

# Financial Statements

for the year ended 28 February 2005

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# Directors' Report

## for the year ended 28 February 2005

The Directors have pleasure in submitting their report and the audited financial statements of the Company for the year ended 28 February 2005.

## Principal activities

The Company is principally engaged in the operations of a chain of superstores selling a broad range of goods ranging from clothing, food, household goods, other merchandise and shopping center operation. There has been no significant change in the nature of these activities during the financial year.

## Change of name

On 2 September 2004, the Company changed its name from Jaya Jusco Stores Bhd. to AEON CO. (M) BHD..

## Results

Net profit for the year

**RM'000**

64,247

## Reserves and provisions

There were no material transfers to or from reserves and provisions during the year under review except as disclosed in the financial statements.

## Dividend

Since the end of the previous financial year, the Company paid a first and final dividend of 20% less tax of 28%, amounting to RM12,636,000 in respect of the year ended 29 February 2004 on 22 July 2004.

The first and final dividend recommended by the Directors in respect of the year ended 28 February 2005 is 12% less tax of 28%, amounting to RM15,163,200, which is subject to the approval of members at the forthcoming Annual General Meeting of the Company.

## Directors of the Company

Directors who served since the date of the last report are:

Dato' Abdullah bin Mohd Yusof

Toshiji Tokiwa

Soichi Okazaki

Masato Yokoyama

Tatsuichi Yamaguchi

Ramli bin Ibrahim

Brig. Jen. (B) Dato' Mohd Idris bin Saman

Datuk Zawawi bin Mahmuddin

Dato' Chew Kong Seng @ Chew Kong Huat

Nagahisa Oyama (appointed as Alternate Director to Soichi Okazaki with effect from 28.4.2005)

The holdings and deemed holdings in the ordinary shares of the Company and of its related corporations of those who were Directors at year end as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of RM1 each			
	At 1.3.2004	Bonus issue	Sold	At 28.2.2005
Shareholdings in which Directors have direct interest in the Company				
Dato' Abdullah bin Mohd Yusof	154,000	154,000	-	308,000
Soichi Okazaki	15,000	15,000	-	30,000
Masato Yokoyama	15,000	15,000	-	30,000
Shareholdings in which Directors have indirect interest in the Company				
Dato' Abdullah bin Mohd Yusof	5,676,000	5,600,000	(3,626,000)	7,650,000
Ramli bin Ibrahim	140,000	140,000	-	280,000

None of the other Directors holding office at 28 February 2005 had any interest in the ordinary shares of the Company or of its related corporations during the financial year.

## Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except for certain Directors who may be deemed to derive a benefit by virtue of those transactions, advisory services and tenancy between the Company and corporations in which the Directors are deemed to have interest.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## Issue of shares

During the financial year, the Company increased its authorised share capital from RM100,000,000 divided into 100,000,000 ordinary shares of RM1.00 each to RM500,000,000 divided into 500,000,000 ordinary shares of RM1.00 each.

During the financial year, the Company increased its issued and paid up capital from RM87,750,000 to RM175,500,000 by way of bonus issue of 87,750,000 ordinary shares of RM1.00 each on the basis of one (1) new ordinary share for every one (1) existing ordinary share.

There were no other changes in the issued and paid-up capital of the Company during the financial year.

## Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

## Significant event during the financial year

During the financial year, the Company entered into the following Sale and Purchase Agreements:-

- i) The acquisition of a piece of vacant land located in Mukim of Tebrau, District of Johor Bahru, for RM39,241,050 for the purpose of constructing a new shopping center.
- ii) The acquisition of a piece of freehold land located in Mukim of Cheras, District of Ulu Langat, for RM10,500,000 to be part of the development of a shopping center.

## Other statutory information

Before the financial statements of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) all current assets have been stated at the lower of cost and net realisable value.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts in the financial statements of the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Company misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Company that has arisen since the end of the financial year.

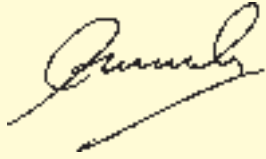
No contingent liability or other liability of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

In the opinion of the Directors, the results of the operations of the Company for the financial year ended 28 February 2005 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

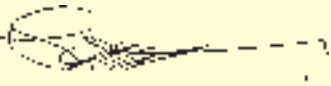
## Auditors

The auditors, Messrs KPMG Desa Megat & Co., have indicated their willingness to accept re-appointment.

Signed in accordance with a resolution of the Directors:



.....  
Dato' Abdullah bin Mohd Yusof



.....  
Soichi Okazaki

Kuala Lumpur,  
Date: 28 April 2005

# Balance Sheet

at 28 February 2005

	Note	2005 RM'000	2004 RM'000
<b>Property, plant and equipment</b>	2	756,335	692,850
<b>Investments</b>	3	175	175
<b>Current assets</b>			
Inventories	4	139,296	146,278
Trade and other receivables	5	26,677	30,457
Cash and cash equivalents	6	92,363	82,609
		258,336	259,344
<b>Current liabilities</b>			
Trade and other payables	7	413,549	408,956
Borrowings (unsecured)	8	307	-
Taxation		12,751	6,763
		426,607	415,719
<b>Net current liabilities</b>		(168,271)	(156,375)
		588,239	536,650
<b>Financed by:</b>			
<b>Capital and reserves</b>			
Share capital	9	175,500	87,750
Reserves	10	388,310	424,578
<b>Shareholders' funds</b>		563,810	512,328
<b>Long term and deferred liabilities</b>			
Deferred tax liabilities	11	24,429	24,322
		588,239	536,650

- The financial statements were approved and authorised for issue by the Board of Directors on 28 April 2005.

- The notes set out on pages 54 to 68 form an integral part of, and should be read in conjunction with, these financial statements.

