

# AEON CO. (M) BHD.

( Company No. 126926 - H )

( Incorporated in Malaysia )

Unaudited results of the Company for the second quarter ended 30 June 2009.

## Condensed Income Statement

For the six months ended 30 June 2009

	3 months ended		6 months ended	
	30 June		30 June	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	848,448	748,733	1,780,121	1,580,992
Total operating expenses	(815,890)	(718,683)	(1,709,874)	(1,512,925)
Other operating income	<u>917</u>	<u>775</u>	<u>1,732</u>	<u>1,360</u>
<b>Profit from operations</b>	33,475	30,825	71,979	69,427
Interest expense	(1,215)	(651)	(2,009)	(684)
Interest income	<u>8</u>	<u>56</u>	<u>67</u>	<u>571</u>
<b>Profit before taxation</b>	32,268	30,230	70,037	69,314
Tax expense	<u>(12,868)</u>	<u>(11,349)</u>	<u>(24,583)</u>	<u>(24,777)</u>
<b>Net profit for the period</b>	<u><u>19,400</u></u>	<u><u>18,881</u></u>	<u><u>45,454</u></u>	<u><u>44,537</u></u>
Basic earnings per ordinary share (sen)	5.53	5.38	12.95	12.69

The Condensed Income Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

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## Condensed Balance Sheet

At 30 June 2009

	<b>30 June 2009</b>	<b>31 December 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	1,329,794	1,372,453
Prepaid lease payment	184,577	185,715
Investments	1,075	1,075
	<u>1,515,446</u>	<u>1,559,243</u>
<b>Current Assets</b>		
Inventories	283,937	328,499
Trade and other receivables	50,625	46,002
Cash and cash equivalents	33,315	158,394
	<u>367,877</u>	<u>532,895</u>
<b>TOTAL ASSETS</b>	<u><u>1,883,323</u></u>	<u><u>2,092,138</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Equity Holders</b>		
Share capital	351,000	351,000
Reserves	545,119	531,255
<b>TOTAL EQUITY</b>	<u>896,119</u>	<u>882,255</u>
<b>Non Current Liabilities</b>		
Deferred tax liabilities	37,037	37,138
<b>Total Non Current Liabilities</b>	<u>37,037</u>	<u>37,138</u>
<b>Current Liabilities</b>		
Trade and other payables	832,926	1,003,678
Dividend payable	31,590	-
Borrowings (unsecured)	84,000	159,500
Current tax payable	1,651	9,567
<b>Total Current Liabilities</b>	<u>950,167</u>	<u>1,172,745</u>
<b>TOTAL LIABILITIES</b>	<u>987,204</u>	<u>1,209,883</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>1,883,323</u></u>	<u><u>2,092,138</u></u>

The Condensed Balance Sheet should be read in conjunction with the audited financial statements for the financial year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

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## Condensed Statement of Changes In Equity

For the six months ended 30 June 2009

	Share capital RM'000	Non-distributable Revaluation reserve RM'000	Distributable Retained earnings RM'000	Total equity RM'000
<b>At 1 January 2009</b>	351,000	32,183	499,072	882,255
<b>Changes in equity for the period ended 30 June 2009</b>				
Transfer from revaluation reserve to retained earnings	-	(259)	259	-
<b>Net income/ (expense) recognised directly in equity</b>	-	(259)	259	-
Net profit for the period	-	-	45,454	45,454
<b>Total Recognised Income and Expense for the Period</b>	-	(259)	45,713	45,454
Dividend	-	-	(31,590)	(31,590)
<b>At 30 June 2009</b>	<b>351,000</b>	<b>31,924</b>	<b>513,195</b>	<b>896,119</b>

The Condensed Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

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## Condensed Cash Flow Statement

For the six months ended 30 June 2009

	<b>30 June 2009</b>	<b>30 June 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Profit before taxation</b>	70,037	69,314
Adjustment for non-cash flow :-		
Non-cash items	73,782	60,293
Non-operating items	1,942	112
<b>Operating profit before changes in working capital</b>	<u>145,761</u>	<u>129,719</u>
<b>Changes in working capital</b>		
Net change in currents assets	39,935	41,269
Net change in currents liabilities	(170,752)	(117,190)
Taxation paid	(32,600)	(44,500)
<b>Net cash (outflow)/inflow from operating activities</b>	<u>(17,656)</u>	<u>9,298</u>
<b>Investing Activities</b>		
- Interest received	67	571
- Other investments	(29,981)	(157,237)
<b>Net cash outflow from investing activities</b>	<u>(29,914)</u>	<u>(156,666)</u>
<b>Financing Activities</b>		
- Net short term borrowings	(75,500)	48,400
- Bonus issue expenses	-	(72)
- Interest paid	(2,009)	(684)
- Dividend paid	-	(29,098)
<b>Net cash (outflow)/inflow from financing activities</b>	<u>(77,509)</u>	<u>18,546</u>
<b>Net Change in Cash and Cash Equivalents</b>	(125,079)	(128,822)
<b>Cash and cash equivalents at 1 January</b>	158,394	185,261
<b>Cash and cash equivalents at 30 June</b>	<u><u>33,315</u></u>	<u><u>56,439</u></u>

The Condensed Cash Flow Statement should be read in conjunction with the audited financial statement for the financial year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

**Notes to the interim financial statements for the period ended 30 June 2009**

**A EXPLANATORY NOTES PURSUANT TO FRS 134**

**1 Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the applicable disclosure provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, including compliance with Financial Reporting Standard (FRS) 134, *Interim Financial Reporting*, issued by the Malaysian Accounting Standard Board (MASB).

