

**AEON CO. (M) BHD.**  
(Incorporated in Malaysia)  
(Company No. 198401014370 (126926-H))

**QUARTERLY REPORT FOR THE  
FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024**

AEON CO. (M) BHD.  
(Incorporated in Malaysia)  
(Company No. 198401014370 (126926 - H))

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

**ANNOUNCEMENT**

The Board of Directors of AEON CO. (M) BHD. (“AEON” or “the Company”) presents the following unaudited condensed consolidated financial statements for the third quarter ended 30 September 2024 which should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the unaudited condensed consolidated financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

	Individual Quarter		Cumulative Period	
	Quarter ended		Period ended	
	2024	2023	2024	2023
	RM'm	RM'm	RM'm	RM'm
Revenue	1,003.0	955.9	3,191.3	3,095.7
Total operating expenses	(967.0)	(922.8)	(2,985.9)	(2,921.0)
Other operating income	13.0	22.7	27.4	37.5
<b>Profit from operations</b>	<b>49.0</b>	<b>55.8</b>	<b>232.8</b>	<b>212.2</b>
Interest expense				
- Lease interest	(19.1)	(22.4)	(58.2)	(65.1)
- Interest charges	(5.9)	(6.6)	(14.8)	(14.9)
	(25.0)	(29.0)	(73.0)	(80.0)
Finance income	1.6	2.1	5.2	7.9
Share of results of associate	0.3	-	1.2	-
<b>Profit before tax</b>	<b>25.9</b>	<b>28.9</b>	<b>166.2</b>	<b>140.1</b>
Tax expense	(7.1)	(15.1)	(62.2)	(57.9)
<b>Profit for the period</b>	<b>18.8</b>	<b>13.8</b>	<b>104.0</b>	<b>82.2</b>
Basic earnings per ordinary share (sen) (Note B11)	1.34	0.98	7.41	5.85

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Individual Quarter		Cumulative Period	
	Quarter ended		Period ended	
	30 September		30 September	
	2024	2023	2024	2023
	RM'm	RM'm	RM'm	RM'm
<b>Profit for the period</b>	18.8	13.8	104.0	82.2
<b>Other comprehensive income:</b>				
(Loss)/gain on fair value of other investments	(4.5)	4.3	13.2	(1.8)
<b>Total comprehensive income for the period</b>	14.3	18.1	117.2	80.4

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	30 September 2024 RM'm	31 December 2023 RM'm
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	3,054.2	3,090.2
Intangible assets	30.6	39.3
Right-of-use assets	1,020.9	1,071.2
Investments in associates	2.1	0.9
Other investment	64.9	51.7
Other assets	27.9	17.9
Deferred tax assets	185.3	183.1
	4,385.9	4,454.3
<b>Current assets</b>		
Inventories	537.8	553.4
Contract assets	17.6	16.4
Receivables, deposits and prepayments	80.1	98.1
Tax recoverable	-	1.5
Cash and cash equivalents	306.6	99.8
	942.1	769.2
<b>TOTAL ASSETS</b>	<b>5,328.0</b>	<b>5,223.5</b>

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)**

	30 September 2024 RM'm	31 December 2023 RM'm
<b>EQUITY AND LIABILITIES</b>		
Share capital	702.0	702.0
Reserves	1,217.9	1,156.9
<b>TOTAL EQUITY</b>	1,919.9	1,858.9
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	590.0	370.0
Lease liabilities	1,370.7	1,441.7
Payables and accruals	-	4.9
Other liabilities	51.6	48.5
	2,012.3	1,865.1
<b>Current liabilities</b>		
Contract liabilities	73.9	81.7
Borrowings	30.0	50.0
Lease liabilities	173.8	182.2
Payables and accruals	1,115.7	1,185.6
Current tax liability	2.4	-
	1,395.8	1,499.5
<b>TOTAL LIABILITIES</b>	3,408.1	3,364.6
<b>TOTAL EQUITY AND LIABILITIES</b>	5,328.0	5,223.5