# Income Statement

for the year ended 28 February 2005

	Note	2005 RM'000	2004 RM'000
<b>Revenue</b>		1,784,564	1,523,781
Other operating income		900	724
Changes in inventories		(6,982)	31,545
Net purchases		(1,306,326)	(1,149,143)
Staff costs	13	(93,862)	(80,821)
Depreciation		(55,273)	(43,720)
Operating expenses		(223,445)	(187,095)
<b>Operating profit</b>	12	99,576	95,271
Interest expense	14	(987)	(44)
Interest income		421	1,061
<b>Profit before taxation</b>		99,010	96,288
Tax expense	15	(34,763)	(32,700)
<b>Net profit for the year</b>		64,247	63,588
Basic earnings per ordinary share (sen)	16	36.6	36.2
Dividend per ordinary share – net (sen)	17	8.6	14.4

The notes set out on pages 54 to 68 form an integral part of, and should be read in conjunction with, these financial statements.

# Statement of Changes in Equity

for the year ended 28 February 2005

	Note	Share capital RM'000	Non-distributable Share premium RM'000	Revaluation reserve RM'000	Distributable Retained profits RM'000	Total RM'000
<b>At 1 March 2003</b>		87,750	108,488	35,199	229,939	461,376
Net profit for the year		-	-	-	63,588	63,588
Dividend - 2003 final	17	-	-	-	(12,636)	(12,636)
Net gains and losses not recognised in the income statement:						
Transfer from revaluation reserve to retained profits		-	-	(517)	517	-
<b>At 29 February 2004 / 1 March 2004</b>		87,750	108,488	34,682	281,408	512,328
Net profit for the year		-	-	-	64,247	64,247
Dividend - 2004 final	17	-	-	-	(12,636)	(12,636)
Issuance of shares for bonus issue		87,750	(87,750)	-	-	-
Net gains and losses not recognised in the income statement:						
Transfer from revaluation reserve to retained profits		-	-	(517)	517	-
Bonus issue expenses		-	(129)	-	-	(129)
<b>At 28 February 2005</b>		175,500	20,609	34,165	333,536	563,810
	Note 9	Note 10	Note 10	Note 10	Note 10	

The notes set out on pages 54 to 68 form an integral part of, and should be read in conjunction with, these financial statements.



# Cash Flow Statement

for the year ended 28 February 2005

	2005 RM'000	2004 RM'000
Cash flows from operating activities		
Profit before taxation	99,010	96,288
Adjustments for:		
Depreciation	55,273	43,720
Interest expense	987	44
Interest income	(421)	(1,061)
(Gain) / Loss on disposal of property, plant and equipment	(15)	106
Property, plant and equipment written off	407	144
Operating profit before working capital changes	155,241	139,241
Changes in working capital:		
Inventories	6,982	(31,545)
Trade and other receivables	3,780	(6,778)
Trade and other payables	4,593	109,627
Cash generated from operations	170,596	210,545
Income taxes paid	(28,668)	(27,795)
Net cash generated from operating activities	141,928	182,750
Cash flows from investing activities		
Purchase of property, plant and equipment	(119,237)	(175,696)
Proceeds from disposal of property, plant and equipment	87	97
Interest received	421	1,061
Net cash used in investing activities	(118,729)	(174,538)
Cash flows from financing activities		
Dividend paid to shareholders of the Company	(12,636)	(12,636)
Interest paid	(987)	(44)
Bonus issue expenses	(129)	-
Net cash used in financing activities	(13,752)	(12,680)
Net increase / (decrease) in cash and cash equivalents	9,447	(4,468)
Cash and cash equivalents at beginning of year	82,609	87,077
Cash and cash equivalents at end of year	92,056	82,609
Cash and cash equivalents comprise:		
Cash and bank balances	29,663	23,709
Deposits with licensed financial institutions	62,700	58,900
Bank Overdraft	(307)	-
	92,056	82,609

The notes set out on pages 54 to 68 form an integral part of, and should be read in conjunction with, these financial statements.

# Notes to the Financial Statements

## 1. Summary of significant accounting policies

The following accounting policies are adopted by the Company and are consistent with those adopted in the previous years.

### (a) Basis of accounting

The financial statements of the Company are prepared on the historical cost basis except as disclosed in the notes to the financial statements and in compliance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

### (b) Affiliated company

An affiliated company is a company that holds a long term equity interest of 20% to 50% in the Company.

### (c) Property, plant and equipment

Property, plant and equipment except for freehold land and construction work-in-progress are stated at cost/valuation less accumulated depreciation and accumulated impairment losses, if any.

Surpluses arising from revaluation are dealt with in the property revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount is charged to the income statement.

Property, plant and equipment retired from active use and held for disposal are stated at the carrying amount at the date when the asset is retired from active use, less impairment losses, if any.

#### Depreciation

Freehold land and construction work-in-progress are not amortised. Long term leasehold land is amortised over a period of 95-99 years. Buildings are depreciated on a straight-line basis over the shorter of 50 years or the lease period. The straight-line method is used to write off the cost of the other assets over the term of their estimated useful lives at the following principal annual rates:

Buildings	2% - 5%
Structures	10%
Office equipment	10%
Machinery and equipment	10% - 20%
Furniture, fixtures and fittings	20%
Motor vehicles	20%
IT equipment	20%

### (d) Investments

Long term investments are stated at cost. An allowance is made when the Directors are of the view that there is a diminution in their value which is other than temporary.

### (e) Trade and other receivables

Trade and other receivables are stated at cost less allowance for doubtful debts, where applicable.

### (f) Employee benefits

#### Defined contribution plans

Obligations for contributions to defined contribution plans are recognised as an expense in the income statement as incurred.

### (g) Liabilities

Trade and other payables are stated at cost.

**(h) Inventories**

Inventories are stated at the lower of cost and net realisable value with weighted average cost being the main basis for cost. Cost comprises the weighted average cost of merchandise derived at by using the Retail Inventory Method. Weighted average cost includes related charges incurred in purchasing such merchandise.

**(i) Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statements, cash and cash equivalents are presented net of bank overdrafts.

**(j) Impairment**

The carrying amount of assets, other than inventories and financial assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in the income statement.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and it is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The reversal is recognised in the income statement, unless it reverses an impairment loss on a revalued asset, in which case it is taken to equity.

