, General Affairs Division and subsequently transferred to be the General Manager in charge of Kanto Regional Operations. He was promoted as Director of AEON Co., Ltd. in May 1996 and then in February 1997 as Director for Kanto Regional Company. Mr Naoki Hayashi was promoted as Executive Vice President in May 1998 and subsequently in May 2004 as Senior Executive Vice President and then as Executive Vice President in charge of SC Development Business and Chairman of AEON Co., Ltd.'s subsidiary Diamond City Co., Ltd. in May 2006. In May 2007, he was assigned as Director of AEON Mall Co., Ltd. and in May 2008 as Director and Executive Vice President for the Office of the President, AEON Co., Ltd.. Mr Naoki Hayashi is now a Director, Vice President, Office of the President, Chief Environmental Affairs Office of AEON Co., Ltd.. He has attended two (2) Board meetings held during his term in office in the financial year and does not hold any shares in the Company.



MR YASUO MASUDA

Non-Independent Executive Director
Japanese
53

Mr Yasuo Masuda was appointed Executive Director of AEON CO. (M) BHD. on 13 August 2009. He holds a Bachelor's Degree of Laws from Tokyo University and Bachelor's Degree of Accounting/Audit in Finance from University of Ecole Suprieure de Commerce de Paris, France. He joined French Primary Dealership Nomura, France, in February 1986 and in October 1994 joined Lectra Systemes SA, France, as the Group Treasurer. Mr Yasuo Masuda next joined Assystem SA's International Division, France, as the Financial Director, in June 1997 and then as Director & CFO of Sugi Pharmacy Co., Ltd., Japan in March 2001. In March 2003, he joined Welcia Kanto Co., Ltd.'s Prescription Business Division, as the Senior Managing Director & Senior Executive Officer. Mr Yasuo Masuda joined AEON Co., Ltd. as the General Manager for the Asia Business Strategies Division in June 2006 before his secondment to AEON CO. (M) BHD. in May 2009 as General Manager for the Managing Director Office. He has attended two (2) Board meetings held during his term in office in the financial year. He does not hold any shares in the Company. Mr Yasuo Masuda resigned as Executive Director of the Company with effect from 14 April 2010.

SENIOR MANAGEMENT



(SEATING FROM LEFT TO RIGHT)

Mr Tomio Yokoyama
Senior General Manager of Shopping Centre Business

Mr Yasuo Masuda
Executive Director

Mr Nagahisa Oyama
Managing Director

Mr Mitsuru Nakata
Senior Executive General Manager of General Merchandise Store Business

(STANDING FROM LEFT TO RIGHT)

Tuan Hj. A. Rashid Hj. Adam
General Manager of Corporate Communications

Puan Noryahwati Mohd. Noh
General Manager of Human Resource and Administration

Ms Audrey Lim Suan Imm
General Manager of Marketing

Puan Nur Qamarina Chew
Senior General Manager of Merchandising

Mr Poh Ying Loo
Senior General Manager of Business Support

Ms Chong Swee Ying
General Manager of Store Operations

Lt. Col (R) Yaacob bin Mahmud
General Manager of Security and Safety

CHAIRMAN'S STATEMENT



On behalf of the Board of Directors, I am pleased to present to you the Annual Report and Audited Financial Statements of AEON CO. (M) BHD. (AEON or the Company) for the year ended 31 December 2009.

FINANCIAL REVIEW

In 2009, AEON continued to achieve strong commendable results despite the difficult and challenging business environment especially for retailing business.

For the year ended 31 December 2009, AEON registered revenue of RM3.736 billion which is 8.8% higher compared to RM3.433 billion of the previous year. The good performance resulted in AEON registering earnings before tax of RM194.4 million and profit after tax of RM133.5 million representing 10.2% and 10.7% growth respectively over the previous year's earnings and achieving an earnings per share of 38.0 sen.

As at 31 December 2009, AEON's balance sheet remains healthy with no borrowings and shareholders funds of RM984.2 million which provides a net asset value per share of RM2.80.

REVIEW OF PERFORMANCE

The unprecedented global financial crisis which had a major impact on economies worldwide saw Malaysia's economy in 2009 continued to be affected especially in the first three quarters of the year. The retail industry was not spared as the crisis affected consumer spending and behaviour. However we are fortunate that the government had taken early proactive measures with stimulus packages that produced positive impact on the economy.

Year 2009 also marks AEON's twenty five years strong presence in Malaysia. As a gesture of gratitude to its customers, AEON took the opportunity to line up a series of events to commemorate its 25th Anniversary.

AEON continued to produce excellent results in both its core businesses of retail and property management services. From the RM3.736 billion total revenue registered for the year under review, retail sales contributed RM3.362 billion whereas the property management services and other income contributed RM373.5 million, which respectively represented growth of 7.6% and 20.9% against their previous year's performances.

On its retail operations, the growth in retail sales over the previous year was contributed by both the same stores growth of 0.26% as well as contribution of 7.4% from the new JUSCO stores at AEON shopping centres in Seberang Prai City, AU2 Setiawangsa and Bukit Indah, all of which operated for a full year in 2009.

CHAIRMAN'S STATEMENT

AEON's property management services revenue at RM373.5 million represented an excellent performance for the year under review, given the economic environment the business needed to operate in, especially at the earlier part of the year when tenants business were impacted by the crisis. We were able to maintain a consistent average occupancy rate of 95% and same shopping centre growth of 3.8% for the year under review. The new AEON shopping centres at Seberang Prai, Penang, AU2 Setiawangsa, Kuala Lumpur and Bukit Indah, Johor Bahru, which operated for a full year, contributed 18.1% to the property management services' revenue growth.



CORPORATE SOCIAL RESPONSIBILITY

AEON always abide by its principles of pursuit of peace, respect for humanity and contribution to local communities through customer centred initiatives, which are all key components for AEON's continued growth and prosperity.

For the year under review, in support of the Government's initiatives to continuously promote friendly green environment, AEON continued to uphold its philosophy of "Planting Seeds of Growth" to serve the community, as part of its corporate social responsibility's green initiatives.



During 2009, approximately 27,000 saplings were planted by AEON. The 25th Anniversary Tree Planting Ceremony saw 25,000 saplings planted at the Paya Indah Wetland in Dengkil where Mr. Takuya Okada, the Honorary Chairman of AEON Group, Japan, together with 500 volunteers from Japan joined hands with about 2,000 local participants for this event. A further 2,000 saplings were planted during AEON Bandaraya Melaka Shopping Centre Tree Planting Ceremony, resulting in more than 400,000 saplings planted in the 25 years since AEON first established in Malaysia. Further milestone was achieved when AEON and Melaka State Government recently agreed to a joint effort to plant approximately 8,000 trees along the Sungai Melaka for the next five years.



On the "Say No To Plastic Bags" campaign, AEON's efforts to introduce "Say No To Plastic Bags" on every 25th of the month since 2008 received a further boost when the states of Penang and Selangor adopted similar moves. In addition, in a joint effort with an international designing house, AEON introduced a range of high end quality fashionable reusable bags promoting the idea of fashion and mother nature preservation going hand in hand.

"With All Our Hearts" Malaysian JUSCO Foundation which AEON supports and manages with the mission to help the less fortunate and underprivileged children, continued to organise fund raising activities during the year under review. A total sum equivalent to approximately RM703,000 in cash and kind was donated to various old folks homes, welfare homes, schools and underprivileged children during the year under review. This includes a second welfare home, Rumah Tunas Harapan Sepenuh Hati 2, located at Bandar Putra Permai, Seri Kembangan,

CHAIRMAN'S STATEMENT

Selangor, worth about RM450,000, which was set up for underprivileged children and handed over to Jabatan Kebajikan Masyarakat Malaysia. The Foundation also paid prompt attention to those affected by natural disasters such as initiating a donation drive that collected RM87,000 for the Sumatra Earthquake Victims Fund.

The Foundation had also recently in 2010 changed its name to "With All Our Hearts" Malaysian AEON Foundation, with the inclusion of AEON Credit Service (M) Berhad as a member. This will further boost the Foundation's recognition and support from more business associates.

AEON's other community projects included, among others, the Mega Blood Donation Campaign which was held just prior to the fasting month where 3,524 bags of blood were collected for Pusat Darah Negara in anticipation of needs during the festive seasons.

FUTURE PROSPECTS AND OUTLOOK

The Malaysian economy is recovering and consumer spending and confidence are also seen to be improving, which augurs well for the retail industry whose performance it is closely linked to. AEON believes that its business will continue to grow in tandem with the economy and this confidence is further boosted by our government's efforts to stimulate spending and ensure domestic demand and consumption remains resilient. AEON will continue to leverage on its established brand and presence to further boost its business with focus on strategies for merchandise differentiation from competition, on human resource productivity and selling floor management efficiency to realise good customer services.

On its development plans, AEON is continuing with its mid term strategy of expansion through opening of new outlets in strategic locations. We are pleased to inform that our second shopping centre in Melaka, AEON Bandaraya Melaka Shopping Centre, which AEON leases and manages, opened for business on 5 February 2010. Our new neighborhood shopping centre, now under construction in Bandar Mahkota Cheras is also expected to be opened by end of April 2010.

We are however mindful of the severe competition that exists in the retail industry. Other market players, both foreign and local are also on the expansion trail in order to increase their market share. This proliferation of retail outlets will eventually have an effect on our market share. In order to protect and indeed increase our market share, AEON will continue to renovate and upgrade its existing stores and step up its drive for higher standard of customer services so that its stores and shopping centres will always be the consumers' choice.



CHAIRMAN'S STATEMENT

DIVIDEND

The Board of Directors is recommending for your approval a first and final dividend of 12% less 25% income tax for the year ended 31 December 2009 at the forthcoming Annual General Meeting.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to take this opportunity to thank the management and staff for their efforts, commitment and hardwork in taking AEON through a difficult and challenging year.

I also would like to express my gratitude to our valued customers, business associates, bankers, government authorities and shareholders for their continuous support and confidence in AEON.

Dato' Abdullah bin Mohd Yusof

Chairman

REVIEW OF OPERATIONS

BUSINESS REVIEW

The year under review was yet another challenging year not only for the Company but also for Malaysia. The impact of the economic crisis was fully felt by the fourth quarter of 2008 and continued to impact 2009 which resulted in negative GDP for the country in the first three quarters. Fortunately, the crisis does not prolong and the global economy started to show recovery sooner than expected in part due to the concerted efforts by governments worldwide to address the crisis. In tandem with the global recovery, our country's economy also started to recover which was further assisted by our government's proactive stimulus packages resulting in a positive GDP by the fourth quarter of 2009. Retailers whose business are closely linked to the country's economy faced equal tough challenges during the year as they responded to the changing consumer sentiments and behaviour.

Against such scenario, AEON's business continued to remain resilient. For the year ended 31 December 2009, AEON registered a revenue of RM3.736 billion, which represented a growth of 8.8% over the previous year's performance. The retail segment registered RM3.362 billion and the property management services registered RM373.5 million.

RETAIL SALES

The economic crisis had seen retailers getting creative and resourceful in developing ingenious ways to sustain their business and market share. Aggressive promotion in merchandise and pricing was particularly prevalent among the retailers as they strive to draw shoppers to their outlets and seek to retain customer loyalty. In particular, price reduction campaigns to meet the needs of customers were frequently promoted. Innovative retail concepts and merchandise that creates differentiation were also developed by various retailers in their quest to accurately identify consumers' behavior and fulfill their needs.

Under such challenging environment, for the year under review, AEON's shopping centres' and stores' performances continued to remain resilient and generally delivered good results. AEON continued to rely on its established brand and competitive strengths to provide the best in value, quality and variety of merchandise and services to its customers. AEON continued to leverage on its loyal customer base, its competitive and affordable pricing, its shopping centres' environment, excellent facilities together with its superior customer services to provide differentiation to its customers. AEON, which is celebrating its 25th Anniversary in the year under review, took the opportunity to show its appreciation to its customers for their continuous support through a series of promotions and activities including special merchandise and pricing. The retail sales of RM3.362 billion represented a 7.6% growth over the previous year's performance. The growth was due to full year contributions from stores that opened in previous year as well as the overall better performance from existing stores. AEON registered same stores' performance of 0.26% for the year under review which is



REVIEW OF OPERATIONS

commendable considering the challenging times faced in 2009. The existing stores' performances which saw competition and challenging local operating environment registered results ranging from 10.8% higher growth to 13.5% lower against their previous year's performance. JUSCO Taman Maluri, JUSCO Ipoh, JUSCO Mid Valley, JUSCO Bandar Puchong, JUSCO Taman Equine, JUSCO Bandar Sunway, JUSCO Cheras Selatan recorded growth ranging from 1.9% to 10.8%. JUSCO Wangsa Maju, despite the opening of JUSCO AU2 Setiawangsa nearby, registered only a lower performance of 6.9% for the year under review. For JUSCO Taman Universiti, the lower performance of 13.5% against previous year was within expectation with the opening of JUSCO Bukit Indah. Under the challenging year, JUSCO Melaka, JUSCO Metro Prima, JUSCO Seremban 2 and JUSCO Tebrau City recorded marginal lower performances of between 0.5% and 1.9% whereas JUSCO Bandar Utama, JUSCO Bandar Baru Klang, JUSCO Permas Jaya and JUSCO Queensbay recorded lower growth ranging from 3.1% to 5.2%. The MaxValu supermarkets, whose contribution are still marginal for the year under review, registered in total a contribution of RM55.0 million for the year with a same store growth of 4.4%. During the year under review, the MaxValu supermarket in Pearl Point Shopping Centre was closed when the surrounding operating conditions no longer suits the Company's operating criteria.