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Non-distributable		Distributable	Total equity RM'm
	Share capital RM'm	Fair value reserve RM'm	Retained earnings RM'm	
<b>At 1 January 2024</b>	702.0	50.7	1,106.2	1,858.9
Total comprehensive income for the period	-	13.2	104.0	117.2
Final dividend in respect of year ended 31 December 2023	-	-	(56.2)	(56.2)
<b>At 30 September 2024</b>	<u>702.0</u>	<u>63.9</u>	<u>1,154.0</u>	<u>1,919.9</u>
<b>At 1 January 2023</b>	702.0	57.4	1,047.6	1,807.0
Total comprehensive income for the period	-	(1.8)	82.2	80.4
Final dividend in respect of year ended 31 December 2022	-	-	(56.2)	(56.2)
<b>At 30 September 2023</b>	<u>702.0</u>	<u>55.6</u>	<u>1,073.6</u>	<u>1,831.2</u>

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	Cumulative Period Ended	
	30 September 2024 RM'm	30 September 2023 RM'm
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	166.2	140.1
Adjustments for:		
Depreciation and amortisation	313.0	316.4
Other non-cash items	(9.1)	(10.7)
Interest expense	73.0	80.0
Finance income	(5.2)	(7.9)
Dividend income	(1.3)	(1.0)
Operating profit before changes in working capital	536.6	516.9
Changes in working capital	(56.5)	(68.1)
Cash generated from operations	480.1	448.8
Tax paid	(60.5)	(75.1)
<b>Net cash generated from operating activities</b>	419.6	373.7
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment and intangible assets	(150.4)	(282.2)
Proceeds from disposal of property, plant and equipment	1.9	1.3
Dividend received	1.3	1.0
Finance income received	5.2	7.9
<b>Net cash used in investing activities</b>	(142.0)	(272.0)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of lease liabilities	(139.1)	(122.3)
Net drawdown of borrowings	200.0	141.6
Interest paid	(75.3)	(77.7)
Dividend paid <sup>^</sup>	(56.4)	(56.0)
<b>Net cash used in financing activities</b>	(70.8)	(114.4)
<b>Net change in cash and cash equivalents</b>	206.8	(12.7)
<b>Cash and cash equivalents at 1 January</b>	99.8	237.5
<b>Cash and cash equivalents at 30 September</b>	306.6	224.8

<sup>^</sup> As at 30 September 2023, there is dividend payable amounting RM0.2 million in relation to final dividend declared for financial year ended 31 December 2022. The dividend payable has been paid as at 30 September 2024.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

**PART A – EXPLANATORY NOTES PURSUANT TO  
MALAYSIAN FINANCIAL REPORTING STANDARD 134**

**1 Basis of Preparation**

The unaudited quarterly report has been prepared in accordance with the reporting requirements as set out in Malaysian Financial Reporting Standard (“MFRS”) 134 “Interim Financial Reporting”, Paragraph 9.22 and Appendix 9B of the Bursa Malaysia Securities Berhad Main Market Listing Requirements (“Bursa Securities Listing Requirements”) and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023.

**2 Significant Accounting Policies**

The accounting policies and methods adopted for the unaudited condensed financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2023 except for the adoption of the following Amendments to Standards during the current financial period:

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*

Malaysian Accounting Standards Board had issued the following amendments and new standards which are effective for the following financial years:

(i) Financial year beginning on or after 1 January 2025:

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

(ii) Financial year beginning on or after 1 January 2026:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures*)
- Annual Improvements to MFRS Accounting Standards – Volume 11

(iii) Financial year beginning on or after 1 January 2027:

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosure*

(iv) Effective date yet to be confirmed:

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Company plans to apply the abovementioned accounting standards, interpretation and amendments in the respective financial years when the above accounting standards, interpretation and amendments become effective where applicable.



QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

**PART A – EXPLANATORY NOTES PURSUANT TO  
MALAYSIAN FINANCIAL REPORTING STANDARD 134 (continued)**

**3 Seasonal/Cyclical Factors**

The operations of the Company typically experience higher customer count, transaction value and sales during weekends, public holidays, school holidays and festive seasons.

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

There were no unusual items affecting the assets, liability, equity, net income or cash flows for the financial period ended 30 September 2024.

