

AEON CO. (M) BHD.

(Company No. 126926 - H)

(Incorporated in Malaysia)

Unaudited results of the Economic Entity for the fourth quarter ended 31 December 2012

Condensed Economic Entity's Statement of Comprehensive Income For the twelve months ended 31 December 2012

	3 months ended 31 December		12 months ended 31 December	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Revenue	872,846	827,267	3,255,669	2,984,614
Total operating expenses	(763,608)	(743,294)	(2,972,357)	(2,742,234)
Other operating income	4,681	13,518	8,947	29,395
Profit from operations	<u>113,919</u>	<u>97,491</u>	<u>292,259</u>	<u>271,775</u>
Interest expense	-	-	-	(2)
Interest income	2,187	1,323	6,655	5,342
Share of results of an associate	229	148	564	157
Profit before taxation	<u>116,335</u>	<u>98,962</u>	<u>299,478</u>	<u>277,272</u>
Tax expense	(30,755)	(27,794)	(86,653)	(81,919)
Profit for the period	<u>85,580</u>	<u>71,168</u>	<u>212,825</u>	<u>195,353</u>
Other Comprehensive Income:				
Gain on fair value of available-for-sale investment	5,325	5,676	20,093	8,179
Total Comprehensive Income for the period	<u><u>90,905</u></u>	<u><u>76,844</u></u>	<u><u>232,918</u></u>	<u><u>203,532</u></u>
Basic earnings per ordinary share (sen)	24.38	20.28	60.63	55.66

The Condensed Economic Entity's Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

AEON CO. (M) BHD.

(Company No. 126926 - H)

(Incorporated in Malaysia)

Condensed Economic Entity's Statements of Financial Position

As at 31 December 2012

	← Economic Entity →		Company
	31 December 2012 RM'000	31 December 2011 RM'000	1 January 2011 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	1,685,768	1,630,835	1,474,481
Intangible assets	14,893	19,872	21,532
Investment in an associate	6,336	5,772	-
Available-for-sale investments	37,940	17,847	9,668
	1,744,937	1,674,326	1,505,681
Current assets			
Inventories	372,834	353,555	338,401
Receivables, deposits and prepayments	108,582	68,549	57,715
Cash and cash equivalents	454,527	341,052	330,908
	935,943	763,156	727,024
TOTAL ASSETS	2,680,880	2,437,482	2,232,705
EQUITY AND LIABILITIES			
Equity attributable to equity holders			
Share capital	351,000	351,000	351,000
Reserves	1,118,055	936,910	775,498
TOTAL EQUITY	1,469,055	1,287,910	1,126,498
Non-current liabilities			
Deferred tax liabilities	20,188	21,146	28,303
	20,188	21,146	28,303
Current liabilities			
Payables and accruals	1,172,642	1,108,504	1,056,584
Taxation	18,995	19,922	21,320
	1,191,637	1,128,426	1,077,904
TOTAL LIABILITIES	1,211,825	1,149,572	1,106,207
TOTAL EQUITY AND LIABILITIES	2,680,880	2,437,482	2,232,705

The Condensed Economic Entity's Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

AEON CO. (M) BHD.

(Company No. 126926 - H)

(Incorporated in Malaysia)

Condensed Economic Entity's Statement of Changes in Equity

For the twelve months ended 31 December 2012

	← Non-distributable →			Distributable	
	Share capital	Fair value reserve	Revaluation reserve	Retained earnings	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000
For the twelve months ended 31 December 2012					
At 1 January 2012	351,000	16,772	-	920,138	1,287,910
Total comprehensive income for the period	-	20,093	-	212,825	232,918
Dividends paid	-	-	-	(51,773)	(51,773)
At 31 December 2012	351,000	36,865	-	1,081,190	1,469,055

For the twelve months ended 31 December 2011

At 1 January 2011	351,000	8,593	31,149	735,756	1,126,498
Effect of transition to MFRS	-	-	(31,149)	31,149	-
At 1 January 2011, restated	351,000	8,593	-	766,905	1,126,498
Total comprehensive income for the period	-	8,179	-	195,353	203,532
Dividends paid	-	-	-	(42,120)	(42,120)
At 31 December 2011	351,000	16,772	-	920,138	1,287,910

The Condensed Economic Entity's Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

AEON CO. (M) BHD.