PROPERTY MANAGEMENT SERVICES

The property management services business was also particularly challenging in the year under review as retail tenants strived to sustain their business. Managing and supporting the tenants becomes critical and AEON with its tenant mix management strategy as well as maintenance and facilities upgrading programme that ensures its shopping centres remain always conducive and convenient shopping destinations for customers, had proven to be successful and sustainable strategies. They are further complemented by the synergies of having AEON general merchandise stores in its premises.



During the year under review, efforts were undertaken to generate shopping centre and store activities, including synergistic joint promotional efforts with tenants to increase customer traffic to AEON's shopping centres. Attractive kiosks that offer varieties of merchandise and services were also introduced to attract more shoppers. Tenants were also invited to participate actively in J-Card Days organised during the year under review.



Occupancy remains consistent at about 95% during the year under review and this enable AEON to generate a healthy revenue of RM373.5 million from its property management services for the year under review. This represents a growth of 20.9% above the previous year's

REVIEW OF OPERATIONS

performance, contributed by the same shopping centres income growth of 3.8% and also 18.1% contribution from new AEON shopping centres that opened in 2008 and operated for full fiscal year in 2009. The new AEON shopping centres who operated for full fiscal year in 2009 are at Seberang Prai, Penang, Setiawangsa, Kuala Lumpur and Bukit Indah, Johor. AEON manages seventeen shopping centres in the year under review.

PROSPECTS AND FUTURE OUTLOOK

The country's GDP registered a positive 4.5% in the fourth quarter of 2009, rebounding from declines in the preceding three quarters. This confirmed our economy is now recovering which augurs well for the retail industry with consumer confidence and spending expected to increase.

AEON believes that its current competitive strengths and established presence will put it in a strong position to benefit from this recovery. The series of operational and business measures that AEON had embarked on since the previous year to boost its operational efficiency will further allow AEON to compete effectively in the industry. Competition is expected to be continuously keen as each retailer try to capitalise on the recovery in consumers spending. Among others, our focus will be on strategies for merchandise differentiation from competition, strengthening our customer loyalty base, human resource development and productivity as well as evolution in operational working ways.

The property management services business division's focus on strategies to increase shoppers' traffic will includes creating exciting events, promotions and fairs which involve tenants' participation besides the provision of safe environment, proper amenities and services for shoppers. Focus will also be on the right tenant mix together with refurbishments and maintenance program for existing stores and shopping centres so that they remain attractive and impressive to shoppers.

AEON's mid term strategy to develop new shopping centres in strategic locations to create a dominant position in the retail industry is ongoing. Opportunities for expansion and collaboration with strategic partners continue to be sought. AEON Bandaraya Melaka Shopping Centre, a three level shopping centre with an approximate net lettable area of 615,000 square feet, was opened to the public on 5 February 2010. This is AEON's 18th shopping centre, which contains 223 tenants and our 22nd JUSCO general merchandise store. AEON's new neighborhood shopping centre in Bandar Mahkota Cheras, with an estimated net lettable area of 215,000 square feet including an estimated 77 tenants, is also scheduled to be opened by end of April 2010.



STATEMENT ON CORPORATE GOVERNANCE

BOARD RESPONSIBILITIES

The Board, in recognising the importance of corporate governance, is committed to ensuring that the Company's business and operations are in line with the principles and best practices advocated in the Malaysian Code of Corporate Governance.

The Board assumes responsibilities in corporate governance and has established various processes and committees to assist the Board in discharging of these responsibilities. Among others, the Company's strategies and directions, shareholders and investors' relationship, annual budget, major capital expenditure, significant financial matters, and the adequacy and integrity of internal controls including risk assessment are within the responsibilities of the Board of Directors.

The following paragraphs set out the Company's application of the principles and best practices of the Malaysian Code on Corporate Governance.

A) DIRECTORS

Board Balance

The Board consists of ten (10) members; comprising one (1) Non-Executive Chairman, two (2) Executive Directors and seven (7) Non-Executive Directors. Of the seven (7) Non-Executive Directors, three (3) are Independent Directors. This complies with Paragraph 15.02 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad which required at least two (2) or one third (1/3) of Board of the Company whichever is higher, are Independent Directors. In the event of any vacancy in the Board resulting in non-compliance with the requirements on Independent Directors, the vacancy must be filled within 3 months of that event.

Dato' Chew Kong Seng is the Senior Independent Non-Executive Director to whom concerns on matters relating to corporate governance of the Company could be conveyed to. The presence of Independent Non-Executive Directors fulfils a pivotal role in corporate governance accountability. Although all the Directors have equal responsibility for the Company's operation, the role of the Independent Non-Executive Directors is particularly important, as they provided an unbiased and independent view, advice and judgement taking into account the interest, not only of the Company but also of shareholders, employees, customers and communities in which the Company conducts business. The Board is of the view that its current composition fairly reflects the representation of the minority shareholders of the Company.

The Directors bring a wide range of expertise and experience in various fields such as economics, public services, accounting and finance, legal, human resource, banking, marketing, taxation, general management, retail management and property management services. All Board members participated and deliberated on the issues and matters affecting the Company.

The profile of each Director is presented on page 19 to page 22 of the Annual Report.

Supply of Information

The Directors have full access to the advice and services of the Company Secretary who are experienced and capable of carrying out the duties to which the post entails.

The Company Secretary notify the Directors on the closed period for trading in the Company's shares, in accordance with Chapter 14 on Dealings in Securities of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The external auditors briefed the Board members on any new Financial Reporting Standards that would affect the Company's financial statements during the year.

In addition, the Directors, if necessary, may also seek professional advice, at the Company's expense, where necessary in furtherance of their duties. The Directors may also consult the Chairman and other Board members prior to seeking any independent professional advice.

STATEMENT ON CORPORATE GOVERNANCE

BOARD MEETINGS

The Board met four (4) times during the financial year ended 31 December 2009. The details of attendance of each Director at the Board meetings held during the financial year are as the table below: -

No.	Name of Directors	Number of meetings attended/held during the Director's term in office
1	Dato' Abdullah bin Mohd Yusof	4/4
2	Mr Jerome Thomas Black (appointed on 13 August 2009)	2/2
3	Mr Nagahisa Oyama	4/4
4	Datuk Ramli bin Ibrahim	4/4
5	Brig Jen (B) Dato' Mohamed Idris bin Saman	4/4
6	Datuk Zawawi bin Mahmuddin	4/4
7	Dato' Chew Kong Seng	4/4
8	Mr Naruhito Kuroda	4/4
9	Mr Naoki Hayashi (appointed on 13 August 2009)	2/2
10	Mr Yasuo Masuda (appointed on 13 August 2009)	2/2
11	Mr Tsutomu Kajita (resigned on 13 August 2009)	1/2

The Board endeavours to meet at least four (4) times a year, at quarterly intervals, with additional meetings to be convened when necessary. Board meetings for each year are scheduled before the end of the previous financial year in order for the Directors to plan to their schedules. All Board meetings are furnished with proper agendas with due notice issued. Board papers and reports providing updates on financial, operational and corporate developments including matters such as the Company's corporate social responsibilities program are circulated prior to the meetings to all Directors to allow them sufficient time to peruse for effective discussions and decision making during meetings.

All pertinent issues at the meetings in arriving at the decisions and conclusions are properly recorded in discharging the Directors' duties and responsibilities.

The proceeding of meetings was properly recorded by the Company Secretary.

DIRECTORS' TRAINING

All the Directors have attended the Directors' Mandatory Accreditation Programme and the Continuing Education Programme organised by Bursa Malaysia Securities Berhad and are also provided with updates from time to time on relevant new laws and regulations affecting their directorship. Seminars and briefings on Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Risk Management, Internal Auditing and new Accounting Standards were attended by one or more Directors during the financial year under review.

Additionally, ongoing development and education sessions are provided by management that cover both operational and financial issues specific to the Company and the industry.

Directors also from time to time visited existing stores and/or new sites to have a thorough understanding of the Company's operational matters.

STATEMENT ON CORPORATE GOVERNANCE

BOARD COMMITTEES

The Board is assisted by its Committees, which have been established under defined terms of reference, in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and best practices prescribed by the Code to assist the Board in discharging its responsibilities. The Committees are the Audit Committee, Nomination Committee and the Remuneration Committee.

The functions and terms of reference of the Board Committees as well as authority delegated by the Board to these Committees have been approved by the Board and are reviewed from time to time to ensure they are relevant and up-to-date. The Board Committees examine specific issues and report to the Board with their recommendations. The ultimate responsibility for decision-making lies with the Board.

THE NOMINATION COMMITTEE

Mr Jerome Thomas Black who was appointed a Non-Executive Director on 13 August 2009 was also appointed the Chairman of the Nomination Committee after the resignation of Mr Tsutomu Kajita on 13 August 2009. The Nomination Committee is made up of Non-Executive Directors whose other members are Dato' Abdullah bin Mohd Yusof, Dato' Chew Kong Seng, Brig Jen (B) Dato' Mohamed Idris bin Saman and Datuk Zawawi bin Mahmuddin. The Nomination Committee met twice (2) in the financial year under review.

The duties and responsibilities of the Nomination Committee, among others, are to recommend to the Board, candidates for directorship, directors to fill seats on Board Committees and to review annually the required mix of skills and experience of the Board including the effectiveness of the Board as a whole and the contribution from each Director.

The Board, through the Nomination Committee, during the year under review conducted the annual assessment of the Directors' performance and contribution, and reviewed the required mix of skills and experience of the Board to function competently and efficiently as a whole.

THE REMUNERATION COMMITTEE

Mr Jerome Thomas Black who was appointed a Non-Executive Director on 13 August 2009 was also appointed the Chairman of the Remuneration Committee after the resignation of Mr Tsutomu Kajita on 13 August 2009. The Remuneration Committee is made up of Non-Executive Directors whose other members are Dato' Abdullah bin Mohd Yusof and Datuk Ramli bin Ibrahim. The duties of the Remuneration Committee are to recommend to the Board the remuneration of all Directors in all its forms. Executive Directors play no part in decision-making or determining their own remuneration.

In the financial year under review, the Remuneration Committee met one (1) time to determine the remuneration packages of all Directors' including the Non-Executive Chairman. The determination of the remuneration packages is a matter for the Board as a whole to approve. Individual Director concerned do not participate in the discussion on their own remuneration.

THE AUDIT COMMITTEE

The Board is also assisted by the Audit Committee. The Audit Committee reviews issues of accounting policy and presentation of external financial reporting, monitors the work of the internal audit function and ensures that an objective and professional relationship is maintained with the external and internal auditors. The Audit Committee works closely with both the internal and external auditors who, in turn, have access to the Chairman of Audit Committee.

The members, terms of reference and activities for the financial year under review are stated on page 36 to page 40 of the Annual Report.

RE-ELECTION

In accordance with the Company's Articles of Association, all Directors retire every year.

STATEMENT ON CORPORATE GOVERNANCE

B) DIRECTORS REMUNERATION

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

- 1) Aggregate remuneration of the Directors categorised into appropriate components:

	Executive Directors RM	Non Executive Directors RM	Total RM
Fees	272,000	1,002,000	1,274,000
Salaries	609,747	-	609,747
Benefits-in-kind	37,025	24,600	61,625
Other emoluments	120,970	-	120,970
	1,039,742	1,026,600	2,066,342

- 2) The number of Directors whose total remuneration fall within the following bands:

Range of Remuneration	Number of Directors		Total
	Executive	Non-Executive	
Less than RM50,000	-	-	-
RM50,001 to RM100,000	-	5	5
RM100,001 to RM150,000	-	2	2
RM150,001 to RM200,000	-	1	1
RM200,001 to RM250,000	-	-	-
RM250,001 to RM300,000	-	1	1
RM300,001 to RM350,000	-	-	-
RM350,001 to RM400,000	1	-	1
RM400,001 to RM450,000	-	-	-
RM450,001 to RM500,000	-	-	-
RM500,001 to RM550,000	-	-	-
RM550,001 to RM600,000	-	-	-
RM600,001 to RM650,000	1	-	1
	2	9	11

C) SHAREHOLDERS

Investors' and Shareholders' Communication

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

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

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

During the Annual General Meeting, shareholders are usually given a presentation on the Company's performance and major activities that were carried out by the Company for the financial year under review. During the meeting, shareholders have the opportunities to enquire and comment on the Company's performance and operations.