**5 Material Changes in Estimates**

There were no material changes in estimates of amounts reported in prior financial year that have a material effect for the financial period ended 30 September 2024.

**6 Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the financial period ended 30 September 2024, other than as disclosed in this quarterly report.

**7 Dividends Paid**

During the financial period ended 30 September 2024, the final single-tier dividend of 4.0 sen per ordinary share in respect of the financial year ended 31 December 2023 amounting to RM56,160,000 was paid on 20 June 2024.

**8 Material Events Subsequent to End of Financial Period**

There were no material events subsequent to end of financial period to be disclosed in the financial statements for the financial period ended 30 September 2024, other than as disclosed in this quarterly report.

**9 Effects of Changes in the Composition of the Company**

There were no changes in the composition of the Company for the financial period ended 30 September 2024.

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

**PART A – EXPLANATORY NOTES PURSUANT TO  
MALAYSIAN FINANCIAL REPORTING STANDARD 134 (continued)**

**10 Operating Segments**

The operating segments analysis is as follows:

	Retailing		Property Management Services		Total	
	Period ended		Period ended		Period ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023	30 September 2024	30 September 2023
	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm
Revenue	2,639.4	2,595.3	551.9	500.4	3,191.3	3,095.7
Segmental profit	46.0	32.9	219.0	201.1	265.0	234.0
Less: Unallocated expenses					(32.2)	(21.8)
Profit from operations					232.8	212.2
Interest expense						
- Lease interest					(58.2)	(65.1)
- Interest charges					(14.8)	(14.9)
Finance income					5.2	7.9
Share of results of associate					1.2	-
Profit before tax					166.2	140.1
Tax expense					(62.2)	(57.9)
Profit for the period					104.0	82.2

\* As part of the Company's re-alignment of segmental operating result, the comparatives are restated by re-allocating expenses across the segments.

**11 Revenue**

	Quarter ended		Period ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
	RM'm	RM'm	RM'm	RM'm
Sale of goods	729.8	693.6	2,301.5	2,245.1
Net commission from concessionaire sales	79.1	82.5	295.0	306.9
Property management services	182.9	167.9	558.0	506.4
Others	11.2	11.9	36.8	37.3
	1,003.0	955.9	3,191.3	3,095.7

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

**PART A – EXPLANATORY NOTES PURSUANT TO  
MALAYSIAN FINANCIAL REPORTING STANDARD 134 (continued)**

**12 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 of the total aggregate amount which had been mandated by the shareholders during the Annual General Meeting held on 23 May 2024.

**13 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 2023.

**14 Capital Commitments**

Capital commitments not provided for in the financial statements as at the end of the financial period are as follows:

	<b>30 September 2024</b>	<b>31 December 2023</b>
	<b>RM'm</b>	<b>RM'm</b>
Property, plant and equipment		
Contracted but not provided for and not payable	139.5	13.8

**15 Fair value measurements**

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

**PART A – EXPLANATORY NOTES PURSUANT TO  
MALAYSIAN FINANCIAL REPORTING STANDARD 134 (continued)**

**15 Fair value measurements (continued)**

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their carrying amounts shown in the statement of financial position.

	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Carrying amount RM'm
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	
<b>30 September 2024</b>							
<b>Financial Asset</b>							
Investment in quoted equities	64.9	-	-	-	-	-	64.9
<b>Financial Liabilities</b>							
Borrowings	-	-	-	-	-	(627.6)	(620.0)

	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Carrying amount RM'm
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	
<b>31 December 2023</b>							
<b>Financial Asset</b>							
Investment in quoted equities	51.7	-	-	-	-	-	51.7
<b>Financial Liabilities</b>							
Borrowings	-	-	-	-	-	(429.7)	(420.0)

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS**

**1 Review of Performance**

- a. Performance of the current quarter (Third Quarter FY24) against the corresponding quarter (Third Quarter FY23)

	Quarter Ended 30 September 2024	Quarter Ended 30 September 2023	Changes %
	RM'm	RM'm	
Revenue by segment:			
Retail business	822.1	789.9	4.1%
Property management services	180.9	166.0	9.0%
Total Revenue	1,003.0	955.9	4.9%
Profit from operations	49.0	55.8	-12.2%
Profit before tax	25.9	28.9	-10.4%

For the current quarter, the Company registered a total revenue of RM1,003.0 million, 4.9% higher as compared to corresponding quarter of RM955.9 million.