**(k) Income tax**

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for the initial recognition of assets or liabilities that at the time of the transaction affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

## (l) Foreign currency transactions

Transactions in foreign currencies are translated to Ringgit Malaysia at rates of exchange ruling at the date of the transactions. Assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Ringgit Malaysia at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

The closing rates used in the translation of foreign currency assets and liabilities are as follows:

	2005 RM	2004 RM
Japanese Yen 100	3.50	3.44

## (m) Revenue

### i) Goods sold and services rendered

Revenue from the sale of goods represents gross trading sales, including concessionaires less returns and discounts and is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

Property management services from shopping center operation which include rental income, service charges, sales commissions and distribution center charges earned are recognised on an accrual basis.

### ii) Interest income

Interest income is recognised in the income statement as it accrues, taking into account the effective yield on the asset.

## (n) Expenses

### i) Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

### ii) Interest expenses

All interest and other costs incurred in connection with borrowings are expensed as incurred.

## 2. Property, plant and equipment

	Balance at 1.3.2004 RM'000	Additions RM'000	(Disposal/ Write off) RM'000	Transfer in/(out) RM'000	Balance at 28.2.2005 RM'000
<b>Cost/Valuation</b>					
Freehold land at cost	34,696	47,996	-	4,974	87,666
Leasehold land at valuation	60,761	-	-	-	60,761
Buildings at valuation	126,003	-	-	-	126,003
Leasehold land at cost	58,660	11,362	-	5,585	75,607
Buildings at cost	244,479	512	-	207	245,198
Structures	72,400	10,303	(4)	179	82,878
Office equipment	5,646	954	(67)	18	6,551
Machinery and equipment	160,708	15,626	(2,988)	-	173,346
Furniture, fixtures and fittings	128,621	14,434	(1,747)	-	141,308
Motor vehicles	4,018	412	(44)	-	4,386
IT equipment	260	-	-	-	260
Construction work-in- progress	12,318	17,638	-	(10,963)	18,993
	908,570	119,237	(4,850)	-	1,022,957
<b>Accumulated depreciation</b>					
Leasehold land at valuation	5,926	614	-	-	6,540
Buildings at valuation	24,411	2,520	-	-	26,931
Leasehold land at cost	1,827	616	-	-	2,443
Buildings at cost	34,297	5,620	-	-	39,917
Structures	17,866	7,503	(1)	-	25,368
Office equipment	3,132	540	(58)	-	3,614
Machinery and equipment	45,918	18,520	(2,584)	-	61,854
Furniture, fixtures and fittings	79,792	18,737	(1,697)	-	96,832
Motor vehicles	2,346	586	(31)	-	2,901
IT equipment	205	17	-	-	222
	215,720	55,273	(4,371)	-	266,622

## 2. Property, plant and equipment (continued)

	Net book value		Depreciation
	2005	2004	2004
	RM'000	RM'000	RM'000
Freehold land at cost	87,666	34,696	-
Leasehold land at valuation	54,221	54,835	569
Buildings at valuation	99,072	101,592	2,520
Leasehold land at cost	73,164	56,833	269
Buildings at cost	205,281	210,182	4,657
Structures	57,510	54,534	6,466
Office equipment	2,937	2,514	450
Machinery and equipment	111,492	114,790	12,566
Furniture, fixtures and fittings	44,476	48,829	15,714
Motor vehicles	1,485	1,672	486
IT equipment	38	55	23
Construction work-in-progress	18,993	12,318	-
	<u>756,335</u>	<u>692,850</u>	<u>43,720</u>

One of the buildings of the Company is situated on land belonging to a third party.

The leasehold land and buildings stated at Directors' valuation are based on professional valuation carried out by an independent firm of valuers in February 1995 using the open market value and on an existing use basis. In accordance with the transitional provisions issued by Malaysian Accounting Standards Board ("MASB") upon adoption of International Accounting Standard No. 16 (Revised), "Property, Plant and Equipment", the valuation of these assets have not been updated, and they continue to be stated at their existing carrying amounts less accumulated depreciation.

Had the leasehold land and buildings been carried at historical cost less accumulated depreciation, the carrying amount of the revalued assets that would have been included in the financial statements at the end of the year would be as follows:

	2005	2004
	RM'000	RM'000
Long term leasehold land	9,586	9,702
Buildings	62,234	63,930
	<u>71,820</u>	<u>73,632</u>

## 3. Investments

	2005	2004
	RM'000	RM'000
<b>Long term</b>		
Unquoted shares, at cost		
Golf membership	45	45
Equity investment	130	130
	<u>175</u>	<u>175</u>

#### 4. Inventories

	2005 RM'000	2004 RM'000
At cost:		
Retail merchandise	96,553	103,163
Food and others	42,743	43,115
	<u>139,296</u>	<u>146,278</u>

#### 5. Trade and other receivables

	2005 RM'000	2004 RM'000
Trade receivables	10,208	12,591
Less: Allowance for doubtful debts	(1,276)	(1,076)
	<u>8,932</u>	<u>11,515</u>
Other receivables and prepayments	3,796	3,946
Rental and utility deposits	13,949	14,996
	<u>26,677</u>	<u>30,457</u>

Included in trade receivables is an amount of RM622,032 (2004 - RM719,424) due from companies with common Directors.

Included in other receivables and prepayments is an amount of RM130,359 (2004 - RM165,228) due from companies with common Directors.

No trade receivables had been written off against the allowance for doubtful debts during the year (2004 - RM41,135).

#### 6. Cash and cash equivalents

	2005 RM'000	2004 RM'000
Cash and bank balances	29,663	23,709
Deposits with licensed financial institutions	62,700	58,900
	<u>92,363</u>	<u>82,609</u>

## 7. Trade and other payables

	2005 RM'000	2004 RM'000
Trade payables	276,152	264,169
Other payables and accrued expenses	87,711	82,987
Progress claim from contractors	3,986	20,430
Rental and utility deposits	44,913	40,469
Affiliated company	787	901
	<u>413,549</u>	<u>408,956</u>

The affiliated company is AEON Co., Ltd., a company incorporated in Japan. The amount due to the affiliated company is non-trade in nature, unsecured, interest free and has no fixed terms of repayment.

## 8. Borrowings (unsecured)

	2005 RM'000	2004 RM'000
Bank overdrafts	<u>307</u>	<u>-</u>

The bank overdrafts of the Company are subject to interest varying from 0.5% to 0.625% (2004 - Nil) above the lender's base lending rates.

