

# AEON CO. (M) BHD.

( Company No. 126926 - H )

( Incorporated in Malaysia )

## Condensed Balance Sheet

At 30 June 2008

	30 June 2008 RM'000	31 December 2007 RM'000
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	1,113,007	1,069,027
Prepaid lease payment	179,330	126,365
Investments	1,075	1,075
	<u>1,293,412</u>	<u>1,196,467</u>
<b>Current Assets</b>		
Inventories	237,503	260,928
Trade and other receivables	61,974	79,818
Cash and cash equivalents	56,439	185,261
	<u>355,916</u>	<u>526,007</u>
<b>TOTAL ASSETS</b>	<u><u>1,649,328</u></u>	<u><u>1,722,474</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Equity Holders</b>		
Share capital	351,000	175,500
Reserves	455,188	615,321
<b>TOTAL EQUITY</b>	<u>806,188</u>	<u>790,821</u>
<b>Non Current Liabilities</b>		
Deferred tax liabilities	23,729	23,829
<b>Total Non Current Liabilities</b>	<u>23,729</u>	<u>23,829</u>
<b>Current Liabilities</b>		
Trade and other payables	740,833	858,023
Borrowings (unsecured)	48,400	-
Current tax payable	30,178	49,801
<b>Total Current Liabilities</b>	<u>819,411</u>	<u>907,824</u>
<b>TOTAL LIABILITIES</b>	<u>843,140</u>	<u>931,653</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>1,649,328</u></u>	<u><u>1,722,474</u></u>

The Condensed Balance Sheet should be read in conjunction with the audited financial statement for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

# AEON CO. (M) BHD.

( Company No. 126926 - H )  
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Unaudited results of the Company for the second quarter ended 30 June 2008.

## Condensed Income Statement

For the six months ended 30 June 2008

	3 months ended 30 June		6 months ended 30 June	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Revenue	748,733	626,390	1,580,992	1,326,322
Total operating expenses	(718,683)	(605,801)	(1,512,925)	(1,266,255)
Other operating income	775	748	1,360	1,354
<b>Profit from operations</b>	<b>30,825</b>	<b>21,337</b>	<b>69,427</b>	<b>61,421</b>
Interest expense	(651)	(68)	(684)	(69)
Interest income	56	276	571	707
<b>Profit before taxation</b>	<b>30,230</b>	<b>21,545</b>	<b>69,314</b>	<b>62,059</b>
Tax expense	(11,349)	(8,643)	(24,777)	(22,245)
<b>Net profit for the period</b>	<b>18,881</b>	<b>12,902</b>	<b>44,537</b>	<b>39,814</b>
Basic earnings per ordinary share (sen)	5.38	3.68	12.69	11.34

### Remarks:

- 1) The basic earnings per share for the comparative periods have been adjusted for the bonus issue completed in the second quarter of the current financial period.
- 2) The Condensed Income Statement should be read in conjunction with the audited financial statement for the financial year ended 31 December 2007 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 2008

	Share capital RM'000	Non-distributable Share premium RM'000	Revaluation reserve RM'000	Distributable Retained profits RM'000	Total equity RM'000
<b>At 1 January 2008</b>	175,500	20,609	32,700	562,012	790,821
<b>Changes in equity for the period ended 30 June 2008</b>					
Bonus issue (1:1 basis)	175,500	(20,537)	-	(154,963)	-
Bonus issue expenses	-	(72)	-	-	(72)
Transfer from revaluation reserve to retained profits	-	-	(259)	259	-
<b>Net income/ (expense) recognised directly in equity</b>	175,500	(20,609)	(259)	(154,704)	(72)
Net profit for the period	-	-	-	44,537	44,537
<b>Total Recognised Income and Expense for the Period</b>	175,500	(20,609)	(259)	(110,167)	44,465
Dividend	-	-	-	(29,098)	(29,098)
<b>At 30 June 2008</b>	<b>351,000</b>	<b>-</b>	<b>32,441</b>	<b>422,747</b>	<b>806,188</b>

The Condensed Statement of Changes in Equity should be read in conjunction with the audited financial statement for the financial year ended 31 December 2007 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 2008