Retail business recorded revenue at RM822.1 million, 4.1% higher compared to corresponding quarter of RM789.9 million, supported by higher consumer spending.

Property management services recorded revenue at RM180.9 million, 9.0% higher compared to corresponding quarter of RM166.0 million. The growth was contributed by improvement in occupancy rate and effective rental renewals.

Profit before tax declined by 10.4% from corresponding quarter of RM28.9 million to current quarter of RM25.9 million as the corresponding quarter included one-off gain on lease de-recognition of Kota Bharu land amounting RM15.1 million. Normalising the one-off gain, current quarter's profit before tax grew by RM12.1 million, contributed by higher revenue.

- b. Performance of the current quarter (Third Quarter FY24) against the preceding quarter (Second Quarter FY24)

	Current Quarter 30 September 2024	Preceding Quarter 30 June 2024	Changes %
	RM'm	RM'm	
Revenue by segment:			
Retail business	822.1	836.8	-1.8%
Property management services	180.9	184.1	-1.7%
Total Revenue	1,003.0	1,020.9	-1.8%
Profit from operations	49.0	66.8	-26.6%
Profit before tax	25.9	45.5	-43.1%

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS (continued)**

**1 Review of Performance (continued)**

- b. Performance of the current quarter (Third Quarter FY24) against the preceding quarter (Second Quarter FY24) (continued)

For the current quarter, the Company registered a total revenue of RM1,003.0 million, 1.8% lower as compared to preceding quarter of RM1,020.9 million.

Retail business recorded revenue at RM822.1 million, 1.8% lower compared to preceding quarter of RM836.8 million. The decline in revenue was mainly due to higher preceding quarter's festive sales.

Property management services recorded revenue at RM180.9 million, 1.7% lower compared to preceding quarter of RM184.1 million. The decline was mainly from higher sales commission in preceding quarter driven by festivities.

The Company's profit before tax for the current quarter of RM25.9 million, 43.1% lower compared to preceding quarter of RM45.5 million, mainly driven by lower revenue from festive items.

- c. Performance of the current period (YTD September 2024) against the corresponding period (YTD September 2023)

	Period Ended 30 September 2024	Period Ended 30 September 2023	Changes %
	RM'm	RM'm	
Revenue by segment:			
Retail business	2,639.4	2,595.3	1.7%
Property management services	551.9	500.4	10.3%
Total Revenue	3,191.3	3,095.7	3.1%
Profit from operations	232.8	212.2	9.7%
Profit before tax	166.2	140.1	18.6%

For the current period, the Company registered a total revenue of RM3,191.3 million, 3.1% higher as compared to corresponding period of RM3,095.7 million.

Retail business recorded revenue at RM2,639.4 million, 1.7% higher compared to corresponding period of RM2,595.3 million, supported by higher customer spending.

Property management services recorded revenue at RM551.9 million, 10.3% higher compared to corresponding period of RM500.4 million. The growth was contributed by improvement in occupancy rate and effective rental renewal.

The Company registered a profit before tax of RM166.2 million for the period compared to corresponding period of RM140.1 million, which recorded 18.6% increase, contributed by higher revenue and gross margin.

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**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS (continued)**

**2 Prospects for the Financial Year Ending 31 December 2024 (FY2024)**

Despite the heightened geopolitical tensions and recent global economic uncertainties, Ministry of Finance Malaysia expects GDP growth of 4.8% to 5.3% in 2024, reflecting a stable labour market, moderate inflation, accommodative fiscal and monetary policies as well as continuous recovery in tourism contributing to expansionary momentum of the domestic economy. Backed by stronger domestic demand, AEON sees progressive improvements while expects challenging conditions to persist given the lingering subdued consumer sentiment and constrained purchasing power.