## 9. Share capital

	2005 RM'000	2004 RM'000
Ordinary shares of RM1.00 each:		
Authorised		
Opening balance	100,000	100,000
Created during the year	400,000	-
Closing balance	<u>500,000</u>	<u>100,000</u>
Issued and fully paid		
Opening balance	87,750	87,750
Bonus issue	87,750	-
Closing balance	<u>175,500</u>	<u>87,750</u>



## 10. Reserves

	2005 RM'000	2004 RM'000
Non-distributable		
Share premium	20,609	108,488
Revaluation reserve	34,165	34,682
	54,774	143,170
Distributable		
Retained profits	333,536	281,408
	388,310	424,578

Subject to agreement of the Inland Revenue Board, the Company has sufficient Section 108 tax credit and tax exempt income to frank all of its retained profits at 28 February 2005 if paid out as dividends.

## 11. Deferred tax liabilities

Movement in deferred tax liabilities (prior to offsetting of balances) during the year are as follows:

	At 1.3.2004 RM'000	Credited to income statement (Note 15) RM'000	At 28.2.2005 RM'000
<b>Deferred tax liabilities</b>			
Property, plant and equipment			
- capital allowance	11,008	880	11,888
- revaluation	13,488	(202)	13,286
	24,496	678	25,174
<b>Deferred tax assets</b>			
Provisions / allowance	(174)	(571)	(745)
	24,322	107	24,429

Deferred tax liabilities and assets are offset above where there is a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred taxes relate to the same taxation authority.

## 12. Operating profit

	2005 RM'000	2004 RM'000
Operating profit is arrived at after crediting:		
Gain on disposal of property, plant and equipment	15	-
Rental income on shopping center operation	117,365	100,891
and after charging:		
Allowance for doubtful debts	200	-
Auditors' remuneration	120	120
Bad debts written off	-	68
Depreciation	55,273	43,720
Directors' emoluments		
- remuneration	852	876
- fees	1,048	930
Loss on disposal of property, plant and equipment	-	106
Property, plant and equipment written off	407	144
Rental expense		
- land	1,048	1,022
- buildings	36,825	31,725
- equipment	61	6
- fixtures and fittings	325	358
- hostel	130	830
Royalty payable to affiliated company	9,295	8,061

The estimated monetary value of other benefits not included in salaries and other emoluments received by the Directors of the Company is RM39,300 (2004 - RM35,700).

## 13. Employee information

	2005 RM'000	2004 RM'000
Salaries and wages	83,943	72,091
EPF contributions	9,919	8,730
Staff costs	93,862	80,821

The average number of full time employees in the Company during the financial year was 4,686 (2004 - 3,962).

## 14. Interest expense

	2005 RM'000	2004 RM'000
Bank overdrafts	40	12
Other borrowings	947	32
	987	44

## 15. Tax expense

	2005 RM'000	2004 RM'000
Current tax expense	34,656	28,901
Deferred tax expense (Note 11)		
- Origination and reversal of temporary differences	107	3,799
Total tax expense	34,763	32,700

### Reconciliation of effective tax expense

	2005 RM'000	2004 RM'000
Profit before taxation	99,010	96,288
Income tax using Malaysian tax rate	27,723	26,960
Non-deductible expenses	7,040	5,740
Tax expense	34,763	32,700

## 16. Basic earnings per ordinary share

Basic earnings per share is calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

	2005	2004
Net profit attributable to ordinary shareholders (RM'000)	64,247	63,588
<i>Weighted average number of ordinary shares</i>		
Issued ordinary shares at beginning of the year ('000)	87,750	87,750
Effects of bonus issue ('000)	87,750	87,750
Weighted average number of ordinary shares ('000)	175,500	175,500

As the bonus issue during the current financial year is via capitalisation of share premium reserve, the effects of the bonus issue have been adjusted in deriving the comparative figure.

## 17. Dividend

	2005 RM'000	2004 RM'000
Ordinary		
Final paid:		
2004 - 20% per share less 28% tax		
(2003 - 20% per share less 28% tax)	12,636	12,636

The proposed first and final dividend of 12% per share less 28% tax, amounting to RM15,163,200 has not been accounted for in the financial statements.

## 18. Segmental reporting

Segment information is presented in respect of the Company's business segment. The primary format, business segments, is based on the Company's management and internal reporting structure. There is no segmental analysis by geographical location as the Company's operations are principally located in Malaysia.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest-earning assets and revenue and income taxes.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

## Business segments

The Company comprises the following main business segments:

Retailing	The operations of a chain of superstores selling clothing, food, household goods and other merchandise.
Property management services	Shopping center operation and distribution center charges earned.

The business segment analysis is as follows:

	Retailing		Property Management Services		Total	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
<i>Business segments</i>						
Revenue from external customers	1,648,475	1,406,242	136,089	117,539	1,784,564	1,523,781
<b>Total revenue</b>	<b>1,648,475</b>	<b>1,406,242</b>	<b>136,089</b>	<b>117,539</b>	<b>1,784,564</b>	<b>1,523,781</b>
Operating profit	69,418	63,680	30,158	31,591	99,576	95,271
Interest expense					(987)	(44)
Interest income					421	1,061
Profit before taxation					99,010	96,288
Tax expense					(34,763)	(32,700)
<b>Net profit for the year</b>					<b>64,247</b>	<b>63,588</b>
<b>Segment assets</b>	<b>346,883</b>	<b>351,011</b>	<b>605,263</b>	<b>542,458</b>	<b>952,146</b>	<b>893,469</b>
Unallocated assets					62,700	58,900
<b>Total assets</b>					<b>1,014,846</b>	<b>952,369</b>
<b>Segment liabilities</b>	<b>(348,811)</b>	<b>(328,987)</b>	<b>(65,045)</b>	<b>(79,969)</b>	<b>(413,856)</b>	<b>(408,956)</b>
Unallocated liabilities					(37,180)	(31,085)
<b>Total liabilities</b>					<b>(451,036)</b>	<b>(440,041)</b>
Capital expenditure	37,666	55,087	81,571	120,609	119,237	175,696
Depreciation	36,967	29,275	18,306	14,445	55,273	43,720
Non-cash expenses other than depreciation	403	106	204	38	607	144

## 19. Operating leases

### *Leases as lessee*

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2005 RM'000	2004 RM'000
Less than one year	31,092	29,927
Between one and five years	136,267	133,860
More than five years	150,607	186,522
	<u>317,966</u>	<u>350,309</u>

The Company leases a number of land and buildings under operating leases. The leases have initial periods ranging from 9 to 25 years, with an option to renew the respective leases for another 4 to 15 years.