(Company No. 126926 - H)

(Incorporated in Malaysia)

Condensed Economic Entity's Statement of Cash Flows

For the twelve months ended 31 December 2012

	31 December 2012 RM'000	31 December 2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	299,478	277,272
Adjustments for:		
Non-cash items	148,188	143,631
Non-operating items	(7,584)	(5,971)
Operating profit before changes in working capital	<u>440,082</u>	<u>414,932</u>
Changes in working capital:		
Net change in current assets	(8,815)	(19,518)
Net change in current liabilities	64,138	51,920
Cash generated from operations	<u>495,405</u>	<u>447,334</u>
Tax paid	(88,538)	(90,474)
Net cash generated from operating activities	<u>406,867</u>	<u>356,860</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment and intangible assets	(199,388)	(317,507)
Deposit paid as part of purchase consideration for acquisition of land	(50,497)	(7,043)
Proceeds from disposal of amusement business	-	22,400
Proceeds from disposal of property, plant and equipment and intangible assets	682	383
Dividend received	929	631
Interest received	6,655	5,342
Investment in associate	-	(8,800)
Net cash used in investing activities	<u>(241,619)</u>	<u>(304,594)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(51,773)	(42,120)
Interest paid	-	(2)
Net cash used in financing activities	<u>(51,773)</u>	<u>(42,122)</u>
Net change in cash and cash equivalents	113,475	10,144
Cash and cash equivalents at 1 January	<u>341,052</u>	<u>330,908</u>
Cash and cash equivalents at 31 December	<u>454,527</u>	<u>341,052</u>

The Condensed Economic Entity's Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

Notes to the interim financial statements for the period ended 31 December 2012

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 Economic Entity's audited financial statements as at and for the year ended 31 December 2011. The financial statements of the Economic Entity as at and for the year ended 31 December 2011 were prepared in accordance with Financial Reporting Standards ("FRS").

These are the Economic Entity's interim financial statements for part of the period covered by the Economic Entity's first MFRS framework annual financial statements for the year ending 31 December 2012 and hence *MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards* has been applied. An explanation of how the transition from the previous FRS to the new MFRS has affected its financial position is set out in the Note 2 below.

In preparing its opening MFRS statement of financial position as at 1 January 2011 (which is also the date of transition), the Economic Entity has adjusted the amounts previously reported in financial statements prepared in accordance with the FRS.

2 Significant accounting policies and application of MFRS 1

The accounting policies applied by the Economic Entity in these interim financial statements are the same as those applied by the Economic Entity in its annual financial statements as at and for the year ended 31 December 2011 except as discussed below:

Property, plant and equipment

The Economic Entity has previously availed itself to the transitional provision when the MASB first adopted International Accounting Standard No. 16 (Revised), *Property, Plant and Equipment* in 1998. Certain land and buildings were revalued in February 1995 and no later revaluation has been recorded for these assets.

Upon transition to MFRS, the Economic Entity has elected to measure all its property, plant and equipment using the cost model under *MFRS 116, Property, Plant and Equipment*. At the date of transition to MFRS, the Economic Entity elected to apply the optional exemption to use that previous revaluation as deemed cost at the date of the revaluation as these amounts were broadly comparable to fair value at that date. The revaluation surplus of RM31,149,000 at 1 January 2011 was transferred to retained earnings.

The reconciliations of equity for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided below:

Reconciliation of equity as at 1 January 2011

	FRS as at 1 January 2011 RM'000	Reclassifications RM'000	MFRS as at 1 January 2011 RM'000
Equity			
Revaluation reserve	31,149	(31,149)	-
Retained earnings	735,756	31,149	766,905
	<hr/>	<hr/>	<hr/>

2 Explanation of transition to MFRSs (continued)

Reconciliation of equity as at 31 December 2011

	FRS as at 31 December 2011 RM'000	Reclassifications RM'000	MFRS as at 31 December 2011 RM'000
Equity			
Revaluation reserve	30,632	(30,632)	-
Retained earnings	889,506	30,632	920,138

3 Seasonality or Cyclicity of Interim Operations

The Company's revenue for the fourth quarter was higher than the third quarter mainly due to the festive seasons in the fourth 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.