STATEMENT ON CORPORATE GOVERNANCE

D) ACCOUNTABILITY AND AUDIT

Financial reporting

In the Company's financial reporting via quarterly announcements of results, annual financial statements and annual report presentation including the Chairman's Statement and Review of Operations, the Board of Directors always provides a comprehensive assessment of the Company's performance and prospects for the benefits of shareholders, investors and interested parties. The Audit Committee also assists the Board in overseeing the Company's financial reporting processes.

Directors' responsibility statement in respect of the preparation of the audited financial statements

The Board is responsible for the preparation of the financial statements for each financial year of the Company, which gives 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 Board has ensured that the financial statements have been prepared in accordance with applicable approved accounting standards in Malaysia, the requirements of the Companies Act, 1965, Bursa Malaysia Securities Berhad and other regulatory bodies. In preparing the financial statements, the Board of Directors has ascertained that accounting policies and reasonable prudent judgement and estimates have been consistently applied.

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 are reasonably open to them to safeguard the assets of the Company, to prevent and detect fraud and other irregularities.

GOING CONCERN

The Board confirms that the Company has adequate resources to continue its business in the foreseeable future. For this reason, they continue to adopt the going concern basis for preparing the financial statements.

STATE OF INTERNAL CONTROL

The Statement on Internal Control set out on page 41 to page 42 of the Annual Report provides an overview of the state of internal controls within the Company.

RELATIONSHIP WITH THE EXTERNAL AUDITORS

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

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

COMPLIANCE WITH MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

Audit Committee	Designation
• Dato' Chew Kong Seng	Chairman (Independent Non-Executive Director)
• Datuk Ramli bin Ibrahim	Member (Non-Independent Non-Executive Director)
• Brig Jen (B) Dato' Mohamed Idris bin Saman	Member (Independent Non-Executive Director)

CONSTITUTION

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

COMPOSITION OF AUDIT COMMITTEE

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

The Committee shall include at least one person who is a member of the Malaysian Institute of Accountants (MIA) or alternatively a person who must have at least three (3) years' working experience and have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967 or is a member of one of the associations of accountant specified in Part II of the said Schedule or fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.

No Alternate Director shall be appointed as a member of the Committee.

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

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

MEETINGS

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

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

QUORUM

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

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

ATTENDANCE AT MEETINGS

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

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

SECRETARY TO AUDIT COMMITTEE

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

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

REPORTING PROCEDURES

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

The Committee shall assist the Board in preparing the following for publication in the Company's annual report:

- Statement of the Company's application of the principles set out in Part I of the Malaysian Code on Corporate Governance.
- Statement on the extent of compliance with the Best Practices in Corporate Governance set out in Part II of the Malaysian Code on Corporate Governance, specifying reasons for any areas of non-compliance (if any) and the alternatives adopted in such areas.
- Statement on the Board's responsibilities for preparing the annual audited financial statements, and
- Statement on the state of Internal Control of the Company.

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

AUTHORITY

The Committee is authorised by the Board to:

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

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Committee shall be:

- To review the Terms of Reference at least annually, or as conditions dictate.
- To review any financial information for publication, including quarterly and annual financial statements before submission to the Board.
- The review shall focus on:
 - Any changes in accounting policies and practices.
 - Major judgmental areas.
 - Significant audit adjustments from the External Auditors.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with stock exchange and legal requirements.
- To review with the External Auditors their audit plan, scope and nature of audit for the Company.
- To review and discuss the External and Internal Audits' audit reports, areas of concern arising from the audit and any other matters the External and Internal Auditors may wish to discuss in the absence of management, if necessary.
- To assess the adequacy and effectiveness of the system of internal controls and accounting control procedures of the Company by reviewing the External and/or Internal Auditors' management letters and management responses.
- To discuss problems and reservations arising from the audits and any matters the auditors may wish to discuss including the assistance given by the employees in the absence of management, if necessary.
- To review the internal audit plan, consider the major findings of Internal Audit, fraud investigations and actions and steps taken by management in response to audit findings.
- To review the adequacy and relevance of the scope, functions and resources of Internal Audit and the necessary authority to carry out its work, including any appraisal or assessment of the competency of the internal audit function.
- To take cognisance of resignations of Internal Audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.
- To review any related party transactions and conflict of interest situations that may arise within the Company.
- To consider the appointment of the External Auditors, the terms of reference of its appointment and any question of resignation and dismissal before making a recommendation to the Board.
- To undertake such other responsibilities as may be agreed to by the Committee and the Board.
- To report to the Board its activities, significant results and findings.

OVERSEEING THE INTERNAL AUDIT FUNCTION

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

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

THE AUDIT COMMITTEE

The Audit Committee comprises the following members:

DATO' CHEW KONG SENG (CHAIRMAN)
Independent Non-Executive Director

Datuk Ramli bin Ibrahim
Non-Independent Non Executive Director

Brig Jen (B) Dato' Mohamed Idris bin Saman
Independent Non-Executive Director

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

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

MEETINGS

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

Name of Directors	Number of meetings attended/ held during the member's term in office
Dato' Chew Kong Seng (Chairman)	4/4
Datuk Ramli bin Ibrahim	4/4
Brig Jen (B) Dato' Mohamed Idris bin Saman	4/4

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

The Company Secretary was present in all the meetings. A representative of the External Auditors, Messrs KPMG Desa Megat & Co., the Head of Finance, the Head of Internal Audit, the Assistant General Manager of Finance and the Head of Legal attended the meetings. Related management personnel attended the meetings upon invitation.

THE AUDIT COMMITTEE

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

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

- a. Reviewed the unaudited quarterly financial result and audited financial statements for the financial year before submission to the Board for consideration and approval.
- b. Reviewed the External Auditors' scope of work and audit plan for the year.
- c. Reviewed and discussed the External Auditors' audit report and areas of concern.
- d. Considered the appointment of the External Auditors, the terms of reference of their appointment and reviewed the External Auditor's independence and their audit fees.
- e. Reviewed the internal audit plan, considered the major findings of Internal Audit, fraud investigations and actions taken by management in response to the audit findings.
- f. Assessed the adequacy and effectiveness of the system of internal controls and accounting control procedures of the Company by reviewing the External and Internal Auditors' management letters and management responses.
- g. Reviewed the adequacy and relevance of scope, functions and resources of Internal Audit and that it has the necessary authority to carry out its work.
- h. Reviewed the related party transactions on a quarterly basis and also the internal audit reports to ascertain that the review procedures establish to monitor the related party transactions have been complied with.
- i. Reported to the Board on its activities and significant findings and results of the External and Internal Audit recommendations.
- j. Monitored the compliance requirements in line with the new updates of Bursa Malaysia Securities Berhad, Securities Commission, Malaysian Accounting Standards Board and other legal and regulatory bodies.

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

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

- a. Presented and obtained approval from Audit Committee, the annual internal audit plan, its audit strategy and audit scope of work.
- b. Reviewed and analysed certain key business processes identified in the annual audit plan, reported ineffective and inadequate controls, and made recommendations to improve their effectiveness.
- c. Monitored and ensured management implemented corrective action plans.
- d. Monitored compliance with policies, procedures, rules and regulations.
- e. Reviewed the adequacy and effectiveness of the internal control structures of the Company.
- f. Assisted the Board of Directors and Management on compliance matters required by the Malaysian Code on Corporate Governance.
- g. Assisted the Board of Directors and Management by reviewing the risk policy and control strategies in the organisation.
- h. Carried out investigative assignments.
- i. Continued inculcating good risk management practices throughout the Company.

STATEMENT ON INTERNAL CONTROL

BOARD'S RESPONSIBILITIES

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

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

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

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

INTERNAL AUDIT FUNCTION

The Audit Committee, assisted by the in-house Internal Audit Department, provides the Board with the assurance it requires on the adequacy and integrity of the system of internal controls. In the year under review, the total cost incurred for the Internal Audit Function was RM388,594. The Internal Audit Department independently reviews the risk identification procedures and control processes implemented by the management, conducts audits that encompass reviewing critical areas that the Company faces, and reports to the Audit Committee on a quarterly basis.

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

STATEMENT ON INTERNAL CONTROL

SYSTEM OF INTERNAL CONTROLS

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

- The management structure of the Company formally defines lines of responsibility and delegation of authority for all aspect of the Company's affairs. Senior management and business unit's managers submit and present their operational performance reviews as well as business plans and strategic measures in regularly held Executive Committee, Management Committee and Operation Meetings;
- The Board approves the annual budget and reviews key business indicators and monitors the achievements of the Company's performance on a quarterly basis;
- The authorisation limits and approvals authority threshold of the Company encompasses internal control procedures. These procedures are subject to review by the management to incorporate changing business risks and operational efficiency;
- The Audit Committee is responsible for reviewing the statutory annual financial statements and the quarterly announcements and recommends to the Board for approval prior to submission to Bursa Malaysia Securities Berhad;
- The Internal Audit Department periodically monitors the effectiveness and evaluates the proper functioning of the internal control system on an on-going basis to ascertain compliance with the control procedures and policies of the Company. The Head of Internal Audit reports to Audit Committee on the status of internal control system on a quarterly basis;
- Project teams are set up from time to time to address business and operational issues to meet the business objectives and operational requirements of the Company.

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

CONCLUSION

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

OTHER INFORMATION

Material Contracts involving Directors and Substantial Shareholders.

Material contracts entered into by the Company which involve Directors' and major shareholders' interests and still subsisting at the end of the financial year ended 31 December 2009, or entered into since the end of the previous financial year, comprise the following:

- a) On 12 October 2000 and through a supplementary agreement on 1 January 2006, the Company entered into a Technical Service Agreement with AEON Co., Ltd. whereby the Company is granted the exclusive right by AEON Co., Ltd. to use their trademark in relation to goods and services. The Company is also granted the non-exclusive right to use the information and know-how, employed or developed by AEON Co., Ltd. for the management and operation of retail stores, wholesale business and related supporting activities. The total cash consideration payable by the Company to AEON Co., Ltd. for the year under review amounted to RM22.18 million. AEON Co., Ltd. is the holding company of the Company.
- b) On 1 July 1997, the Company entered into a Factoring Agreement with a related company, AEON Credit Service (M) Berhad whereby the Company's goods sold on credit under its easy payment scheme are factored to AEON Credit Service (M) Berhad. The debts sold to AEON Credit Service (M) Berhad 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 AEON Credit Service (M) Berhad in the year under review amounted to RM7.63 million. Dato' Abdullah bin Mohd Yusof, Datuk Ramli bin Ibrahim and Mr. Naruhito Kuroda, all Directors of AEON CO. (M) BHD. are also Directors and shareholders in AEON Credit Service (M) Berhad. AEON Co., Ltd. has an indirect interest in AEON Credit Service (M) Berhad through AEON Credit Service Co. Ltd..
- c) On 23 June 2005, the Company entered into a JUSCO Credit Card Agreement with AEON Credit Service (M) Berhad to set out the terms and conditions for the issuance of a credit card called JUSCO Credit Card by AEON Credit Service (M) Berhad, in affiliation or association with the Company, to further promote and enhance AEON Credit Service (M) Berhad's credit card business and the Company's retailing business. The Company permits AEON Credit Service (M) Berhad to promote JUSCO Credit Card to consumers in return for allowing the consumers to use JUSCO Credit Card for the purchase of goods and services offered by the Company. JUSCO Credit Card holders who are also J CARD members will enjoy additional J CARD loyalty points provided by AEON Credit Service (M) Berhad through purchase of the additional J CARD points from the Company. During the year under review, the total additional J CARD points purchased by AEON Credit Service (M) Berhad was RM601 thousand. The Company further agreed to appoint AEON Credit Service (M) Berhad as the sole acquirer of the card transaction transacted using AEON Credit Service (M) Berhad's issued cards.

OTHER INFORMATION

- d) On 29 December 2005, the Company entered into a credit card merchant agreement with AEON Credit Service (M) Berhad whereby the Company's goods sold on credit through credit cards issued by AEON Credit Service (M) Berhad, AEON Credit Service (M) Berhad will purchase from the Company all such transaction receipts. The purchase of the transaction receipts will be net of the credit card commission payable and upon terms and conditions as stated in the merchant agreement. The total value of the transaction receipts purchased by AEON Credit Service (M) Berhad in the year under review was RM75.87 million and the total commission payable is RM1.10 million. Dato' Abdullah bin Mohd Yusof, Datuk Ramli bin Ibrahim and Mr. Naruhito Kuroda, all Directors of AEON CO. (M) BHD. are also Directors and shareholders in AEON Credit Service (M) Berhad. AEON Co., Ltd. has an indirect interest in AEON Credit Service (M) Berhad through AEON Credit Service Co. Ltd..
- e) On 1 February 2004, the Company entered into an agreement with AEON Fantasy Co., Ltd. to provide consultancy services to the Company's indoor amusement centre business. AEON Fantasy agreed to provide consultation and advice on the shop design, the assortment and strategy of game machine, on skill training in respect of advertisement and promotion and training to the operation staff. The total cash consideration payable by the Company to AEON Fantasy Co., Ltd. for the year under review amounted to RM564 thousand. AEON Co., Ltd. is the holding company of AEON Fantasy Co., Ltd. and the Company.
- f) In the year under review, the Company purchased RM2.11 million of merchandise from AIC INC., a subsidiary of AEON Co., Ltd..