	<u>30 June 2008</u> RM'000	<u>30 June 2007</u> RM'000
<b>Net Profit before taxation</b>	69,314	62,059
Adjustment for non-cash flow :-		
Non-cash items	60,293	53,762
Non-operating items	112	(815)
<b>Operating profit before changes in working capital</b>	<u>129,719</u>	<u>115,006</u>
<b>Changes in working capital</b>		
Net change in currents assets	41,269	(4,456)
Net change in currents liabilities	(117,190)	(57,988)
Taxation paid	(44,500)	(16,500)
<b>Net cash inflow from operating activities</b>	<u>9,298</u>	<u>36,062</u>
<b>Investing Activities</b>		
- Interest received	571	707
- Other investments	(157,237)	(36,391)
<b>Net cash outflow from investing activities</b>	<u>(156,666)</u>	<u>(35,684)</u>
<b>Financing Activities</b>		
- Net short term borrowings	48,400	44,500
- Bonus issue expenses	(72)	-
- Interest paid	(684)	(69)
- Dividend paid	(29,098)	(20,498)
<b>Net cash inflow from financing activities</b>	<u>18,546</u>	<u>23,933</u>
<b>Net Change in Cash and Cash Equivalents</b>	(128,822)	24,311
<b>Cash and cash equivalents at 1 January</b>	185,261	107,925
<b>Cash and cash equivalents at 30 June</b>	<u><u>56,439</u></u>	<u><u>132,236</u></u>

The Condensed Cash Flow Statement should be read in conjunction with the audited financial statement for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

**Notes to the interim financial statements for the period ended 30 June 2008**

**A EXPLANATORY NOTES PURSUANT TO FRS 134<sub>2004</sub>**

**1 Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the applicable disclosure provisions of the 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 2007.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007.

**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 first quarter.

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

Except for the item as disclosed in note B(7), 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**

A first and final dividend of 17% less 26% tax and a special tax exempt dividend of 4% totaling RM 29.098 million in respect of the year ended 31 December 2007 (31 December 2006: 16% less 27% tax of RM 20.498 million) was paid on 26 June 2008.

## 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</b>	<b>6 months ended</b>	<b>6 months ended</b>
	<b>2008</b>	<b>30 June</b>	<b>30 June</b>
	<b>RM'000</b>	<b>2008</b>	<b>2008</b>
		<b>RM'000</b>	<b>RM'000</b>
Revenue	1,434,321	146,671	1,580,992
Profit from operations	33,517	35,910	69,427
Interest expense			(684)
Interest income			571
Profit before Taxation			69,314
Tax expense			(24,777)
Net profit for the period			44,537

## 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 other 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 2007.

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES LISTING REQUIREMENTS**

**1 Review of Performance of the Company**

The Company's revenue recorded a 19.5% growth as compared to the second quarter of last financial year mainly due to the contribution of new stores that opened in the year 2007 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 is lower than the first quarter mainly due to higher revenue registered for the first quarter as a result of the festive period.

**3 Current Year Prospects**

Inflationary pressures which include rises in food prices as well as utility charges increase have an impact on consumer spending and sentiment and also the Company's operational costs. Despite such challenges, the Company believes that with its operational measures and sales activities, it will be able to maintain its performance against previous year.

**4 Tax expense**

Tax expense comprises:

	<b>3 months ended 30/6/2008 RM'000</b>	<b>6 months ended 30/6/2008 RM'000</b>
Current tax expense	11,399	24,877
Deferred tax expense	(50)	(100)
	<hr/>	<hr/>
	11,349	24,777
	<hr/>	<hr/>

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**

On 5 May 2008, the Company's advisor had on behalf of the Board of Directors announced the Company's proposed bonus issue of 175.5 million new ordinary shares of RM1.00 each in the Company to be credited as fully paid-up on the basis of one bonus share for every one existing ordinary share of RM1.00 each held in the Company. The proposed bonus issue was approved by the shareholders of the Company at the Extraordinary General Meeting held on 26 May 2008. The whole exercise has been completed by end of June 2008 with the bonus shares credited into entitled shareholders accounts on 24 June 2008. The bonus shares were listed and quoted on the Main Board of Bursa Malaysia Securities Berhad on 25 June 2008.

**8 Borrowings and Debt Securities**

As at 30 June 2008, except for the short term borrowings usage amounting to RM 48.4 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 2008.

## 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 2008</b>	<b>6 months ended 30 June 2008</b>
Net profit attributable to ordinary shareholders (RM'000)	<u>18,881</u>	<u>44,537</u>
Number of ordinary shares outstanding ('000)	<u>351,000</u>	<u>351,000</u>

Diluted earnings per share is not applicable for the Company.