A first and final dividend of 17% less 25% income tax and a special tax exempt dividend of 2%, amounting to RM51,772,500 in respect of the financial year ended 31 December 2011 was approved by shareholders at the Twenty-Seventh Annual General Meeting and was paid to shareholders on 11 July 2012.

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 Effects of Changes in the Composition of the Economic Entity

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

10 Operating Segments

The operating segments analysis is as follows:

	Retailing		Property Management Services		Total	
	12 months ended		12 months ended		12 months ended	
	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec
	2012	2011	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	2,822,575	2,609,070	433,094	375,544	3,255,669	2,984,614
Segmental profit	154,640	163,835	156,111	125,996	310,751	289,831
Less: Unallocated expenses					(18,492)	(18,056)
Profit from operations					292,259	271,775
Interest expense					-	(2)
Interest income					6,655	5,342
Share of results of an associate					564	157
Profit before tax					299,478	277,272
Tax expense					(86,653)	(81,919)
Profit for the period					212,825	195,353
Segment assets	888,948	827,486	1,550,682	1,402,506	2,439,630	2,229,992
Unallocated assets					241,250	207,490
					2,680,880	2,437,482

11 Related Party Transactions

During the current quarter under review and up to the date of this announcement, the Company 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 24 May 2012.

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 2011.

13 Capital Commitments

Capital commitments not provided for in the financial statements as at 31 December 2012 are as follows:

	31 December 2012	31 December 2011
	RM'000	RM'000
Property, plant and equipment		
Authorised but not contracted for	1,645,034	858,189
Authorised and contracted for	302,808	203,605

14 Significant Events

On 28 December 2012, the Company announced that it had entered into a Joint Development and Sale and Purchase Agreement with Lebar Daun Development Sdn. Bhd. and Perbadanan Kemajuan Negeri Selangor for the acquisition of a piece of leasehold land measuring approximately 7.602 hectare in Bandar Shah Alam, Daerah Petaling, Negeri Selangor for the purpose of constructing a shopping centre with departmental stores cum supermarket, at the purchase price of RM90.0 million, of which 10% has been paid during the financial period under review. As at the date of this announcement, the Sale and Purchase Agreement has not been completed yet.

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

1 Review of Performance

Quarter results

For the quarter under review, the Company's total revenue increased by 5.5% to RM872.8 million compared to RM827.3 million recorded in the preceding year corresponding quarter. Profit before tax of RM116.3 million registered for the Economic Entity, which comprised the Company and its interest in associate, was 17.6% higher than the previous year corresponding quarter due to higher revenue registered.

Retail business segment registered a 4.4% growth in revenue to RM758.0 million compared to the preceding year corresponding quarter mainly attributable to the contributions from its new stores and higher number of discount days and loyalty members' sales days. Property management services segment continued to perform well in the quarter, with 13.5% increase in revenue to RM114.8 million over the previous year corresponding quarter mainly due to the contributions from its new shopping centres.

Financial Year-to-date results

For the financial year ended 31 December 2012, the Company's revenue increased by 9.1% to RM3.26 billion from RM2.98 billion recorded in the preceding financial year. Profit before taxation of the Economic Entity which comprised its share of results in an associate of RM0.65 million (2011 : RM0.16 million), registered at 8.0% increase to RM299.5 million compared to RM277.3 million registered in the previous financial year.

The results for preceding year had included the gain on disposal from its amusement business of RM12.7 million and net proceeds it received from insurance claim of RM11.3 million, but were negated by the impairment loss of RM14.1 million arising from one of its store and shopping centre's property, plant and equipment.

Total revenue registered by the retail business segment for the financial year ended 31 December 2012 increased by 8.2% to RM2.82 billion compared to RM2.61 billion recorded in the preceding financial year. This was mainly attributable to the contributions from new stores that opened during the year and end of previous year besides having higher number of loyalty card members' sales days. However, retail segmental profit has decreased to RM154.6 million from RM163.8 million recorded in the preceding financial year due to higher operating costs including initial costs associated with new stores operations and also the preceding year's results included the amusement income and proceeds from insurance claim.

Revenue from its property management services segment at RM433.1 million, had recorded a growth of 15.3% over the previous financial year's results of RM375.5 million. The overall better performance was as a result of contribution from new shopping centres as well as higher occupancy rate and higher rental rates from tenants revamp.