NON AUDIT FEES

The amount of non-statutory audit fees paid to the External Auditors and its affiliates during the year under review is RM90 thousand comprising of mainly advisory, review and tax services.

REVALUATION POLICY ON LANDED PROPERTIES

There is no revaluation policy on the Company's landed properties. The Company adopted the transitional provisions issued by Malaysian Accounting Standards Board (MASB) to retain the carrying amount on the basis of their previous revaluation as stated in page 64 of this Annual Report.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009



WE THANK YOU

DIRECTORS' REPORT

for the year ended 31 December 2009

The Directors have pleasure in submitting their report and the audited financial statements of the Company for the year ended 31 December 2009.

PRINCIPAL ACTIVITIES

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

RESULTS

	RM'000
Profit attributable to equity holders of the Company	<u>133,529</u>

RESERVES AND PROVISIONS

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

DIVIDEND

Since the end of the previous financial year, the Company paid a first and final dividend of 12% less income tax of 25% amounting to RM31,590,000 in respect of the year ended 31 December 2008 on 19 August 2009.

The first and final dividend recommended by the Directors in respect of the year ended 31 December 2009 is 12% less income tax of 25% totalling RM31,590,000, subject to the approval of the members at the forth coming Annual General Meeting of the Company.

DIRECTORS OF THE COMPANY

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

Dato' Abdullah bin Mohd Yusof
Nagahisa Oyama
Datuk Ramli bin Ibrahim
Brig Jen (B) Dato' Mohamed Idris bin Saman
Datuk Zawawi bin Mahmuddin
Dato' Chew Kong Seng @ Chew Kong Huat
Naruhito Kuroda
Jerome Thomas Black (appointed on 13.08.2009)
Naoki Hayashi (appointed on 13.08.2009)
Yasuo Masuda (appointed on 13.08.2009)
Tsutomu Kajita (resigned on 13.08.2009)

DIRECTORS' REPORT

for the year ended 31 December 2009

DIRECTORS' INTERESTS

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

	Nominal value per share	At 1.1.2009/ Date of appointment	Number of ordinary shares		
			Bought	Sold	At 31.12.2009
Shareholdings in which Directors have direct interests					
Interest of Dato' Abdullah bin Mohd Yusof in:					
AEON CO. (M) BHD.	RM1.00	536,000	-	10,000	526,000
AEON Credit Service (M) Berhad	RM0.50	360,000	-	59,100	300,900
Interest of Nagahisa Oyama in:					
AEON CO. (M) BHD.	RM1.00	14,000	6,000	-	20,000
Interest of Datuk Ramli bin Ibrahim in:					
AEON Credit Service (M) Berhad	RM0.50	160,000	-	10,000	150,000
Interest of Naruhito Kuroda in:					
AEON CO. (M) BHD.	RM1.00	32,000	-	-	32,000
AEON Credit Service (M) Berhad	RM0.50	530,000	-	-	530,000
AEON Credit Service (Asia) Co., Ltd.	HKD0.10	74,800	-	-	74,800
AEON Credit Service Co., Ltd.	-	1,980	-	-	1,980
AEON Thana Sinsap (Thailand) Plc.	THB1.00	100,000	-	-	100,000
Interest of Naoki Hayashi in:					
ÆON Co., Ltd.	-	16,010	-	-	16,010
AEON Mall Co., Ltd.	-	1,000	-	-	1,000

Shareholdings in which Directors have deemed interests

Interest of Dato' Abdullah bin Mohd Yusof in:					
AEON CO. (M) BHD.	RM1.00	1,270,800	10,000	110,000	1,170,800
AEON Credit Service (M) Berhad	RM0.50	123,000	-	20,000	103,000
Interest of Datuk Ramli bin Ibrahim in:					
AEON CO. (M) BHD.	RM1.00	560,000	-	-	560,000

None of the other Directors holding office at 31 December 2009 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' REPORT

for the year ended 31 December 2009

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except for certain Directors who may be deemed to derive a benefit by virtue of those transactions as disclosed in Note 21 between the Company and corporations in which the Directors are deemed to have interest.

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

ISSUE OF SHARES

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

OPTIONS GRANTED OVER UNISSUED SHARES

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

OTHER STATUTORY INFORMATION

Before the balance sheet and income statement of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) all current assets have been stated at the lower of cost and net realisable value.

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

- i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts in the financial statements of the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Company 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

for the year ended 31 December 2009

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 31 December 2009 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 18 February 2009, the Company entered into a Sale and Purchase Agreement with third parties for the acquisition of a piece of land together with a shopping centre to be erected thereon in the township known as Bandar Sri Permaisuri, at a purchase price of RM107.2 million comprising leasehold land cost and building cost of RM27.2 million and RM80.0 million respectively. As at the balance sheet date, RM2.72 million has been paid as part of the purchase consideration.

AUDITORS

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

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

Dato' Abdullah bin Mohd Yusof

Nagahisa Oyama

Kuala Lumpur,
Date: 3 March 2010

BALANCE SHEET

as at 31 December 2009

	Note	2009 RM'000	2008 RM'000 restated
ASSETS			
Property, plant and equipment	3	1,507,772	1,558,168
Investments	4	1,075	1,075
Total non-current assets		1,508,847	1,559,243
Inventories	5	335,015	328,499
Receivables, deposits and prepayments	6	60,284	46,002
Cash and cash equivalents	7	137,067	158,394
Total current assets		532,366	532,895
Total assets		2,041,213	2,092,138
EQUITY			
Share capital		351,000	351,000
Reserves		31,666	32,183
Retained earnings		601,528	499,072
Total equity attributable to equity holders of the Company	8	984,194	882,255
LIABILITIES			
Deferred tax liabilities	9	30,698	37,138
Total non-current liabilities		30,698	37,138
Payables and accruals	10	1,009,928	1,003,678
Taxation		16,393	9,567
Borrowings	11	-	159,500
Total current liabilities		1,026,321	1,172,745
Total liabilities		1,057,019	1,209,883
Total equity and liabilities		2,041,213	2,092,138

The notes on pages 54 to 75 are an integral part of these financial statements.

INCOME STATEMENT

for the year ended 31 December 2009

	Note	2009 RM'000	2008 RM'000 restated
CONTINUING OPERATIONS			
Revenue		3,735,755	3,433,049
Other operating income		3,852	2,754
Changes in inventories		6,516	67,571
Net purchases		(2,631,972)	(2,494,679)
Staff costs		(182,516)	(184,550)
Depreciation of property, plant and equipment	3	(141,034)	(121,918)
Operating expenses		(593,253)	(523,816)
OPERATING PROFIT	12	197,348	178,411
Interest expense	14	(3,122)	(2,694)
Interest income		146	632
PROFIT BEFORE TAX		194,372	176,349
Tax expense	15	(60,843)	(55,745)
Profit attributable to equity holders of the Company		133,529	120,604
Basic earnings per ordinary share (sen)	16	38.0	34.4

The notes on pages 54 to 75 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2009

		< ----- Non-distributable----- >			Distributable	
	Note	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2008		175,500	20,609	32,700	562,012	790,821
Profit for the year		-	-	-	120,604	120,604
Transfer from revaluation reserve to retained earnings		-	-	(517)	517	-
Total recognised income and expense for the year		-	-	(517)	121,121	120,604
Bonus shares issued	8	175,500	(20,537)	-	(154,963)	-
Bonus share issuance expense		-	(72)	-	-	(72)
Dividend - 2007 final in respect of year ended 31 December 2007	17	-	-	-	(29,098)	(29,098)
At 31 December 2008 / 1 January 2009		351,000	-	32,183	499,072	882,255
Profit for the year		-	-	-	133,529	133,529
Transfer from revaluation reserve to retained earnings		-	-	(517)	517	-
Total recognised income and expense for the year		-	-	(517)	134,046	133,529
Dividend - 2008 final in respect of year ended 31 December 2008	17	-	-	-	(31,590)	(31,590)
At 31 December 2009		351,000	-	31,666	601,528	984,194

Note 8

The notes on pages 54 to 75 are an integral part of these financial statements.

CASH FLOW STATEMENT

for the year ended 31 December 2009

	Note	2009 RM'000	2008 RM'000 restated
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		194,372	176,349
Adjustments for:			
Depreciation of property, plant and equipment	3	141,034	121,918
Dividend income		(422)	(415)
Interest expense	14	3,122	2,694
Interest income		(146)	(632)
Loss on disposal of property, plant and equipment		63	227
Property, plant and equipment written off		3,012	837
Operating profit before changes in working capital		341,035	300,978
Changes in working capital:			
Inventories		(6,516)	(67,571)
Receivables, deposits and prepayments		(4,241)	36,255
Payables and accruals		6,250	145,655
Cash generated from operations		336,528	415,317
Tax paid		(60,457)	(82,670)
Net cash from operating activities		276,071	332,647
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	3	(94,088)	(486,162)
Proceeds from disposal of property, plant and equipment		375	404
Deposit paid as part of purchase consideration for acquisition of land	6.2	(10,041)	(2,439)
Dividend received		422	415
Interest received		146	632
Net cash used in investing activities		(103,186)	(487,150)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid to equity holders of the Company		(31,590)	(29,098)
Interest paid		(3,122)	(2,694)
Bonus shares issuance expenses		-	(72)
(Repayment)/Proceeds from borrowings		(159,500)	159,500
Net cash (used in)/from financing activities		(194,212)	127,636
Net decrease in cash and cash equivalents		(21,327)	(26,867)
Cash and cash equivalents at 1 January		158,394	185,261
Cash and cash equivalents at 31 December		137,067	158,394

Cash and cash equivalents

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

	Note	2009 RM'000	2008 RM'000
Cash and bank balances	7	111,117	158,394
Deposits with licensed financial institutions	7	25,950	-
		137,067	158,394

The notes on pages 54 to 75 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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

Registered office and principal place of business

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

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

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

The financial statements were approved by the Board of Directors on 3 March 2010.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with Financial Reporting Standards (FRSs), accounting principles generally accepted and the Companies Act, 1965 in Malaysia.

The following accounting standards, amendments and interpretations 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* (revised)
- FRS 123, *Borrowing Costs* (revised)
- FRS 139, *Financial Instruments: Recognition and Measurement*
- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards* and FRS 127, *Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
- Amendments to FRS 2, *Share-based Payment: Vesting Conditions and Cancellations*
- Amendments to FRS 132, *Financial Instruments: Presentation* and FRS 101, *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation*
- 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*
- 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*

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION (continued)

(a) Statement of compliance (continued)

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*
- Amendment 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*

In this set of financial statements, the Company has chosen to early adopt the amendments to FRS 117, *Leases* under the Improvements to FRSs (2009). All other abovementioned standards, amendments and interpretations have not been applied by the Company in preparing this set of financial statements.

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

- from the annual period beginning 1 January 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 127, Amendments to FRS 2, IC Interpretation 11 and 14, which are not applicable to the Company; and
- from the annual period beginning 1 January 2011 for those standards, amendments or interpretations that will be effective for annual periods beginning on or after 1 July 2010, except for FRS 3, FRS 127, Amendments to FRS 2, IC Interpretation 12, 15, 16 and 17 which are not applicable to the Company.

The initial application of a standard, an amendment or an interpretation, which will be applied prospectively, is not expected to have any financial impacts to the current and prior periods financial statements upon their first adoption.

The Company is currently assessing the impact arising from the initial application of IC Interpretation 13, *Customer Loyalty Programmes* which addresses the accounting by entities that operate, or otherwise participate in, customer loyalty programme under which the customer can redeem credits for awards such as free or discounted goods or services. The Company will apply IC Interpretation 13, *Customer Loyalty Programmes* to its customer loyalty programme retrospectively.

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.

Material impacts of initial application of a standard, an amendment or an interpretation, which will be applied retrospectively, are disclosed below:

(i) Improvements to FRSs (2009)

Improvements to FRSs (2009) contain various amendments that result in accounting changes for presentation, recognition or measurement and disclosure purposes. Amendments that have material impact are:

FRS 117, *Leases*

The amendments clarify that the classification of lease of land and require entities with existing leases of land and buildings to reassess the classification of land as finance or operating lease. Leasehold land which in substance is a finance lease will be reclassified to property, plant and equipment. The adoption of these amendments will result in a change in accounting policy which will be applied retrospectively in accordance with the transitional provisions.