In conjunction with AEON’s 40th Anniversary celebration and its Vision “to create more smiles and connect to the hearts” of our customers, a series of promotional events, activities and reward programmes, in collaboration with our tenant partners and suppliers, have been rolled out in FY2024. For the upcoming festive season, AEON’s malls and stores are adorned with festive decorations alongside attractive promotions and product assortments, to offer an enhanced shopping experience and maximise catchment.

Looking ahead, the Company remains focused on executing its strategic priorities, both on the retail business and property management services front, accelerate digital initiatives, grow private brands, create more AEON Living Zones in local community, implement sustainability initiatives while managing operating cost efficiently.

**3 Profit Forecast/Profit Guarantee**

Not applicable as the Company did not publish any profit forecast or profit guarantee.

**4 Tax expense**

Tax expense comprises:

	Quarter ended		Period ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
	RM'm	RM'm	RM'm	RM'm
Current tax expense	7.5	9.7	64.4	65.6
Deferred tax expense	(0.4)	5.4	(2.2)	(7.7)
	7.1	15.1	62.2	57.9

The Company’s effective tax rate is higher than the statutory tax rate mainly due to expenses not deductible for tax purposes. Current quarter included overprovision adjustment upon finalisation of prior year tax filing, meanwhile corresponding quarter included underprovision adjustment of earlier year.

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**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS (continued)**

**5 Notes to the Statement of Profit or Loss**

	Quarter ended		Period ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
	RM'm	RM'm	RM'm	RM'm
Profit before tax is arrived at after charging/(crediting):				
Depreciation and amortisation	64.7	66.5	196.2	208.1
Depreciation of right of use assets	40.6	37.8	116.8	108.3
Interest expense				
- lease interest	19.1	22.4	58.2	65.1
- interest charges	5.9	6.6	14.8	14.9
(Reversal of impairment)/Impairment loss on trade receivables	(0.1)	(1.7)	(0.9)	0.7
Reversal of impairment loss on property, plant and equipment	(0.5)	-	(1.4)	-
Fixed assets written off	0.5	3.7	1.8	4.0
Finance income:				
- interest income	(1.6)	(1.2)	(5.2)	(5.3)
- gain on disposal of unit trusts	-	(0.9)	-	(2.6)
Dividend income	(1.3)	(1.0)	(1.3)	(1.0)

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

**6 Status of Corporate Proposal**

There was no corporate proposal announced but not completed as at the date of this report.

**7 Borrowings and Debt Securities**

	As at 30 September 2024		
	Long term RM denomination	Short term RM denomination	Total borrowings RM denomination
	RM'm	RM'm	RM'm
<b>Unsecured</b>			
Islamic Medium Term Notes/ Islamic Commercial Papers	590.0	30.0	620.0
	590.0	30.0	620.0



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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS (continued)**

**7 Borrowings and Debt Securities (continued)**

	As at 30 September 2023		
	Long term	Short term	Total borrowings
	RM denomination	RM denomination	RM denomination
	RM'm	RM'm	RM'm
<b>Unsecured</b>			
Term loan	-	69.4	69.4
Islamic Medium Term Notes	370.0	200.0	570.0
	370.0	269.4	639.4

- (i) There was no outstanding term loan as at 30 September 2024. Outstanding term loans as at 30 September 2023 amounted to RM69.4 million which bear interest ranging from 2.99% to 3.03% per annum and repayable on a quarterly basis.
- (ii) The unsecured Islamic Medium Term Notes (“IMTN”) and Islamic Commercial Papers (“ICP”) bear interest rate ranging from 3.88% to 4.41% (2023: 3.15% to 4.41%) per annum.