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

The profit before taxation of RM116.3 million for the quarter was higher than the preceding quarter of RM75.7 million mainly due to the higher revenue and margin generated in the current quarter.

3 Current Year Prospects

As a result of various stimulus measures initiated by the government, the domestic consumption is expected to sustain despite the challenging global economy. The Company with its established presence, global brand name, marketing strategies and continuous drives for higher process efficiency and productivity, expects its performance in retailing and property management services business to further improve in line with the growth in economy in the 2013.

4 Tax expense

Tax expense comprises:

	3 months ended		12 months ended	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
	RM'000	RM'000	RM'000	RM'000
Current tax expense	29,519	34,798	87,611	89,076
Deferred tax expense	1,236	(7,004)	(958)	(7,157)
	<u>30,755</u>	<u>27,794</u>	<u>86,653</u>	<u>81,919</u>

The Company'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

As at 31 December 2012, the Company did not have any borrowings and debt securities.

7 Changes in 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, save and except for the following updates:

On 9 May 2012, the Company has entered into a Consent Judgment with D'Aseania Mall Sdn. Bhd. ("D'Aseania") and Aseania Development Sdn. Bhd. ("Aseania") (the Company, D'Aseania and Aseania are hereinafter collectively referred to as "Parties") as the Parties have reached an amicable settlement in respect of the disputes among the Parties earlier. In view thereof, an announcement has been made by the Company on 10 May 2012 that the Parties have entered into a Consent Judgment.

Based on the Consent Judgment, all Parties shall withdraw all suits, claims, counter claims, actions, appeals and cross appeals against each other within fourteen (14) days from the date of the Consent Judgment. In this regard, all the suits have since been withdrawn on 14 May 2012.

The above does not have any material financial impact to the Company.

8 Dividend

- (a) (i) A first and final dividend of 23% less 25% income tax and a special tax exempt dividend of 1% have been recommended for the financial year ended 31 December 2012;
(ii) total amount per share – 18.25 sen (net);
(iii) total net dividend payable amounted to RM64,057,500;
(iv) date payable to be determined later; and
(v) in respect of deposited securities, the date of entitlement to dividend will be determined later.
- (b) For the year ended 31 December 2011, a first and final dividend of 17% less tax of 25% and a special tax exempt dividend of 2% totaling RM51,772,500 was paid on 11 July 2012.
- (c) The first and final dividend and the special tax exempt dividend recommended for year ended 31 December 2012 will be subject to the approval of shareholders at the forthcoming Annual General Meeting to be held on the day which shall be announced later.

9 Earnings Per Share (Economic Entity)

	3 months ended		12 months ended	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
Profit attributable to the owners for the period (RM'000)	85,580	71,168	212,825	195,353
Weighted average number of ordinary shares in issue ('000)	351,000	351,000	351,000	351,000
Basic earnings per ordinary share (sen)	24.38	20.28	60.63	55.66

Diluted earnings per share is not applicable for the Company.

10 Qualification of Audit Report of the Preceding Annual Financial Statements

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

11 Disclosure of Realised and Unrealised Profit or Losses

The retained earnings as at 31 December 2012 is analysed as follows:

	31 December 2012 RM'000	31 December 2011 RM'000 Restated
Total retained earnings of the Company:		
- realised	1,067,845	909,316
- unrealised	12,624	10,665
Total share of retained earnings from an associate:		
- realised	721	157
Total retained earnings of the Economic Entity	1,081,190	920,138

12 Notes to the Statement of Comprehensive Income

	12 months ended 31 December 2012 RM'000	12 months ended 31 December 2011 RM'000
Profit from operations for the period is arrived at after charging:		
Depreciation and amortisation	145,972	139,987
Impairment loss:		
- Property, plant and equipment	1,013	14,130
- Trade receivables	264	371
Property, plant and equipment written off	2,099	2,716
Loss on foreign exchange	-	166
And after crediting:		
Dividend income	929	631
Gain on disposal of property, plant and equipment	332	303
Gain on foreign exchange	35	-
Gain on disposal of amusement business	-	12,742
Net proceeds from insurance claims	-	11,267

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