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION (continued)

(a) Statement of compliance (continued)

(i) Improvements to FRSs (2009) (continued)

FRS 117, Leases (continued)

The Company has chosen to early adopt the amendments and this change in accounting policy resulted in reclassification of lease of land amounting to RM183,439,839 as at 31 December 2009 from prepaid lease payments to property, plant and equipment.

FRS 118, Revenue

The amendments clarify the distinction between when an entity is acting as a principal and an agent. The adoption of this guidance will result in a change in accounting policy which will be applied retrospectively in accordance with the transitional provisions. This change in accounting policy will affect the presentation of such revenue from a gross presentation to a net presentation. The Company is currently assessing the impact arising from the initial application of these amendments. Application of these amendments to the current financial year would have resulted in an estimated decrease of RM960,000,000 in the revenue and net purchases of the Company. However, there will be no impact to the operating profit, profit before and after tax.

(b) Basis of measurement

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

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years affected.

There are no significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, other than those disclosed in Note 2(c) – Leased assets.

The comparatives financial statements have been restated to take into account the effect of adopting the amendments to FRS 117, *Leases* (see Note 24 and 25).

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Foreign currency

Foreign currency transactions

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

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the exchange rate at that date. Foreign currency differences arising on retranslation are recognised in the income statement.

(b) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are stated at cost/valuation less any accumulated depreciation and any accumulated impairment losses.

The Company has availed itself to the transitional provision when the MASB first adopted International Accounting Standard No.16 (Revised), *Property, Plant and Equipment* in 1998. Certain buildings were revalued in February 1995 and no later valuation has been recorded for these property, plant and equipment.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets includes the cost of materials and direct labour.

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

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

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, 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 property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Property, plant and equipment (continued)

(iii) Depreciation (continued)

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

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

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

(c) Leased assets

(i) Finance leases

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

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

(ii) Operating leases

Leases, where the Company does not assume substantially, all the risks and rewards of the ownership are classified as operating leases.

In the previous years, a leasehold land that normally had an indefinite economic life and title was not expected to pass to the lessee by the end of the lease term was treated as an operating lease. The payment made on entering into or acquiring a leasehold land that was accounted for as an operating lease represents prepaid lease payments.

The Company has early adopted the amendments made to FRS 117, *Leases* in 2009 in relation to the classification of lease of land. Leasehold land which in substance is a finance lease has been reclassified and measured as such retrospectively.

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

(d) 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.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Investments in equity securities (continued)

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 of an asset and recognition of any gain or loss on disposal on the date it is delivered.

(e) Inventories

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

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

(f) Receivables

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

Subsequent to initial recognition, receivables are stated at cost less allowance for doubtful debts.

Receivables are not held for the purpose of trading.

(g) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts.

(h) Impairment of assets

The carrying amounts of assets except for inventories 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 first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro-rata basis.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Impairment of assets (continued)

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, unless it reverses an impairment loss on a revalued asset, in which case it is credited directly to revaluation surplus. Where an impairment loss on the same revalued asset was previously recognised in the income statement, a reversal of that impairment loss is also recognised in the income statement.

(i) 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 are 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.

(j) 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.

(k) 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.

(l) Equity instruments

All equity instruments are stated at cost on initial recognition and are not re-measured subsequently.

Share issue expenses

Incremental costs directly attributable to issue of equity instruments are recognised as a deduction from equity.

(m) Revenue recognition

Goods sold and services rendered

Revenue from the sale of goods represents gross trading sales less returns and discounts. Revenue is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Property management services from shopping centre operation which include rental income, service charge, sales commission and distribution centre charges earned are recognised on an accrual basis.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Interest income and borrowing costs

Interest income is recognised as it accrues, using the effective interest method.

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

(o) Tax expense

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

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

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit (tax loss). Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liability is recognised for all taxable temporary differences.

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

(p) 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.

(q) Segment 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 were different from those of other segments.

NOTES TO THE FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT

	Land RM'000 (Note 3.2)	Buildings (at valuation) RM'000 (Note 3.1)	Buildings (at cost) RM'000	Structures RM'000	Office equipment RM'000	Machinery and equipment RM'000	Furniture, fixtures and fittings RM'000	Motor vehicles equipment RM'000	IT equipment RM'000	Construction work in progress RM'000	Total RM'000
COST/VALUATION											
At 1 January 2008, <i>restated</i>	314,494	126,003	391,778	157,645	11,426	380,838	259,951	6,821	674	12,235	1,661,865
Additions	56,176	-	22,030	12,597	2,437	32,008	42,800	1,205	5	316,904	486,162
Disposals	-	-	-	-	(47)	(3,201)	(346)	(417)	-	-	(4,011)
Written off	-	-	-	(2,154)	(403)	(5,083)	(26,956)	(40)	(15)	-	(34,651)
Transfer in/(out)	8,580	-	181,698	14,717	231	93,154	12,992	465	-	(311,837)	-
At 31 December 2008/ 1 January 2009, <i>restated</i>	379,250	126,003	595,506	182,805	13,644	497,716	288,441	8,034	664	17,302	2,109,365
Additions	-	-	969	3,360	267	17,513	7,470	1,087	2,491	60,931	94,088
Disposals	-	-	-	(365)	(21)	(900)	(917)	(714)	-	-	(2,917)
Written off	-	-	-	(1,609)	(56)	(1,856)	(2,147)	(88)	-	-	(5,756)
Transfer in/(out)	-	-	-	99	-	139	188	91	10,997	(11,514)	-
At 31 December 2009	379,250	126,003	596,475	184,290	13,834	512,612	293,035	8,410	14,152	66,719	2,194,780

NOTES TO THE FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT (continued)

	Land RM'000 (Note 3.2)	Buildings (at valuation) RM'000 (Note 3.1)	Buildings (at cost) RM'000	Structures RM'000	Office equipment RM'000	Machinery and equipment RM'000	Furniture, fixtures and fittings RM'000	Motor vehicles equipment RM'000	IT equipment RM'000	Construction work in progress RM'000	Total RM'000
ACCUMULATED DEPRECIATION											
At 1 January 2008, <i>restated</i>	13,028	32,589	49,880	54,177	4,500	157,257	151,257	3,459	326	-	466,473
Charge for the year	1,983	2,520	9,420	16,566	1,056	53,625	35,518	1,141	89	-	121,918
Disposals	-	-	-	-	(33)	(2,699)	(338)	(310)	-	-	(3,380)
Written off	-	-	-	(2,022)	(391)	(4,725)	(26,621)	(40)	(15)	-	(33,814)
At 31 December 2008/ 1 January 2009, <i>restated</i>	15,011	35,109	59,300	68,721	5,132	203,458	159,816	4,250	400	-	551,197
Charge for the year	2,275	-	15,691	18,098	1,236	60,649	40,105	1,300	1,680	-	141,034
Disposals	-	-	-	(345)	(11)	(572)	(894)	(657)	-	-	(2,479)
Written off	-	-	-	(464)	(36)	(838)	(1,318)	(88)	-	-	(2,744)
At 31 December 2009	17,286	35,109	74,991	86,010	6,321	262,697	197,709	4,805	2,080	-	687,008
CARRYING AMOUNTS											
At 1 January 2008, <i>restated</i>	301,466	93,414	341,898	103,468	6,926	223,581	108,694	3,362	348	12,235	1,195,392
At 31 December 2008, <i>restated</i>	364,239	90,894	536,206	114,084	8,512	294,258	128,625	3,784	264	17,302	1,558,168
At 31 December 2009	361,964	90,894	521,484	98,280	7,513	249,915	95,326	3,605	12,072	66,719	1,507,772

NOTES TO THE FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT (continued)

3.1 Buildings (at valuation)

Two of the buildings of the Company are situated on land belonging to third parties.

The buildings stated at valuation are based on professional valuation carried out by an independent firm of valuers in February 1995 using the open market value and on an existing use basis. In accordance with the transitional provisions issued by Malaysian Accounting Standards Board ("MASB") upon adoption of International Accounting Standard No. 16 (Revised), *Property, Plant and Equipment*, the valuation of these assets has not been updated, and they continue to be stated at their existing carrying amounts less accumulated depreciation.

Had the buildings been carried at cost model, their carrying amount would have been as follows:

	2009 RM'000	2008 RM'000
Buildings	54,030	55,728

3.2 Land

Included in the carrying amounts of land are:

	2009 RM'000	2008 RM'000 restated
Freehold land	178,524	178,524
Leasehold land	183,440	185,715
	361,964	364,239

The carrying amounts of land at 1 January 2008 and 31 December 2008 have been restated following the early adoption of the amendments to FRS 117, *Leases*, where leasehold land in substance is a finance lease, has been reclassified from prepaid lease payments to property, plant and equipment.

4. INVESTMENTS

	2009 RM'000	2008 RM'000
Non-current		
At cost:		
Golf membership	45	45
Quoted shares in Malaysia	1,030	1,030
	1,075	1,075
Market value:		
Quoted shares in Malaysia	10,088	7,224

NOTES TO THE FINANCIAL STATEMENTS

5. INVENTORIES

	2009 RM'000	2008 RM'000
Retail merchandise	175,167	169,204
Food and others	159,848	159,295
	335,015	328,499

6. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	2009 RM'000	2008 RM'000
Trade			
Trade receivables		22,102	18,886
Less: Allowance for doubtful debts		(1,123)	(787)
		20,979	18,099
Amount due from a related company	6.1	1,446	1,587
		22,425	19,686
Non-trade			
Other receivables and prepayments	6.2	22,007	10,815
Rental and utility deposits		15,852	15,501
		37,859	26,316
		60,284	46,002

6.1 Amount due from a related company

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

6.2 Other receivables and prepayments

Included in other receivables and prepayments is a deposit of RM12,479,940 (2008 : RM2,439,360) paid as part of purchase consideration for the acquisition of two pieces of land for the purpose of constructing shopping centres.

7. CASH AND CASH EQUIVALENTS

	2009 RM'000	2008 RM'000
Cash and bank balances	111,117	158,394
Deposits with licensed financial institutions	25,950	-
	137,067	158,394

NOTES TO THE FINANCIAL STATEMENTS

8. CAPITAL AND RESERVES

Share capital

	Amount 2009 RM'000	Number of shares 2009 '000	Amount 2008 RM'000	Number of shares 2008 '000
Authorised:				
Ordinary shares of RM1 each	500,000	500,000	500,000	500,000
Issued and fully paid:				
Ordinary shares of RM1 each				
At 1 January	351,000	351,000	175,500	175,500
Issued during the year	-	-	175,500	175,500
At 31 December	351,000	351,000	351,000	351,000

In 2008, the issued and paid-up capital of the Company increased from RM175,000,000 to RM351,000,000 by the allotment and issuance of 175,500,000 new ordinary shares of RM1.00 each credited as fully paid-up by way of capitalisation of a sum up to RM175,500,000 from the share premium and retained earnings of the Company.

8.1 Share premium

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

8.2 Revaluation reserve

The revaluation reserve relates to the revaluation of property, plant and equipment in prior years.

8.3 Section 108 tax credit

Subject to agreement of the Inland Revenue Board, the Company has sufficient Section 108 tax credit and tax exempt income to frank all of its retained earnings at 31 December 2009 if paid out as dividends.

The Finance Act 2007 introduced a single tier company income tax system with effect from year of assessment 2008. As such, the remaining Section 108 tax credit as at 31 December 2009 will be available to the Company until such time the credit is fully utilised or upon expiry of the six-year transitional period on 31 December 2013, whichever is earlier.

9. DEFERRED TAX LIABILITIES

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Property, plant and equipment						
- capital allowance	-	-	(24,255)	(26,401)	(24,255)	(26,401)
- revaluation	-	-	(10,995)	(11,175)	(10,995)	(11,175)
Provisions	4,552	438	-	-	4,552	438
Net tax assets / (liabilities)	4,552	438	(35,250)	(37,576)	(30,698)	(37,138)

NOTES TO THE FINANCIAL STATEMENTS

10. PAYABLES AND ACCRUALS

	Note	2009 RM'000	2008 RM'000
Trade			
Trade payables		566,180	567,712
Non-trade			
Other payables and accrued expenses		259,576	249,562
Progress claims by contractors		38,959	58,135
Rental and utility deposits		144,272	126,303
Amount due to holding company	10.1	941	1,966
		443,748	435,966
		1,009,928	1,003,678

10.1 Amount due to holding company

The amount due to holding company is unsecured, interest free and repayable on demand.

11. BORROWINGS

	2009 RM'000	2008 RM'000
Unsecured		
Banker's acceptance	-	50,000
Revolving credit	-	109,500
	-	159,500

In the previous year, banker's acceptance and revolving credit bore interest at 3.90% per annum and at the range of 4.00% - 4.18% per annum, respectively.