On 16 August 2024, the Company issued the first series of IMTN amounting RM220.0 million with tenure of 5 years and ICP amounting RM30.0 million with tenure of 6 months under the ICP and IMTN programme established on 2 July 2024.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS (continued)**

**8 Changes in Material Litigation**

On 2 March 2021, the Company received a legal suit from Betanaz Properties Sdn. Bhd. (“Plaintiff”). The Plaintiff alleged that the Company did not comply with its obligations under the Tenancy Agreement dated 24 August 2017 (“Tenancy Agreement”) to fulfill the conditions precedent under the Tenancy Agreement and had wrongfully terminated the Tenancy Agreement. The Plaintiff is seeking for, among others, the following reliefs:

- (i) Rental payment payable to the Plaintiff for the tenancy period between 1 April 2020 to 17 December 2021 and for the initial term of ten (10) years of the lease amounting to a total sum of RM59,302,302.97; or
- (ii) Expenditure allegedly incurred by the Plaintiff for the project, including but not limited to site clearance and earthworks, consultancy fees, financing costs and other incidental costs arising from the banking facilities and others costs amounting to RM18,936,207.76.

On 29 March 2021, the Company filed and served its defence against the Plaintiff. Further, the Company, as the plaintiff, filed a counterclaim against Betanaz Properties Sdn. Bhd. as the first defendant, and Ahmad Zaki Resources Berhad (“AZRB”) as the second defendant due to the non-fulfillment of the condition precedents on the part of the defendants prior to the expiry of the respective conditional periods and the Tenancy Agreement and Commercial Agreement dated 24 August 2017 had been rendered void due to the expiry of the conditional periods on 23 October 2020 and 23 January 2020 respectively.

The Company is claiming, among others, the return or payment of approximately RM2,303,087.00 being the consultation fees for the project from the Plaintiff as first defendant and approximately RM28,415,094.44 being the contribution towards the construction of the bridge connecting Bandar Kuantan to Bandar Putra, Tanjung Lumpur, Pahang (“Bridge”), from AZRB as the second defendant.

AZRB further filed the application to strike out the Company’s counterclaim against AZRB on 7 May 2021 and on 22 October 2021, the High Court allowed AZRB’s application to strike out the Company’s counterclaim against AZRB on the basis that the bridge across the Kuantan River, connecting Bandar Kuantan to Bandar Putra, Tanjung Lumpur (“Bridge”) was completed and the Company’s counterclaim is not sustainable.

On 26 October 2021, the Company filed and served the Notice of Appeal against the decision of the High Court judge and the hearing date is fixed on 9 May 2022.

Pursuant to the Company’s appeal against the High Court’s decision to allow AZRB’s application to strike out the Company’s counterclaim against AZRB on 9 May 2022, the Court of Appeal has decided in favor of the Company, and as a result, AZRB will be reinstated as a party to the Company’s counterclaim as the second defendant in the trial for the Main Suit. Subsequently on 13 June 2022, the Court agreed to bring forward the trial dates for the Main Suit to 6 to 7 July 2023 and 3 to 4 August 2023, respectively.

The trial for the Main Suit has commenced on 6 and 7 July 2023 and the Court had vacated the trial dates fixed on 3 and 4 August 2023. The Court had subsequently fixed further trial dates for the continuation of the trial from September 2023 to August 2024.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS (continued)**

**8 Changes in Material Litigation (continued)**

The Trial was concluded on 28 August 2024. Parties shall be required to file their respective written submissions on or before 30 November 2024 and the Decision for this matter is expected to be delivered in December 2024.

Based on the advice by the Company’s legal counsel, the Directors are of the view that the Plaintiff is not entitled to the reliefs because the Tenancy Agreement and Commercial Agreement dated 24 August 2017 had been rendered void due to the expiry of the conditional periods on 23 October 2020 and 23 January 2020 respectively. In addition, the damages sought by the Plaintiff in relation to the rental are contradictory to the Rules of Court as the said category of claim is general damages which should not have been quantified as if it were special damages. Hence, provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

**9 Dividend**

No dividend was proposed or declared for the financial period ended 30 September 2024.

**10 Qualification of the Preceding Audited Annual Financial Statements**

There was no qualification to the preceding audited annual financial statements for the financial year ended 31 December 2023.

**11 Earnings Per Share**

	Quarter ended		Period ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
Profit attributable to the owners for the period (RM'm)	18.8	13.8	104.0	82.2
Weighted average number of ordinary shares in issue ('m)	1,404	1,404	1,404	1,404
Basic earnings per ordinary share (sen)	1.34	0.98	7.41	5.85

Diluted earnings per share is not applicable for the Company.