

# AEON CO. (M) BHD.

( Company No. 126926 - H )

( Incorporated in Malaysia )

Unaudited results of the Group for the first quarter ended 31 March 2015.

## Condensed consolidated statement of profit or loss

For the three months ended 31 March 2015

	3 months ended 31 March		3 months ended 31 March	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Revenue	1,107,073	945,506	1,107,073	945,506
Total operating expenses	(1,036,683)	(881,207)	(1,036,683)	(881,207)
Other operating income	1,390	1,174	1,390	1,174
<b>Profit from operations</b>	<u>71,780</u>	<u>65,473</u>	<u>71,780</u>	<u>65,473</u>
Interest expense	(2,043)	(2)	(2,043)	(2)
Interest income	532	1,521	532	1,521
Share of results of associates	(12)	(247)	(12)	(247)
<b>Profit before tax</b>	<u>70,257</u>	<u>66,745</u>	<u>70,257</u>	<u>66,745</u>
Tax expense	(21,183)	(19,870)	(21,183)	(19,870)
<b>Profit for the period</b>	<u><u>49,074</u></u>	<u><u>46,875</u></u>	<u><u>49,074</u></u>	<u><u>46,875</u></u>
<b>Profit attributable to:</b>				
Owners of the Company	49,397	46,875	49,397	46,875
Non-controlling interests	(323)	-	(323)	-
<b>Profit for the period</b>	<u><u>49,074</u></u>	<u><u>46,875</u></u>	<u><u>49,074</u></u>	<u><u>46,875</u></u>
Basic earnings per ordinary share (sen) (Note B10)	3.52	3.34	3.52	3.34

The Condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

# AEON CO. (M) BHD.

( Company No. 126926 - H )

( Incorporated in Malaysia )

Unaudited results of the Group for the first quarter ended 31 March 2015.

## Condensed consolidated statement of other comprehensive income

For the three months ended 31 March 2015

	3 months ended 31 March		3 months ended 31 March	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
<b>Profit for the period</b>	49,074	46,875	49,074	46,875
<b>Other comprehensive income:</b>				
Gain/(loss) on fair value of available-for-sale investments	3,653	(62)	3,653	(62)
<b>Comprehensive income for the period</b>	<u>52,727</u>	<u>46,813</u>	<u>52,727</u>	<u>46,813</u>
<b>Comprehensive income attributable to:</b>				
Owners of the Company	53,050	46,813	53,050	46,813
Non-controlling interests	(323)	-	(323)	-
<b>Comprehensive income for the period</b>	<u>52,727</u>	<u>46,813</u>	<u>52,727</u>	<u>46,813</u>

The Condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

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## Condensed consolidated statement of financial position

As at 31 March 2015

	31 March 2015 RM'000	31 December 2014 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2,722,007	2,608,538
Intangible assets	10,091	10,019
Investment in associates	6,799	6,811
Available-for-sale investments	40,805	37,152
	2,779,702	2,662,520
<b>Current assets</b>		
Inventories	415,567	518,842
Receivables, deposits and prepayments	145,322	101,900
Tax Recoverable	3,232	-
Cash and cash equivalents	110,418	76,742
	674,539	697,484
<b>TOTAL ASSETS</b>	<b>3,454,241</b>	<b>3,360,004</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	702,000	702,000
Reserves	1,121,752	1,068,702
<b>Equity attributable to owners of the Company</b>	<b>1,823,752</b>	<b>1,770,702</b>
Non-controlling interests	12,348	12,671
<b>TOTAL EQUITY</b>	<b>1,836,100</b>	<b>1,783,373</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Deferred tax liabilities	16,458	19,299
	16,458	19,299
<b>Current liabilities</b>		
Borrowings	179,900	136,400
Payables and accruals	1,421,783	1,417,439
Taxation	-	3,493
	1,601,683	1,557,332
<b>TOTAL LIABILITIES</b>	<b>1,618,141</b>	<b>1,576,631</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,454,241</b>	<b>3,360,004</b>

The Condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

# AEON CO. (M) BHD.

( Company No. 126926 - H )

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## Condensed consolidated statement of changes in equity

For the three months ended 31 March 2015

	← Attributable to owners of the Company →				Non-controlling interests RM'000	Total equity RM'000
	Non-distributable Share capital RM'000	Fair value reserve RM'000	Distributable Retained earnings RM'000	Total RM'000		
<b>At 1 January 2015</b>	702,000	36,122	1,032,580	1,770,702	12,671	1,783,373
Total comprehensive income for the period	-	3,653	49,397	53,050	(323)	52,727
<b>At 31 March 2015</b>	<u>702,000</u>	<u>39,775</u>	<u>1,081,977</u>	<u>1,823,752</u>	<u>12,348</u>	<u>1,836,100</u>
<b>At 1 January 2014</b>	351,000	44,543	1,248,094	1,643,637	-	1,643,637
Total comprehensive income for the period	-	(62)	46,875	46,813	-	46,813
<b>At 31 March 2014</b>	<u>351,000</u>	<u>44,481</u>	<u>1,294,969</u>	<u>1,690,450</u>	<u>-</u>	<u>1,690,450</u>

The Condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

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## Condensed consolidated statement of cash flows

For the three months ended 31 March 2015

	31 March 2015 RM'000	31 March 2014 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	70,257	66,745
Adjustments for:		
Non-cash items	54,306	42,572
Non-operating items	1,510	(1,519)
Operating profit before changes in working capital	<u>126,073</u>	<u>107,798</u>
Changes in working capital:		
Net change in current assets	94,185	66,868
Net change in current liabilities	4,344	(178,159)
Cash generated from/(used in) operations	<u>224,602</u>	<u>(3,493)</u>
Tax paid	<u>(30,749)</u>	<u>(26,660)</u>
<b>Net cash generated from/(used in) operating activities</b>	<u>193,853</u>	<u>(30,153)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment and intangible assets	(167,924)	(92,512)
Deposit paid as part of purchase consideration for acquisition of land	(34,331)	(11,275)
Proceeds from disposal of property, plant and equipment and intangible assets	89	13
Interest received	532	1,521
<b>Net cash used in investing activities</b>	<u>(201,634)</u>	<u>(102,253)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(2,043)	(2)
Proceeds from borrowings	1,380,950	-
Repayment of borrowings	(1,337,450)	-
Proceeds from issuance of shares to non-controlling interests	-	1,350
<b>Net cash generated from financing activities</b>	<u>41,457</u>	<u>1,348</u>
<b>Net change in cash and cash equivalents</b>	33,676	(131,058)
<b>Cash and cash equivalents at 1 January</b>	<u>76,742</u>	<u>313,560</u>
<b>Cash and cash equivalents at 31 March</b>	<u>110,418</u>	<u>182,502</u>

The Condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

**Notes to the interim financial statements for the period ended 31 March 2015**

**A EXPLANATORY NOTES PURSUANT TO MFRS 134**

**1 Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with *MFRS 134: Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (MASB) and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited financial statements as at and for the year ended 31 December 2014.

**2 Significant Accounting Policies**

The accounting policies applied by the Group in these interim financial statements are consistent with those applied by the Group in its annual financial statements as at and for the year ended 31 December 2014 except for the adoption of the following MFRSs, IC Interpretation and Amendments to MFRSs during the current financial period:

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

**3 Seasonality or Cyclicity of Interim Operations**

The Group's revenue for the first quarter, as in the preceding quarter, was also good due to the festive seasons in the first quarter.

**4 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow**

There were no items affecting assets, liabilities, equity, net income or cash flows that were unusual because of their nature, size or incidence during the financial period.

**5 Changes in Estimates**

There were no changes in the nature and amount of estimates reported in prior interim period of prior financial years that have a material effect in the current interim period.

**6 Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial period.

## 7 Dividends Paid

There was no dividend paid in respect of the current financial period to date.

## 8 Events Subsequent to the end of reporting period

There were no material events subsequent to the balance sheet date to be disclosed in the financial statements for the current financial period.

## 9 Operating Segments

The operating segments analysis is as follows:

	Retailing		Property Management Services		Total	
	3 months ended		3 months ended		3 months ended	
	31 Mar	31 Mar	31 Mar	31 Mar	31 Mar	31 Mar
	2015	2014	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	970,888	817,913	136,185	127,593	1,107,073	945,506
Segmental profit	20,575	23,104	51,861	46,791	72,436	69,895
Less: Unallocated expenses					(656)	(4,422)
Profit from operations					71,780	65,473
Interest expense					(2,043)	(2)
Interest income					532	1,521
Share of results of associates					(12)	(247)
Profit before tax					70,257	66,745
Tax expense					(21,183)	(19,870)
Profit for the period					49,074	46,875
Segment assets	956,947	810,072	2,430,181	1,923,709	3,387,128	2,733,781
Unallocated assets					67,113	150,253
					3,454,241	2,884,034
Segment liabilities	1,088,048	895,968	333,735	261,335	1,421,783	1,157,303
Unallocated liabilities					196,358	34,931
					1,618,141	1,192,234

## 10 Effects of Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial period.

## 11 Related Party Transactions

During the current quarter under review and up to the date of this announcement, the Group did not enter into any Related Party Transactions or Recurrent Related Party Transactions of a revenue or trading nature that had not been included or exceeded the estimated value by 10% or more which had been mandated by the shareholders during the Annual General Meeting held on 15 May 2014.