12. OPERATING PROFIT

	2009 RM'000	2008 RM'000 restated
Operating profit is arrived at after crediting:		
Dividend income from shares quoted in Malaysia	422	415
Reversal of allowance for doubtful debts	-	102
Property management services		
- rental income on shopping centre operation	319,465	258,479
- other property management services income	54,028	50,384

NOTES TO THE FINANCIAL STATEMENTS

12. OPERATING PROFIT (continued)

	2009 RM'000	2008 RM'000 restated
and after charging:		
Auditors' remuneration		
- statutory audit		
- KPMG	140	140
- other services		
- KPMG	42	22
Allowance for doubtful debts	336	-
Depreciation of property, plant and equipment	141,034	121,918
Loss on disposal of property, plant and equipment	63	227
Loss on foreign exchange - realised	221	-
Personnel expenses (including key management personnel)		
- contributions to Employees Provident Fund	19,360	18,907
- wages, salaries and others	163,156	165,643
Property, plant and equipment written off	3,012	837
Rental expense		
- land and buildings	125,988	109,736
- equipment	3,684	2,592
- fixtures and fittings	110	141
- hostel	120	92
Royalty	22,178	20,363

13. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensations are as follows:

	2009 RM'000	2008 RM'000
Directors:		
Fees	1,274	1,205
Remuneration	731	345
Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	61	50
Total short-term employee benefits	2,066	1,600

NOTES TO THE FINANCIAL STATEMENTS

14. INTEREST EXPENSE

	2009 RM'000	2008 RM'000
Bank overdrafts	32	27
Bankers' acceptance	502	550
Revolving credit	2,588	2,117
	<u>3,122</u>	<u>2,694</u>

15. TAX EXPENSE

	2009 RM'000	2008 RM'000
Tax expense		
- current	70,152	49,346
- over provision in prior years	(2,869)	(6,910)
	<u>67,283</u>	<u>42,436</u>
Deferred tax expense		
- reversal and origination of temporary differences	(6,440)	13,309
Total tax expense	<u>60,843</u>	<u>55,745</u>
Reconciliation of effective tax expense		
Profit before tax	<u>194,372</u>	<u>176,349</u>
Tax calculated using Malaysian tax rate of 25% (2008 - 26%)	48,593	45,851
Non-deductible expenses	14,085	10,935
Reversal of deferred tax liabilities on crystallisation of revaluation reserves of property, plant and equipment	(180)	(447)
Effect of change in tax rate*	-	(2,131)
Others	(1,655)	1,537
Tax expense	<u>60,843</u>	<u>55,745</u>

* The corporate tax rates are 26% for year of assessment 2008 and 25% for the subsequent years of assessment. Consequently, deferred tax assets and liabilities are measured using these tax rates.

16. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 December 2009 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

	2009 RM'000	2008 RM'000
Profit for the year attributable to ordinary shareholders	<u>133,529</u>	<u>120,604</u>

NOTES TO THE FINANCIAL STATEMENTS

16. EARNINGS PER ORDINARY SHARE (continued)

Basic earnings per ordinary share (continued)

	2009 '000	2008 '000
Weighted average number of ordinary shares		
Issued ordinary shares at 1 January	351,000	175,500
Effect of bonus issue of 1 for every 1 ordinary share in 2008	-	175,500
Weighted average number of ordinary shares at 31 December	351,000	351,000
Basic earnings per ordinary share (sen)	38.0	34.4

17. DIVIDEND

Dividend recognised in the current year by the Company is:

	Sen per share	Total amount RM'000	Date of payment
2009			
Final 31.12.2008 ordinary dividend (net)	9.0	31,590	19 August 2009
2008			
Final 31.12.2007 ordinary dividend (net)	12.6	22,078	
Final 31.12.2007 ordinary special tax exempt dividend	4.0	7,020	
		29,098	26 June 2008

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

	Sen per share	Total amount RM'000
Final proposed 31.12.2009 ordinary dividend (net)	9.0	31,590

18. SEGMENT REPORTING

Segment information is presented in respect of the Company's business segment. The primary format, business segments, is based on the Company's management and internal reporting structure. There is no segmental analysis by geographical location as the Company's operations are principally located in Malaysia.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly interest-earning assets and related revenue, loans and borrowings and related expenses and tax assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

19. OPERATING LEASES

Leases as lessee

Non-cancellable operating lease rental payables are as follows:

	2009 RM'000	2008 RM'000
Less than one year	131,186	117,193
Between one and five years	470,807	486,144
More than five years	417,490	531,115
	<u>1,019,483</u>	<u>1,134,452</u>

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

20. CAPITAL COMMITMENTS

	2009 RM'000	2008 RM'000
Property, plant and equipment Authorised but not contracted for	<u>119,489</u>	<u>229,321</u>
Contracted but not provided for	<u>67,778</u>	<u>39,731</u>

21. RELATED PARTIES

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating 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 is 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 includes all the Directors of the Company.

NOTES TO THE FINANCIAL STATEMENTS

21. RELATED PARTIES (continued)

Identity of related parties (continued)

The significant related party transactions of the Company, other than key management personnel compensation, are as follows:

	Transactions value		Balance outstanding	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Director				
With companies in which				
Dato' Abdullah bin Mohd Yusof has interest:				
Legal fees payable	(16)	(3)	(16)	-
Other related party transactions				
Holding company				
Royalty expenses	(22,178)	(20,363)	(22,178)	(20,363)
Related companies				
Purchase of merchandise	(2,106)	(1,371)	(299)	(263)
Consultation fees	(564)	(592)	(133)	(271)
Sales through easy payment scheme financing	7,634	7,421	475	642
Rental income	3,024	2,451	3	239
Sales through AEON credit card	75,871	49,820	971	706
Convertible J-card point income	601	372	-	-
Credit card sales commission expenses	(1,103)	(730)	-	-

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

22. FINANCIAL INSTRUMENTS

Exposure to credit risk, foreign currency risk, liquidity risk and interest rate 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 shopping centre tenants and the Company requires all tenants to place adequate security deposits as stipulated under the tenancy agreement. At balance sheet date, the Company does not have any major concentration of credit risk on its shopping centre tenants. The maximum exposure to credit risk for the Company was represented by the carrying amount of each financial asset.

Foreign currency risk

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

Liquidity risk

The Company monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

NOTES TO THE FINANCIAL STATEMENTS

22. FINANCIAL INSTRUMENTS (continued)

Interest rate risk

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

The management monitors the prevailing interest rates at regular intervals, and maintains an appropriate level of cash and cash equivalents to finance the working capital requirements and mitigate the effects of fluctuation in cash flow and liquidity positions of the Company.

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

Effective interest rates and repricing analysis

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rate at the balance sheet date and the years in which they reprice or mature, whichever is earlier:

	Effective interest rate per annum %	2009		Effective interest rate per annum %	2008	
		Total RM'000	Within 1 year RM'000		Total RM'000	Within 1 year RM'000
Deposits placed with licensed financial institutions	1.8	25,950	25,950	-	-	-
Banker's acceptance	-	-	-	3.9	50,000	50,000
Revolving credit	-	-	-	4.1	109,500	109,500
		-	-		159,500	159,500

Floating rate instrument

Deposits placed with licensed financial institutions

Banker's acceptance

Revolving credit

Fair values

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

The fair values of other financial assets together with the carrying amounts shown in the balance sheet are shown below:

	2009		2008	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Long-term investments:				
Investment in quoted shares	1,030	10,088	1,030	7,224
Other investment	45	*	45	*

Estimation of fair values

Fair value of quoted shares is based on quoted market prices at the balance sheet date without any deduction for transaction costs.

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

NOTES TO THE FINANCIAL STATEMENTS

23. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 18 February 2009, the Company entered into a Sale and Purchase Agreement with third parties for the acquisition of a piece of land together with a shopping centre to be erected thereon in the township known as Bandar Sri Permaisuri, at a purchase price of RM107.2 million comprising leasehold land cost and building cost of RM27.2 million and RM80.0 million respectively. As at the balance sheet date, RM2.72 million has been paid as part of the purchase consideration.

24. CHANGE IN ACCOUNTING POLICY

The Company has early adopted the amendments to FRS 117, *Leases*. The Company has reassessed and determined that all leasehold land of the Company which are in substance finance leases and has reclassified the leasehold land to property, plant and equipment. The change in accounting policy has been made retrospectively in accordance with the transitional provisions of the amendments.

The reclassification does not affect the basic earnings per ordinary share for the current and prior periods.

25. COMPARATIVE FIGURES

Following the adoption of the amendments to FRS 117, *Leases*, certain comparatives have been represented as follows:

	31.12.2008		1.1.2008	
	As restated RM'000	As previously stated RM'000	As restated RM'000	As previously stated RM'000
Balance sheet				
Property, plant and equipment	1,558,168	1,372,453	1,195,392	1,069,027
Prepaid lease payments	-	185,715	-	126,365
Income statement				
Depreciation	121,918	119,935		
Operating expenses	523,816	525,799		
Cash flow statement				
<i>Cash flows from operating activities</i>				
Depreciation of property, plant and equipment	121,918	119,935		
Amortisation of prepaid lease payments	-	1,983		

The following comparatives have been restated to conform with current year's presentation.

	31.12.2008	
	As restated RM'000	As previously stated RM'000
Cash flow statement		
<i>Cash flows from operating activities</i>		
Receivables, deposits and prepayments	36,255	(3,898)
<i>Cash flows from investing activities</i>		
Acquisition of property, plant and equipment	(486,162)	(429,986)
Acquisition of leasehold land	-	(18,462)
Deposit paid as part purchase consideration for acquisition of land	(2,439)	-

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 50 to 75 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 as at 31 December 2009 and of its financial performance and cash flows for the year then ended.

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

Dato' Abdullah bin Mohd Yusof

Nagahisa Oyama

Kuala Lumpur,
Date: 3 March 2010

STATUTORY DECLARATION

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

I, **Poh Ying Loo**, the officer primarily responsible for the financial management of AEON CO. (M) BHD., do solemnly and sincerely declare that the financial statements set out on pages 50 to 75 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 abovenamed in Kuala Lumpur on 3 March 2010.

Poh Ying Loo

Before me:

Commissioner for Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of AEON CO. (M) BHD., which comprise the balance sheet as at 31 December 2009, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 50 to 75.

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 at 31 December 2009 and of its financial performance and cash flows for the year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

OTHER MATTERS

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

KPMG Desa Megat & Co.
Firm Number: AF 0759
Chartered Accountants

Peter Ho Kok Wai
Approval Number: 1745/12/11(J)
Chartered Accountant

Petaling Jaya,
Date: 3 March 2010

ANALYSIS OF SHAREHOLDINGS

as at 17 March 2010

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

Size of Shareholding	No. of Shareholders/ Depositors	% of Shareholders/ Depositors	No. of Shares Held	% of Issued Capital
1 - 99	106	5.82	2,062	0.00
100 - 1,000	451	24.75	341,822	0.10
1,001 - 10,000	1,000	54.89	4,242,990	1.21
10,001 - 100,000	185	10.15	4,998,000	1.42
100,001 - 17,549,999 (*)	78	4.28	143,363,526	40.85
175,500,000 and above (**)	2	0.11	198,051,600	56.42
Total	1,822	100.00	351,000,000	100.00

Note: * - Less than 5% of Issued Shares

** - 5% and above of Issued Shares

SUBSTANTIAL SHAREHOLDINGS

as per Register of Substantial Shareholders

No.	Name	Direct Interest	No. of Shares		%
			%	Indirect Interest	
1.	AEON Co., Ltd.	179,010,000	51.00	-	-
2.	Aberdeen Asset Management PLC	38,958,900	11.10	-	-
3.	Credit Suisse Group AG	-	-	38,958,900	11.10
4.	Mitsubishi UFJ Financial Group, Inc	-	-	38,958,900	11.10
5.	Aberdeen Asset Management Asia Limited	25,984,600	7.40	-	-
6.	Employees Provident Fund Board	24,444,600	6.96	-	-
7.	Arisaig Asean Fund Limited	19,041,600	5.43	-	-

DIRECTORS' INTERESTS

No.	Name	Direct Interest	No. of Shares		%
			%	Indirect Interest	
1.	Dato' Abdullah bin Mohd Yusof	526,000	0.15	1,170,800	0.33
2.	Nagahisa Oyama	20,000	0.01	-	-
3.	Datuk Ramli bin Ibrahim	-	-	560,000	0.16
4.	Naruhito Kuroda	32,000	0.01	-	-