The interim financial report has been prepared in accordance with the same accounting policies adopted in the audited financial statements for the year ended 31 December 2008.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008.

**2 Qualification of Audit Report of the Preceding Annual Financial Statements**

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

**3 Seasonality or Cyclicity of Interim Operations**

The Company's revenue for the second quarter is slightly lower than the first quarter mainly 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 Material Changes in Estimates**

There were no material 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 the current financial period to date.

A first and final Dividend of 12% less income tax of 25%, amounting to RM31.59 million in respect of the financial year ended 31 December 2008 has been approved by shareholders at the Twenty-Fourth Annual General Meeting and will be paid to shareholders on 19 August 2009.

## 8 Segmental Reporting

The business segment analysis is as follows:

	<b>Retailing</b>	<b>Property</b>	<b>Total</b>
	<b>6 months ended</b>	<b>Management Services</b>	<b>6 months ended</b>
	<b>30 June 2009</b>	<b>6 months ended</b>	<b>6 months ended</b>
	<b>RM'000</b>	<b>30 June 2009</b>	<b>30 June 2009</b>
		<b>RM'000</b>	<b>RM'000</b>
Revenue	1,595,737	184,384	1,780,121
Profit from operations	33,446	38,533	71,979
Interest expense			(2,009)
Interest income			67
Profit before taxation			70,037
Tax expense			(24,583)
Net profit for the period			45,454

## 9 Property, Plant and Equipment

The valuations of land and buildings have been brought forward, without any amendment from the previous audited financial statements.

## 10 Material Events Subsequent to Balance Sheet Date

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

## 11 Effects of Changes in the Composition of the Company

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

## 12 Contingent Liabilities or Contingent Assets

There were no contingent liabilities or contingent assets since the last audited financial statements of the Company for the financial year ended 31 December 2008.

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

**1 Review of Performance of the Company**

The Company's revenue recorded a 13.3% and 12.6% growth respectively for the second quarter and financial period to date as compared to the previous year corresponding periods mainly due to new stores opened at end of the year 2008 and overall better performance from existing stores.

**2 Material Changes in the Quarterly Profit Before Taxation Compared to the Results of the Preceding Quarter.**

The Company's profit before taxation for the second quarter under review of RM32.3 million is lower than the first quarter of RM37.8 million mainly due to higher revenue registered for the first quarter as a result of the festive period.

**3 Current Year Prospects**

Though there are signs of recovery, the Malaysian economy remains uncertain which impact consumer spending. However, the Company has taken appropriate measures to mitigate the impact.

**4 Tax expense**

Tax expense comprises:

	<b>3 months ended 30 June 2009 RM'000</b>	<b>6 months ended 30 June 2009 RM'000</b>
Current tax expense	12,918	24,684
Deferred tax expense	(50)	(101)
	<u>12,868</u>	<u>24,583</u>

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

**5 Profit/(loss) on sale of Unquoted Investment and/or Properties**

There was no sale of unquoted investments and/or properties for the quarter under review and financial period to date.

**6 Particulars of Purchase or Disposal of Quoted Securities**

There was no purchase or disposal of quoted securities for the quarter under review and financial period to date.

**7 Status of Corporate Proposals**

There were no corporate proposals announced.

**8 Borrowings and Debt Securities**

As at 30 June 2009, except for the short term borrowings usage amounting to RM84.0 million, the Company did not have any long term borrowings and debt securities.

**9 Off Balance Sheet Financial Instruments**

The Company does not have any financial instruments with off balance sheet risk as at the date of this announcement.

## 10 Material Litigation

As at the date of this announcement, the Company is not engaged in any material litigation which in the opinion of the Board of Directors will have a material effect on the financial position or the business of the Company.

## 11 Dividend

No dividend was proposed or declared for the current financial period ended 30 June 2009.

## 12 Basic Earnings Per Share

Basic earnings per share for the current quarter and financial period to date are calculated based on the net profit attributable to ordinary shareholders and the number of ordinary shares outstanding.

	<b>3 months ended 30 June 2009</b>	<b>6 months ended 30 June 2009</b>
Net profit attributable to ordinary shareholders (RM'000)	19,400	45,454
Number of ordinary shares outstanding ('000)	351,000	351,000

Diluted earnings per share is not applicable for the Company.