## 12 Contingent Liabilities or Contingent Assets

There were no contingent liabilities or contingent assets since the last audited financial statements for the financial year ended 31 December 2014.

## 13 Capital Commitments

Capital commitments not provided for in the financial statements as at 31 March 2015 are as follows:

	<b>31 Mar 2015</b>	<b>31 Dec 2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Property, plant and equipment		
Authorised but not contracted for	3,354,210	3,297,279
	<hr/>	<hr/>
Authorised and contracted for	533,314	679,537
	<hr/>	<hr/>

**B** **ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BHD.**  
**MAIN MARKET LISTING REQUIREMENTS**

**1 Review of Performance**

For the quarter under review, the Group's total revenue increased by 17.1% to RM1.11 billion compared to RM945.5 million recorded in the preceding year corresponding quarter. The opening of new general merchandise stores and shopping centres in 2014 have contributed to the growth of revenue. Profit before taxation was 5.3% higher than the previous year corresponding quarter due to higher revenue registered.

Retail business segment registered revenue of RM970.9 million for the current quarter and was 18.7% higher than the previous year corresponding quarter of RM817.9 million. Besides contributions from new store openings, pre-Goods and Services Tax implementation buying by consumers towards end of the quarter under review also help to generate higher revenue.

Revenue from its property management services segment had recorded a growth of 6.7%, at RM136.2 million over the previous year corresponding quarter of RM127.6 million. The higher performance was due to contributions from its new shopping centres and overall better performance of existing shopping centres.

**2 Changes in the Quarterly Profit Before Tax Compared to the Results of the Preceding Quarter**

The profit before tax of RM70.3 million for the quarter was lower than the preceding quarter of RM100.2 million mainly due to the higher trading rebates received in the preceding quarter.

**3 Current Year Prospects**

Malaysia's economic outlook in 2015 is expected to be challenging with dampened consumer sentiment as a result of higher cost of living and the recent implementation of Goods and Services Tax. Despite the challenging economic and industry environment, the Group remains optimistic that it has the capacity to pursue the growth strategy of its core businesses and an improved performance in 2015.

**4 Tax expense**

Tax expense comprises:

	<b>3 months ended</b>	
	<b>31 Mar 2015</b>	<b>31 Mar 2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Current tax expense	24,024	19,920
Deferred tax expense	(2,841)	(50)
	<u>21,183</u>	<u>19,870</u>

The Group's effective tax rate is higher than the statutory tax rate as certain expenses are not deductible for tax purposes.

**5 Status of Corporate Proposals**

There were no corporate proposals announced but not completed as at the date of this report.

## 6 Borrowings and Debt Securities

The Group's borrowings as at 31 March 2015 are as follows:

	31 Mar 2015 RM'000	31 Dec 2014 RM'000
Current		
Revolving credit - unsecured	179,900	136,400

The borrowings are denominated in Ringgit Malaysia.

## 7 Changes in Material Litigation

There was no material litigation against the Group as at the reporting date.

## 8 Dividend

No dividend was proposed or declared for the current financial period ended 31 March 2015.

## 9 Qualification of Audit Report of the Preceding Annual Financial Statements

There was no qualification on audit report of the preceding annual financial statements.

## 10 Earnings Per Share

	3 months ended	
	31 Mar 2015	31 Mar 2014
Profit attributable to the owners for the period (RM'000)	49,397	46,875
Weighted average number of ordinary shares in issue ('000)	1,404,000	1,404,000*
Basic earnings per ordinary share (sen)	3.52	3.34

\* The previous year's earnings per share have been restated to reflect the bonus issue and share split which were completed on 2 June 2014.

Diluted earnings per share is not applicable for the Group.

## 11 Disclosure of Realised and Unrealised Profit or Losses

The retained earnings as at 31 March 2015 is analysed as follows:

	31 Mar 2015 RM'000	31 Dec 2014 RM'000
Total retained earnings of the Company and its subsidiary:		
- realised	1,058,729	1,012,420
- unrealised	22,464	19,364
Total share of retained earnings of associates:		
- realised	784	796
Total retained earnings of the Group	1,081,977	1,032,580

## 12 Notes to the Statement of Comprehensive Income

	3 months ended	
	31 Mar 2015	31 Mar 2014
	RM'000	RM'000
Profit from operations for the period is arrived at after charging:		
Depreciation and amortisation	54,131	42,166
Property, plant and equipment written off	164	159
Impairment loss:		
- trade receivables	-	43
Loss on foreign exchange	-	13
And after crediting:		
Gain on foreign exchange	132	-
Gain on disposal of property, plant and equipment	1	-
Reversal of impairment loss:		
- trade receivables	34	-

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.