LIST OF 30 LARGEST SHAREHOLDERS

as at 17 March 2010

No.	Name of Shareholders	No. of Shares	% of Shares Held
1.	ÆON CO., LTD.	179,010,000	51.00
2.	HSBC NOMINEES (ASING) SDN BHD HSBC-FS FOR ARISAIG ASEAN FUND LIMITED	19,041,600	5.43
3.	HSBC NOMINEES (ASING) SDN BHD BNP PARIBAS SECS SVS LUX FOR ABERDEEN GLOBAL	13,297,000	3.79
4.	EMPLOYEES PROVIDENT FUND BOARD	12,858,800	3.66
5.	PERMODALAN NASIONAL BERHAD	10,121,300	2.88
6.	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM WAWASAN 2020	9,805,700	2.79
7.	HSBC NOMINEES (ASING) SDN BHD BBH (LUX) SCA FOR GENESIS SMALLER COMPANIES	6,505,970	1.85
8.	CARTABAN NOMINEES (ASING) SDN BHD STATE STREET LONDON FUND XCB9 FOR ABERDEEN ASIAN SMALLER COMPANIES INVESTMENT TRUST PLC	4,753,300	1.35
9.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR BNP PARIBAS SECURITIES SERVICES (SINGAPORE - SGD)	4,300,600	1.23
10.	HSBC NOMINEES (TEMPATAN) SDN BHD NOMURA ASSET MGMT MALAYSIA FOR EMPLOYEES PROVIDENT FUND	4,277,000	1.22
11.	HSBC NOMINEES (ASING) SDN BHD HSBC-FS I FOR APOLLO ASIA FUND LTD	4,260,000	1.21
12.	CARTABAN NOMINEES (ASING) SDN BHD SSBT FUND D26J FOR EMERGING MARKETS GLOBAL SMALL CAPITALIZATION FUND (TEMMUF)	4,030,800	1.15
13.	MAYBAN NOMINEES (TEMPATAN) SDN BHD ABERDEEN ASSET MANAGEMENT SDN BHD FOR KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (FD 1 - 280305)	4,015,000	1.14
14.	SYARIKAT MALURI SDN BHD	3,730,000	1.06
15.	MAYBAN NOMINEES (TEMPATAN) SDN BHD ABERDEEN ASSET MANAGEMENT SDN BHD FOR THE EMPLOYEES' PROVIDENT FUND BOARD (250416)	3,601,800	1.03
16.	AMSEC NOMINEES (TEMPATAN) SDN BHD AMTRUSTEE BERHAD FOR CIMB ISLAMIC DALI EQUITY GROWTH FUND (UT-CIMB-DALI)	3,271,600	0.93
17.	AMSEC NOMINEES (TEMPATAN) SDN BHD ABERDEEN ASSET MANAGEMENT SDN BHD FOR TENAGA NASIONAL BERHAD RETIREMENT BENEFIT TRUST FUND (FM-ABERDEEN)	3,238,600	0.92
18.	SBB NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD	3,178,500	0.91

LIST OF 30 LARGEST SHAREHOLDERS

as at 17 March 2010

No.	Name of Shareholders	No. of Shares	% of Shares Held
19.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (NORGES BK LEND)	3,073,000	0.88
20.	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)	3,065,800	0.87
21.	TAKUYA OKADA	2,400,000	0.68
22.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (GUERNSEY)	2,390,000	0.68
23.	ROSHAYATI BINTI BASIR	2,310,000	0.66
24.	ROZILAWATI BINTI HAJI BASIR	2,310,000	0.66
25.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (U.K.)	2,055,500	0.59
26.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR DANSKE BANK A/S (CLIENT HOLDINGS)	1,900,000	0.54
27.	CARTABAN NOMINEES (ASING) SDN BHD GOVERNMENT OF SINGAPORE INVESTMENT CORPORATION PTE LTD FOR GOVERNMENT OF SINGAPORE (C)	1,458,700	0.42
28.	SBB NOMINEES (TEMPATAN) SDN. BHD. KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	1,437,500	0.41
29.	HSBC NOMINEES (ASING) SDN BHD HSBC BK PLC FOR FIRST STATE SINGAPORE AND MALAYSIA GROWTH FUND	1,334,400	0.38
30.	CARTABAN NOMINEES (ASING) SDN BHD RBC DEXIA INVESTOR SERVICES BANK FOR GLOBAL EMERGING MARKETSSMALL CAP (DANSKE INVEST)	1,300,000	0.37
TOTAL		318,332,470	90.69

PARTICULARS OF PROPERTIES

Location	Description/ Existing use	Land/ Built-up area (sq ft)	Date of Acquisition (A)/ Completion (C)/ Revaluation (R)	Approx. age of building (year)	Tenure (Year of expiry for leasehold)	Net book value as at 31/12/2009 (RM'000)
Lot 7041, Mukim of Bukit Baru, District of Melaka Tengah, Melaka.	Leasehold land/ Existing two-storey shopping centre Extention/Renovation with rooftop car park	436,036/ 200,316 179,989	February 1995 (R)	18 11½	99 years expiring on 19/12/2089	54,056
Lot 23551, Mukim of Setapak, District and State of Wilayah Persekutuan.	Leasehold land/ Two-storey shopping centre and three-storey car park	368,516/ 666,694	February 1995 (R)	17½	95 years expiring on 28/03/2085	82,669
Lot PT 21441, Mukim of Kapar, District of Klang, Selangor.	Leasehold land/ Two-storey shopping centre and two-storey car park	643,753/ 691,414	June 1994 (A) October 1995 (C)	14	99 years expiring on 09/05/2093	62,450
Lot 49045, Mukim of Pulai, District of Johor Bahru, Johor.	Freehold land/ Two-storey shopping centre including covered car park	377,490/ 483,299	April 2002 (A)/ August 2002 (C)	7½	Freehold	27,702
Lot 62232 Mukim Batu, Daerah Kuala Lumpur, Wilayah Persekutuan.	Leasehold land/ Two-storey shopping centre and three-storey car park	409,577/ 906,497	January 2004 (C)	6	99 years expiring on 25/08/2103	86,782
Lot PTD 114179, Mukim of Tebrau, District of Johor Bahru, Johor.	Freehold land/ Three-storey shopping centre with basement car park	1,308,035/ 1,468,693	March 2004 (A)/ January 2006 (C)	4	Freehold	156,398
Lot PT 41977	Leasehold land/	550,910/	April 2004 (A)		99 years expiring on 12/04/2103	82,082
Lot 3144, Mukim of Cheras, District of Ulu Langat, Selangor.	Freehold land/ Two-storey shopping centre and two-storey car park	113,451/ 893,819	April 2004 (A) December 2006 (C)	3	Freehold	
Lot PT 1019 Mukim Ulu Kelang District Ulu Kelang Kuala Lumpur	Leasehold land/ Two-storey shopping centre with basement car park	631,620/ 895,449	March 2007 (A)/ December 2008 (C)	1	87 years expiring on 05/04/2083	140,950
Lot PTD 90606, Mukim of Pulai, District of Johor Bahru State of Johor	Freehold land/ Three-storey shopping centre with open car park	1,645,671/ 845,634	October 2007 (A)/ December 2008 (C)	1	Freehold	231,012

Note: Leasehold land as of 31 December 2009 was reclassified from prepaid lease payments to property, plant and equipment following the adoption of the amendments to FRS 117, *Leases*, where leasehold land in substance is a finance lease.

JUSCO STORES, SHOPPING CENTRES & MAXVALU

CENTRAL



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

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



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

**ALPHA ANGLE
SHOPPING CENTRE**
Tel: 03-4149 5288



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

1 UTAMA SHOPPING CENTRE
Tel: 03-7726 6033



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

**BUKIT RAJA
SHOPPING CENTRE**
Tel: 03-3343 2166



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



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



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

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



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

**AEON TAMAN EQUINE
SHOPPING CENTRE**
Tel: 03-7545 2700



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

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



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



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

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



JUSCO AU2 SETIAWANGSA
No. 6, Jalan Taman Setiawangsa,
(Jalan 37/56), AU2,
Taman Keramat,
54200 Kuala Lumpur.
Tel: 03-4257 8840

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



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



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



PASAR RAYA MAXVALU KOTA KEMUNING
 No. 1-2G,
 Jalan Anggerik Vanilla T31/T,
 Kota Kemuning, Seksyen 31,
 40460 Shah Alam,
 Selangor Darul Ehsan.
 Tel: 03-5122 1669



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

NORTHERN



JUSCO IPOH
 No. 2, Jalan Teh Lean Swee,
 Off Jalan Sultan Azlan Shah Utara,
 31400 Ipoh, Perak Darul Ridzuan.
 Tel: 05-549 9633
KINTA CITY SHOPPING CENTRE
 Tel: 05- 548 4668



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



JUSCO SEBERANG PRAI CITY
 Jalan Perda Timur,
 14000 Bukit Mertajam,
 Seberang Prai Tengah,
 Pulau Pinang.
 Tel: 04-538 8600
AEON SEBERANG PRAI CITY SHOPPING CENTRE
 Tel: 04-537 9022

SOUTHERN



JUSCO MELAKA
 Leboh Ayer Keroh,
 75450 Melaka.
 Tel: 06-232 4899
JUSCO MELAKA SHOPPING CENTRE
 Tel: 06-233 2988



JUSCO SEREMBAN 2
 112, Persiaran S2 B1,
 Seremban 2, 70300 Seremban,
 Negeri Sembilan Darul Khusus.
 Tel: 06-601 5633
JUSCO SEREMBAN 2 SHOPPING CENTRE
 Tel: 06-601 5618



JUSCO TAMAN UNIVERSITI
 No. 4, Jalan Pendidikan,
 Taman Universiti, 81300 Skudai,
 Johor Darul Takzim.
 Tel: 07-521 8000
JUSCO TAMAN UNIVERSITI SHOPPING CENTRE
 Tel: 07-520 8700



JUSCO TEBRAU CITY
 No. 1, Jalan Desa Tebrau,
 Taman Desa Tebrau,
 81100 Johor Bahru,
 Johor Darul Takzim.
 Tel: 07-351 1110
AEON TEBRAU CITY SHOPPING CENTRE
 Tel: 07-352 2220



JUSCO PERMAS JAYA
 No. 1, Jalan Permas Utara,
 Bandar Baru Permas Jaya,
 81750 Johor Bahru,
 Johor Darul Takzim.
 Tel: 07-386 8900
JUSCO PERMAS JAYA SHOPPING CENTRE
 Tel: 07-386 0600



JUSCO BUKIT INDAH
 No. 8, Jalan Indah 15/2,
 Bukit Indah, 81200 Johor Bahru,
 Johor Darul Takzim.
 Tel: 07-236 8036
AEON BUKIT INDAH SHOPPING CENTRE
 Tel: 07-236 8071

MILESTONES

1984	SEPTEMBER	- JAYA JUSCO STORES SDN BHD established, in response to a request from the former Prime Minister Y. A. Bhg. Tun Dr Mahathir bin Mohamad, to help modernise the retailing industry in Malaysia.
1985	JUNE	- The first pilot store, JAYA JUSCO Dayabumi, opened.
	DECEMBER	- The second pilot store, JAYA JUSCO Taman Tun Dr. Ismail, opened.
1989	JUNE	- JAYA JUSCO Dayabumi closed.
	OCTOBER	- The first Superstore, JAYA JUSCO Taman Maluri, opened.
1990	JUNE	- “Japan Management Training Programme” begun.
	NOVEMBER	- 28 Malaysian students invited to Japan as “Ambassadors” through the ÆON “1% Club” Programme.
1991	OCTOBER	- JUSCO Melaka was opened and fully operated by Malaysian staff.
		- The ÆON Group’s “Hometown Forest” Programme was launched simultaneously at the inauguration of JUSCO Melaka.
1992	APRIL	- JUSCO Wangsa Maju (Alpha Angle Shopping Centre), the first Shopping Centre, opened.
1994	AUGUST	- The Distribution Centre begun operations.
	OCTOBER	- Japan Trainee Programme begun.
1995	JUNE	- JAYA JUSCO Taman Tun Dr. Ismail closed.
	AUGUST	- JUSCO Bandar Utama (1 Utama Shopping Centre) opened.
	OCTOBER	- JUSCO Bandar Baru Klang (Bukit Raja Shopping Centre) opened.
1996	DECEMBER	- JAYA JUSCO STORES BHD was listed on the Main Board of the KLSE.
1997	AUGUST	- JUSCO Ipoh (Kinta City Shopping Centre) opened.
1998	DECEMBER	- JUSCO Melaka Superstore was upgraded to a Shopping Centre.
1999	DECEMBER	- JUSCO Mid Valley opened.
2000	DECEMBER	- JUSCO Taman Maluri Superstore was upgraded to a Shopping Centre.
		- JUSCO Bandar Puchong opened.
2001	OCTOBER	- Launch of WAOH Charity Fund/ JUSCO Fest / JUSCO’s 17 th Anniversary.
	NOVEMBER	- 22 Malaysian students and 2 former participants from the 1990 batch were invited to Japan as “Ambassadors” through the ÆON “1% Club” Programme.
2002	APRIL	- Establishment of JUSCO-OUM Retail Centre in Alpha Angle Shopping Centre, at Wangsa Maju.
	JULY	- JUSCO Taman Universiti (JUSCO Taman Universiti Shopping Centre) opened. - Japan Management Training Programme reactivated.
2003	JULY	- WAOH Charity Bazaar.
	AUGUST	- Smart Wonder World opened in JUSCO Taman Maluri.
	OCTOBER	- JUSCO Home Centre opened in 1 Utama Shopping Centre.
	DECEMBER	- 3,000 saplings were planted in the vicinity of the JUSCO Permas Jaya store as part of ÆON’s environmental campaign, “Planting Seeds of Growth”. - JUSCO Permas Jaya (JUSCO Permas Jaya Shopping Centre) opened.
2004	JANUARY	- JUSCO Metro Prima Tree Planting Ceremony was held. 2,000 saplings were planted. - JUSCO Metro Prima (JUSCO Metro Prima Shopping Centre) opened.
	JUNE	- “With All Our Hearts” Charity Fund officially registered as the “With All Our Hearts” Malaysian JUSCO Foundation.
	AUGUST	- Company authorised share capital increased from RM100,000,000 to RM500,000,000.
	SEPTEMBER	- JAYA JUSCO STORES BHD officially changed name to ÆON CO. (M) BHD.
		- JUSCO celebrated 20 th Anniversary in Malaysia with Gala Dinner. - Official launch of “With All Our Hearts” Malaysian JUSCO Foundation. - 30,000 saplings planted in the Malaysian-Japan Friendship Forest, ÆON Woodland, Paya Indah Wetlands.
OCTOBER	- Completed Bonus Issue (1:1) for 87,750,000 new Ordinary Shares.	