Other than the above, the Company also leases two levels of store space in a shopping mall under an operating lease. The lease is for an initial period of twelve years, with an option to renew the lease for another twelve years. The Company also has the option to terminate the lease after the third year in the event certain conditions stipulated in the lease agreement is not fulfilled. The rental is based on the gross monthly sales.

## 20. Commitments

	2005 RM'000	2004 RM'000
Capital commitments:		
Property, plant and equipment		
Authorised and contracted for	15,081	32,403
Authorised but not contracted for	306,679	4,318
	<u>321,760</u>	<u>36,721</u>

## 21. Related parties

### **Identity of related parties**

The Company has a related party relationship with its Directors, its affiliated company and the affiliated company's subsidiaries.

### **Transactions with Directors**

Significant transactions and balances with companies in which certain Directors have interest other than those disclosed elsewhere in the financial statements are as follows:

	2005 RM'000	2004 RM'000
<b>Balances</b>		
With companies in which Dato' Abdullah bin Mohd Yusof and Ramli bin Ibrahim have interest:		
Laura Ashley (Malaysia) Sdn. Bhd.		
Amount due from in respect of management fee receivable	12	19
Amount due from in respect of reimbursement of operational payments	118	146
AEON Credit Service (M) Sdn. Bhd.		
Amount due from in respect of sales through easy payment scheme financing	622	719
<b>Transactions</b>		
With companies in which Dato' Abdullah bin Mohd Yusof has interest:		
Abdullah & Zainudin		
Legal fees payable	6	13
With companies in which Dato' Abdullah bin Mohd Yusof and Ramli bin Ibrahim have interest:		
Laura Ashley (Malaysia) Sdn. Bhd.		
Management fee receivable	67	70
Rental income receivable	437	380
With companies in which Dato' Abdullah bin Mohd Yusof and Ramli bin Ibrahim have interest:		
AEON Credit Service (M) Sdn. Bhd.		
Sales through easy payment scheme financing	4,403	4,358

The above transactions have been entered into in the normal course of business and have been established under negotiated terms.

## 21. Related parties (continued)

### Other related party transactions

Significant related party transactions other than those disclosed elsewhere in the financial statements are as follows:

	2005 RM'000	2004 RM'000
<b>Transactions</b>		
Affiliated company		
Royalty expenses	9,295	8,061
Affiliated company's subsidiaries		
Purchase of merchandise	381	-
Consultation fees	126	-

These transactions have been entered into in the normal course of business and have been established under negotiated terms.

## 22. Financial instruments

### Financial risk management objectives and policies

Exposure to credit risk, interest rate risk, foreign currency risk and liquidity risk arises in the normal course of the Company's business. The Company's policies for managing each of these risks are summarised below.

#### Credit risk

The Company has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on shopping center tenants and the Company requires all tenants to place adequate security deposits as stipulated under the tenancy agreement. At balance sheet date, the Company does not have any major concentration of credit risk on its shopping center tenants. The maximum exposure to credit risk for the Company was represented by the carrying amount of each financial asset.

#### Interest rate risk

The Company's exposure to interest rate risk relates only to its short term borrowings such as overdraft and trade financing facilities. Interest-earning financial assets are mainly deposits placed with financial institutions that generate interest income for the Company.

The management monitors the prevailing interest rates at regular intervals, and maintains an appropriate level of cash and cash equivalents to finance the working capital requirements and mitigate the effects of fluctuation in cash flow and liquidity positions of the Company.

In view of the competitive rates that are available from the prevailing banking facilities granted to the Company to finance its working capital requirements and the prevailing low interest rate scenario, the interest rate risk is not expected to have a material impact on the Company.

#### Foreign currency risk

The Company does not have any significant exposure to foreign currency risk as its transactions and balances are substantially denominated in Ringgit Malaysia.

#### Liquidity risk

The Company monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

## 22. Financial instruments (continued)

The following table shows information about the Company's exposure to interest rate.

### Effective interest rates and repricing analysis

In respect of interest-earning financial assets, the following table indicates their effective interest rate at the balance sheet date and the periods in which they reprice or mature, whichever is earlier:

	Effective interest rate per annum %	2005		Effective interest rate per annum %	2004	
		Total RM'000	Within 1 year RM'000		Total RM'000	Within 1 year RM'000
Financial assets						
Deposits placed with licensed financial institutions	2.60	62,700	62,700	2.69	58,900	58,900
Financial liabilities						
Bank overdrafts	6.50	307	307	-	-	-

### Fair Values

#### Recognised financial instruments

In respect of cash and cash equivalents, trade and other receivables and trade and other payables, the carrying amounts approximate fair value due to the relatively short term nature of these financial instruments.

The aggregate fair values of other financial assets carried on the balance sheet are shown below:

	2005		2004	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
<b>Financial assets</b>				
Long-term investments for which it is:				
Practical to estimate fair value	45	40	45	35
Not practical to estimate fair value	130	-	130	-

It was not practicable to estimate the fair value of an investment representing 13% of the issued ordinary shares of an unquoted company. That investment is carried at its original cost of RM130,000 (2004 - RM130,000) in the balance sheet. At year end, the net tangible assets reported by the unquoted company were RM25,501,000 (2004 - RM17,278,000).

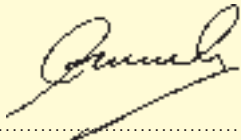


# Statement by Directors

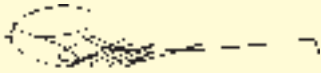
pursuant to Section 169(15) of the Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 50 to 68 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Company at 28 February 2005 and its results and cash flows for the year ended on that date.