MILESTONES

2005	MARCH	- AEON CO. (M) BHD. received a certificate of appreciation from the former Prime Minister Y. A. Bhg. Tun Dr Mahathir bin Mohamad for its tree planting activities.
	JULY	- The 1 st Annual WAOH Charity Gala Dinner was held.
	SEPTEMBER	- JUSCO Seremban 2 Shopping Centre Tree Planting Ceremony was held. 3,300 saplings were planted.
		- JUSCO Seremban 2 (JUSCO Seremban 2 Shopping Centre) opened.
	OCTOBER	- The first Pasar Raya J-One Supermarket in Damansara Damai opened.
DECEMBER	- AEON Tebrau City Shopping Centre Tree Planting Ceremony were held. 6,000 saplings were planted.	
2006	JANUARY	- JUSCO Tebrau City (AEON Tebrau City Shopping Centre) opened.
	APRIL	- Change of financial year end from February to December.
	JUNE	- AEON Taman Equine Shopping Centre Tree Planting Ceremony held. 4,000 saplings were planted.
	JULY	- JUSCO Taman Equine (AEON Taman Equine Shopping Centre) opened.
		- Pasar Raya J-One Supermarket in Pearl Point opened.
	SEPTEMBER	- Completion of Kinta City Shopping Centre sales and lease back.
	NOVEMBER	- AEON Cheras Selatan Shopping Centre Tree Planting Ceremony held. 4,000 saplings were planted.
	DECEMBER	- JUSCO Queensbay opened.
- JUSCO Cheras Selatan (AEON Cheras Selatan Shopping Centre) opened.		
2007	JANUARY	- Pasar Raya J-One change of name ceremony (From J-One to D'HATI) held at Pearl Point Shopping Mall.
	JUNE	- Replanting of trees at AEON Woodland.
	SEPTEMBER	- Pasar Raya D'HATI Kota Kemuning officially opened
		- JUSCO Bandar Sunway opened.
	OCTOBER	- AEON Bukit Tinggi Shopping Centre Tree Planting Ceremony held. 5,085 saplings were planted.
DECEMBER	- Pasar Raya MaxValu Desa ParkCity and Pasar Raya MaxValu Ampang officially opened.	
	- JUSCO Bukit Tinggi (AEON Bukit Tinggi Shopping Centre) opened.	
2008	JUNE	- Completed Bonus Issue (1:1) for 175,500,000 new Ordinary Shares.
	JULY	- AEON Careline was launched.
		- AEON Seberang Prai City Shopping Centre Tree Planting Ceremony held. 3,500 saplings were planted.
	AUGUST	- JUSCO Seberang Prai City (AEON Seberang Prai City Shopping Centre) opened.
		- Taman Asuhan Kanak-Kanak Asahi (TAKA) at Bandar Puchong Jaya opened.
	OCTOBER	- 24th Anniversary Tree Planting at AEON Woodland. 2,400 saplings were planted.
	NOVEMBER	- AEON AU2 Setiawangsa Shopping Centre Tree Planting Ceremony held. 4,600 saplings were planted.
	DECEMBER	- JUSCO AU2 Setiawangsa (AEON AU2 Setiawangsa Shopping Centre) opened.
- AEON Bukit Indah Shopping Centre Tree Planting Ceremony held. 3,000 saplings were planted.		
- JUSCO Bukit Indah (AEON Bukit Indah Shopping Centre) opened.		
2009	JUNE	- Pasar Raya MaxValu Pearl Point closed.
	OCTOBER	- 25 th Anniversary Tree Planting Ceremony at AEON Woodland. 25,000 saplings planted.
	NOVEMBER	- AEON Bandaraya Melaka Shopping Centre Tree Planting Ceremony held. 2,000 saplings were planted.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Fifth Annual General Meeting of AEON CO. (M) BHD. will be held at Ballroom 1 and 2, Level 2, Hotel Nikko, 165 Jalan Ampang, 50450 Kuala Lumpur on Tuesday, 18 May 2010 at 10.30 a.m. for the following purposes:

AGENDA

As Ordinary Business

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2009 together with the Reports of the Directors and Auditors thereon. **Ordinary Resolution 1**
2. To declare a First and Final Dividend of 12% less 25% tax in respect of the financial year ended 31 December 2009. **Ordinary Resolution 2**
3. To approve the payment of Directors' Fees for the financial year ended 31 December 2009. **Ordinary Resolution 3**
4. To re-elect the following Directors who are retiring under Article 74 of the Articles of Association of the Company:
 - i) Mr Nagahisa Oyama **Ordinary Resolution 4**
 - ii) Datuk Ramli bin Ibrahim **Ordinary Resolution 5**
 - iii) Brig Jen (B) Dato' Mohamed Idris bin Saman **Ordinary Resolution 6**
 - iv) Datuk Zawawi bin Mahmuddin **Ordinary Resolution 7**
5. To re-elect the following Directors who are retiring under Article 80 of the Articles of Association of the Company:
 - i) Mr Jerome Thomas Black **Ordinary Resolution 8**
 - ii) Mr Naoki Hayashi **Ordinary Resolution 9**
6. To re-appoint Dato' Abdullah bin Mohd Yusof as Director pursuant to Section 129(6) of the Companies Act, 1965. **Ordinary Resolution 10**
7. To re-appoint Dato' Chew Kong Seng as Director pursuant to Section 129(6) of the Companies Act, 1965. **Ordinary Resolution 11**
8. To re-appoint Messrs KPMG Desa Megat & Co. as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 12**

As Special Business

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

9. PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR THE RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")

"THAT approval be and is hereby given to the Company, to enter and give effect to the recurrent related party transactions of a revenue or trading nature (hereinafter to be referred to as "Recurrent Transactions") with the related parties as stated in Section 2.3 of the Circular to Shareholders dated 26 April 2010 which are necessary for the Company's day-to-day operations subject further to the following:

- (i) the Recurrent Transactions contemplated are in the ordinary course of business and on terms which are not more favourable to related parties than those generally available to the public, and are not to the detriment of the minority shareholders;

NOTICE OF ANNUAL GENERAL MEETING

As Special Business (continued)

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

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

Ordinary Resolution 13

NOTICE OF DIVIDEND PAYMENT

NOTICE IS HEREBY GIVEN THAT, subject to the approval of shareholders at the Twenty-Fifth Annual General Meeting, a First and Final Dividend of 12% less 25% tax in respect of the financial year ended 31 December 2009 will be paid to shareholders on 7 July 2010. The entitlement date for the said dividend shall be 14 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 14 June 2010 in respect of transfers.
- (b) Shares bought on Bursa Malaysia Securities Berhad on cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD
TAI YIT CHAN (MAICSA 7009143)
WONG LAI KUAN (MAICSA 7032123)
Secretaries

Date: 26 April 2010

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 ("the Act") shall not apply.
2. A member shall be entitled to appoint more than one (1) proxy and shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting.
3. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings 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 and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited with the Share Registrar of the Company, Tricor Investor Services Sdn Bhd (118401-V) (formerly known as Tenaga Koperat Sdn Bhd) at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time set for holding the meeting or any adjustment thereof.
6. If the appointor is a corporation, the instrument appointing a proxy must be executed under its Common Seal or under the hand of its attorney.
7. Explanatory Note on the Special Business

Ordinary Resolution 13 on the Proposed Shareholders' Mandate

The Ordinary Resolution 13 proposed, if passed, will empower the Directors from the date of the Twenty-Fifth Annual General Meeting, to deal with the related party transactions involving recurrent transactions of a revenue or trading nature which are necessary for the Company's day-to-day operations. These recurrent related party transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public and not to the detriment of the minority shareholders. This authority unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company and subject always to provision (ii) of the resolution. The details of the recurrent related party transactions are set out in the Circular to the Shareholders dated 26 April 2010, which is despatched together with this Annual Report.

PROXY FORM

AEON CO. (M) BHD. (126926-H)
(Incorporated in Malaysia)

No. of Shares	
CDS Account No.	

I/We, _____ (name of shareholder as per NRIC, in capital letters)
IC No./ID No./Company No. _____ (new) _____ (old)
of _____ (full address)

being a member of the abovenamed Company, hereby appoint _____
(name of proxy as per NRIC, in capital letters) IC No. _____ (new) _____ (old)
of _____ (full address)

or failing him/her _____ (name of proxy as per NRIC, in capital letters)
IC No. _____ (new) _____ (old)
of _____ (full address)

as my/our proxy to vote for me/us and on my/our behalf at the Twenty-Fifth Annual General Meeting of the Company, to be held at Ballroom 1 and 2, Level 2, Hotel Nikko, 165 Jalan Ampang, 50450 Kuala Lumpur on Tuesday, 18 May 2010 at 10.30 a.m. and at any adjournment thereat.

My/our proxy is to vote as indicated below :

No.	Resolution	For	Against
	ORDINARY BUSINESS		
Ordinary Resolution 1	Adoption of Audited Financial Statements and Reports for the financial year ended 31 December 2009		
Ordinary Resolution 2	Declaration of a First and Final Dividend of 12% less 25% tax in respect of the financial year ended 31 December 2009		
Ordinary Resolution 3	Approval of Directors' Fees for the financial year ended 31 December 2009		
Ordinary Resolution 4	Re-election of Mr Nagahisa Oyama		
Ordinary Resolution 5	Re-election of Datuk Ramli bin Ibrahim		
Ordinary Resolution 6	Re-election of Brig Jen (B) Dato' Mohamed Idris bin Saman		
Ordinary Resolution 7	Re-election of Datuk Zawawi bin Mahmuddin		
Ordinary Resolution 8	Re-election of Mr Jerome Thomas Black		
Ordinary Resolution 9	Re-election of Mr Naoki Hayashi		
Ordinary Resolution 10	Re-appointment of Dato' Abdullah bin Mohd Yusof as Director pursuant to Section 129(6) of the Companies Act, 1965		
Ordinary Resolution 11	Re-appointment of Dato' Chew Kong Seng as Director pursuant to Section 129(6) of the Companies Act, 1965		
Ordinary Resolution 12	Re-appointment of Messrs KPMG Desa Megat & Co. as Auditors of the Company and to authorise the Directors to fix their remuneration		
	SPECIAL BUSINESS		
Ordinary Resolution 13	Proposed Renewal of the Existing Shareholders' Mandate for the Recurrent Related Party Transactions of a Revenue or Trading Nature and Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature		

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

Signature of Shareholder or Common Seal

Dated this day of 2010

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

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- The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited with the Share Registrar of the Company, Tricor Investor Services Sdn Bhd (118401-V) (formerly known as Tenaga Koperat Sdn Bhd) at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time set for holding the meeting or any adjournment thereof.
- If the appointor is a corporation, the instrument appointing a proxy must be executed under its Common Seal or under the hand of its attorney.

PLACE
STAMP
HERE

The Share Registrar:

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

c/o TRICOR INVESTOR SERVICES SDN BHD (118401-V)
(formerly known as Tenaga Koperat Sdn Bhd)
Level 17, The Gardens North Tower,
Mid Valley City, Lingkaran Syed Putra,
59200 Kuala Lumpur,
Malaysia.

AEON

JUSCO

This annual report is printed on recycled paper.



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

Incorporated In Malaysia

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55100 Kuala Lumpur.