Signed in accordance with a resolution of the Directors:



.....  
Dato' Abdullah bin Mohd Yusof



.....  
Soichi Okazaki

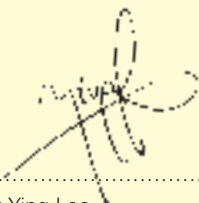
Kuala Lumpur,  
Date: 28 April 2005

# Statutory Declaration

pursuant to Section 169(16) of the Companies Act, 1965

I, **Poh Ying Loo**, the officer primarily responsible for the financial management of AEON CO. (M) BHD. (formerly known as Jaya Jusco Stores Bhd.), do solemnly and sincerely declare that the financial statements set out on pages 50 to 68 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed in Kuala Lumpur on 28 April 2005.



.....  
Poh Ying Loo

Before me:



# Report of the Auditors

to the members of AEON CO. (M) BHD. (formerly known as Jaya Jusco Stores Bhd.)

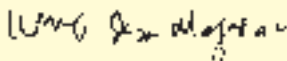
We have audited the financial statements set out on pages 50 to 68. The preparation of the financial statements is the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with section 174 of the Companies Act, 1965, and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

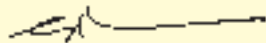
We conducted our audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations which we consider necessary to provide us with evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the Directors as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
  - i) the state of affairs of the Company at 28 February 2005 and its results and cash flows for the year ended on that date; and
  - ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Company; and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company have been properly kept in accordance with the provisions of the said Act.



KPMG Desa Megat & Co.  
Firm Number: AF 0759  
Chartered Accountants



Abdullah Abu Samah  
Partner  
Approval Number: 2013/06/06(J)

Kuala Lumpur,  
Date: 28 April 2005

# Analysis of Shareholdings

analysis of shareholdings as at 29 April 2005

Authorised Share Capital	:	RM500,000,000
Paid-up Share Capital	:	RM175,500,000
Class of Shares	:	Ordinary Share of RM1 each
Voting Rights	:	1 vote per Ordinary Share

Size of Shareholdings	No. of Shareholders/ Depositors	% of Shareholders/ Depositors	No. of Shares Held	% of Issued Capital
1 - 99	78	5.30	1,436	0.00
100 - 1,000	357	24.25	287,664	0.16
1,001 - 10,000	845	57.40	3,029,200	1.73
10,001 - 100,000	131	8.90	4,856,100	2.77
100,001 - 8,774,999	59	4.01	69,989,900	39.88
8,775,000 and above	2	0.14	97,335,700	55.46
TOTAL	1,472	100.00	175,500,000	100.00

Substantial Shareholders as per Register of Substantial Shareholders

No.	Name	No. of shares	Percentage
1	AEON Co., Ltd.	83,711,000	47.6986
2	Employees Provident Fund Board	13,624,700	7.7634

## Directors' Interests

No.	Name	Direct Interest	Indirect Interest
1	Dato' Abdullah Bin Mohd Yusof	308,000	7,620,000
2	Soichi Okazaki	30,000	-
3	Masato Yokoyama	30,000	-
4	Ramli Bin Ibrahim	-	280,000

# List of 30 Largest Shareholders

as at 29 April 2005

No.	Name of Shareholders	No. of Shares	% of shares held
1	AEON Co., Ltd	83,711,000	47.70
2	Employees Provident Fund Board	13,624,700	7.76
3	Amanah Raya Nominees (Tempatan) Sdn Bhd Skim Amanah Saham Bumiputera Permodalan Nasional Berhad	7,591,800	4.33
4	Pelita Dekad Sdn.Bhd.	6,194,000	3.53
5	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	5,814,000	3.31
6	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund D26J for Emerging Markets Global Small Capitalization Fund (TEMMUF )	4,907,500	2.80
7	Amanah Raya Nominees (Tempatan) Sdn Bhd Amanah Saham Wawasan 2020 Permodalan Nasional Berhad	4,579,300	2.61
8	Cartaban Nominees (Asing) Sdn Bhd Nordea Bank Danmark A/S for Unibank S.A.Luxembourg	3,789,600	2.16
9	Amanah Raya Nominees (Tempatan) Sdn Bhd Amanah Saham Didik	3,224,700	1.84
10	HSBC Nominees (Asing) Sdn Bhd BNP Paribas Securities Services Paris for Asian Smaller Companies Fund (AIF PLC)	2,271,000	1.29
11	HSBC Nominees (Asing) Sdn Bhd HSBC-FS for Apollo Asia Fund Ltd	2,000,000	1.14
12	Syarikat Maluri Sdn Bhd	1,865,000	1.06
13	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (Par 2)	1,619,800	0.92
14	CITICORP Nominees (Asing) Sdn Bhd CITITRUST Limited for Invesco Asia Balanced Fund (CBHK)	1,514,000	0.86
15	Status Resources Sdn Bhd	1,326,000	0.76
16	Roshayati Binti Basir	1,210,000	0.69
17	Rozana Zeti Binti Basir	1,210,000	0.69
18	Rozilawati Binti Haji Basir	1,210,000	0.69
19	Takuya Okada	1,200,000	0.68
20	Cartaban Nominees (Asing) Sdn Bhd Government of Singapore Investment Corporation Pte Ltd for Government of Singapore ( C )	1,180,800	0.67
21	Amanah Raya Berhad SBB Double Growth Fund	1,070,000	0.61
22	HSBC Nominees (Asing) Sdn Bhd HSBC-FS for Aberdeen Malaysia Equity Fund	1,070,000	0.61
23	Amanah Raya Nominees (Tempatan) Sdn Bhd Sekim Amanah Saham Nasional Permodalan Nasional Berhad	1,000,000	0.57

No.	Name of Shareholders	No. of Shares	% of shares held
24	Mayban Nominees (Tempatan) Sdn Bhd Mayban Trustees Bhd for Amanah Saham Wanita (N14001980040)	995,200	0.57
25	Manulife Insurance (Malaysia) Berhad	896,000	0.51
26	HSBC Nominees (Asing) Sdn Bhd Genesis Malaysia Maju Fund Limited	860,000	0.49
27	Amanah Raya Nominees (Tempatan) Sdn Bhd Amanah Saham Bank Simpanan Nasional Permodalan BSN Berhad	847,100	0.48
28	MCIS Zurich Insurance Berhad	815,200	0.46
29	Cartaban Nominees (Asing) Sdn Bhd Nordea Bank Danmark A/S for Investeringsforeningen Nordea Invest Global Value	673,600	0.38
30	Cartaban Nominees (Asing) Sdn Bhd Government of Singapore Investment Corporation Pte Ltd for Monetary Authority of Singapore (H)	663,400	0.38
<b>TOTAL</b>		<b>158,933,700</b>	<b>90.56</b>

# Particulars of Properties

Details of the Company's properties as at 28 February 2005 are set out below:

Location	Description/ Existing use	Land/ Built-up area (sq ft)	Date of Acquisition(A)/ Completion (C)/ Revaluation (R)	Approx. age of building (year)	Tenure (Year of expiry for leasehold)	Net book value as at 28/02/2005 (RM'000)
Lot 7041, Mukim of Bukit Baru, District of Melaka Tengah, Melaka.	Leasehold commercial land/ Existing two-storey shopping center Extension/Renovation	436,036/ 200,316 179,989	February 1995 (R)	13  6½	99 years expiring on 19/12/2089	60,405
Lot 23551, Mukim of Setapak, District and State of Wilayah Persekutuan.	Leasehold commercial land/ Two-storey shopping center and three-storey car park	368,516/ 666,694	February 1995 (R)	12	95 years expiring on 28/03/2085	91,644
Lot PT 21441, Mukim of Kapar, District of Klang, Selangor.	Leasehold commercial land/ Two-storey shopping center and two-storey car park	643,753/ 691,414	June 1994 (A)/ October 1995 (C)	9	99 years expiring on 09/05/2093	69,634
Lot PT 162010, Mukim of Ulu Kinta, District of Kinta, Perak.	Freehold land/ Two-storey shopping center and two-storey car park	609,840/ 794,806	April 1996 (A)/ August 1997 (C)	8	Freehold	84,295
Lot 49045, Mukim of Pulai, District of Johor Bahru, Johor.	Freehold land/ Two-storey shopping center including covered car park	377,490/ 483,299	April 2002 (A)/ August 2002 (C)	2½	Freehold	29,277
Lot 4086, Kawasan A, Mukim Batu, Daerah Kuala Lumpur, Wilayah Persekutuan	Leasehold land/ Two-storey shopping center and three-storey car park	410,815/ 906,497	January 2004 (C)	1	99 years expiring on April 2101	93,981
Lot PTD 114179, Mukim of Tebrau, District of Johor Bahru, Johor.	Freehold land	1,308,035	March 2004 (A)	-	Freehold	41,745
Lot PT 41977, Mukim of Cheras, District of Ulu Langat, Selangor.	Leasehold land	550,910	April 2004 (A)	-	99 years expiring on 12/04/2103	14,244
Lot 3144, Mukim of Cheras, District of Ulu Langat, Selangor.	Freehold land	113,451	April 2004 (A)	-	Freehold	11,224

# JUSCO STORES & SHOPPING CENTERS

## Directory

### JUSCO TAMAN MALURI

Jalan Jejaka, Taman Maluri,  
Cheras, 55100 Kuala Lumpur.  
Tel: 03-9285 5222

### JUSCO TAMAN MALURI SHOPPING CENTER

Taman Maluri  
Tel: 03-9285 5222



### JUSCO MELAKA

Leboh Ayer Keroh,  
75450 Melaka  
Tel: 06-232 4899

### JUSCO MELAKA SHOPPING CENTER

Melaka  
Tel: 06-232 4899



### JUSCO WANGSA MAJU

Jalan R1, Seksyen 1,  
Bandar Baru Wangsa Maju,  
53300 Kuala Lumpur.  
Tel: 03-4149 7666

### JUSCO ALPHA ANGLE SHOPPING CENTER

Wangsa Maju  
Tel: 03-4149 5288



### JUSCO BANDAR UTAMA

No. 1, Leboh Bandar Utama,  
Bandar Utama, Damansara,  
47800 Petaling Jaya,  
Selangor Darul Ehsan.  
Tel: 03-7726 6266

### JUSCO 1 UTAMA SHOPPING CENTER

Bandar Utama  
Tel: 03-7726 6033



### JUSCO BANDAR BARU KLANG

Persiaran Bukit Raja 2,  
Bandar Baru Klang, 41150  
Klang, Selangor Darul Ehsan.  
Tel: 03-3343 9366

### JUSCO BUKIT RAJA SHOPPING CENTER

Bandar Baru Klang  
Tel: 03-3343 2166

### JUSCO IPOH

No.2, Jalan Teh Lean Swee,  
Off Jalan Sultan Azlan Shah Utara,  
31400 Ipoh,  
Perak Darul Ridzuan.  
Tel: 05-549 9633

### JUSCO KINTA CITY SHOPPING CENTER

Ipoh  
Tel: 05-548 4668



### JUSCO MID VALLEY

AT3 Mid Valley Megamall,  
Mid Valley City,  
Lingkaran Syed Putra,  
59200 Kuala Lumpur.  
Tel: 03-2284 4800



### JUSCO BANDAR PUCHONG

Lot G40, IOI Mall, Batu 9,  
Jalan Puchong,  
Bandar Puchong Jaya,  
47100 Puchong,  
Selangor Darul Ehsan.  
Tel: 03-8070 1200



### JUSCO TAMAN UNIVERSITI

No. 4, Jalan Pendidikan,  
Taman Universiti, 81300  
Skudai, Johor Darul Takzim.  
Tel: 07-521 8000

### JUSCO TAMAN UNIVERSITI SHOPPING CENTER

Tel: 07-520 8000

### JUSCO PERMAS JAYA

No. 1, Jalan Permas Utara,  
Bandar Baru Permas Jaya,  
81750 Johor Bahru, Johor.  
Tel: 07-386 8900

### JUSCO PERMAS JAYA SHOPPING CENTER

Tel: 07-386 0600



### JUSCO METRO PRIMA

No. 1, Jalan Metro Prima,  
52100 Kepong,  
Kuala Lumpur  
Tel: 03-6257 2121

### JUSCO METRO PRIMA SHOPPING CENTER

Tel: 03-6259 1122

# Milestones

<b>1984</b>	<b>SEPTEMBER</b>	<ul style="list-style-type: none"> <li>JAYA JUSCO STORES SDN BHD established, in response to a request from Prime Minister Y.A.B. Datuk Seri Dr Mahathir bin Mohamad, to help modernise the retailing industry in Malaysia.</li> </ul>
<b>1985</b>	<b>JUNE DECEMBER</b>	<ul style="list-style-type: none"> <li>The first pilot store, JAYA JUSCO Dayabumi, opened.</li> <li>The second pilot store, JAYA JUSCO Taman Tun, opened.</li> </ul>
<b>1989</b>	<b>JUNE OCTOBER</b>	<ul style="list-style-type: none"> <li>JAYA JUSCO Dayabumi closed.</li> <li>The first Superstore, JAYA JUSCO Taman Maluri, opened.</li> </ul>
<b>1990</b>	<b>JUNE NOVEMBER</b>	<ul style="list-style-type: none"> <li>"Japan Management Training Programme" begun.</li> <li>28 Malaysian students invited to Japan as "Ambassadors" through the AEON "1% Club" Programme.</li> </ul>
<b>1991</b>	<b>OCTOBER</b>	<ul style="list-style-type: none"> <li>JUSCO Melaka was opened and fully operated by Malaysian staff.</li> <li>The AEON Group's "Hometown Forest" programme was launched simultaneously at the inauguration of JUSCO Melaka.</li> </ul>
<b>1992</b>	<b>APRIL</b>	<ul style="list-style-type: none"> <li>JUSCO Wangsa Maju (Alpha Angle Shopping Center) our first Shopping Center, opened.</li> </ul>
<b>1994</b>	<b>AUGUST OCTOBER</b>	<ul style="list-style-type: none"> <li>Our Distribution Center begun operations.</li> <li>Japanese Trainer Programme begun.</li> </ul>
<b>1995</b>	<b>JUNE AUGUST OCTOBER</b>	<ul style="list-style-type: none"> <li>JAYA JUSCO Taman Tun Dr. Ismail closed.</li> <li>JUSCO Bandar Utama (1 Utama Shopping Center) opened.</li> <li>JUSCO Bandar Baru Klang (Bukit Raja Shopping Center) opened.</li> </ul>
<b>1996</b>	<b>DECEMBER</b>	<ul style="list-style-type: none"> <li>JAYA JUSCO STORES BHD was listed on the Main Board of the KLSE.</li> </ul>
<b>1997</b>	<b>AUGUST</b>	<ul style="list-style-type: none"> <li>JUSCO Ipoh (Kinta City Shopping Center) opened.</li> </ul>
<b>1998</b>	<b>DECEMBER</b>	<ul style="list-style-type: none"> <li>JUSCO Melaka Shopping Center reopened.</li> </ul>
<b>1999</b>	<b>DECEMBER</b>	<ul style="list-style-type: none"> <li>JUSCO Mid Valley opened.</li> </ul>
<b>2000</b>	<b>DECEMBER</b>	<ul style="list-style-type: none"> <li>JUSCO Taman Maluri Shopping Center re-opened.</li> <li>JUSCO Bandar Puchong opened.</li> </ul>
<b>2001</b>	<b>OCTOBER NOVEMBER</b>	<ul style="list-style-type: none"> <li>Launch of WAOH Charity Fund / JUSCO Fest / JUSCO's 17th Anniversary.</li> <li>22 Malaysian students and 2 former participants from the 1990 batch were invited to Japan as 'Ambassadors' through the AEON "1% Club" Programme.</li> </ul>
<b>2002</b>	<b>APRIL JULY</b>	<ul style="list-style-type: none"> <li>Establishment of Jusco-OUM Retail Center in Alpha Angle Shopping Center, at Wangsa Maju.</li> <li>JUSCO Taman Universiti opened, Japan Management Training Programme reactivated.</li> </ul>
<b>2003</b>	<b>JULY AUGUST OCTOBER DECEMBER</b>	<ul style="list-style-type: none"> <li>WAOH Charity Bazaar.</li> <li>Smart Wonder World opens in JUSCO Taman Maluri.</li> <li>JUSCO Home Centre opens in JUSCO 1 Utama Shopping Center.</li> <li>3,000 seedlings were planted in the vicinity of the JUSCO Permas Jaya store as part of AEON's environmental campaign, 'Planting Seeds of Growth'.</li> <li>JUSCO Permas Jaya Shopping Center opened.</li> </ul>
<b>2004</b>	<b>JANUARY  JUNE SEPTEMBER  AUGUST OCTOBER</b>	<ul style="list-style-type: none"> <li>JUSCO Metro Prima Tree Planting Ceremony was held. 2,000 seedlings were planted.</li> <li>JUSCO Metro Prima Shopping Center opened.</li> <li>WAOH Charity Fund officially registered as the "WAOH" Malaysian Jusco Foundation.</li> <li>JAYA JUSCO STORES BHD. officially changed name to AEON CO. (M) BHD.</li> <li>JUSCO celebrated 20th Anniversary in Malaysia with Gala Dinner.</li> <li>Official launch of "WAOH" Malaysian Jusco Foundation.</li> <li>30,000 seedlings planted in the Malaysia-Japan Friendship Forest, AEON Woodland, Paya Indah Wetlands.</li> <li>Company authorised share capital increased from RM100,000,000 to RM500,000,000.</li> <li>Completed Bonus Issue (1:1) for 87,750,000 new Ordinary Shares.</li> </ul>



# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twentieth Annual General Meeting of AEON CO. (M) BHD. (formerly known as Jaya Jusco Stores Bhd.) will be held at Ballroom 1, Level 2, Hotel Nikko, 165 Jalan Ampang, 50450 Kuala Lumpur on Wednesday, 22 June 2005 at 10.30 a.m. for the following purposes:

## AGENDA

### As Ordinary Business

1. To receive and adopt the Audited Financial Statements for the year ended 28 February 2005 together with the Reports of the Directors and Auditors thereon.
2. To declare a First and Final Dividend of 12 sen per share less 28% income tax for the year ended 28 February 2005.
3. To approve the payment of Directors' Fees for the year ended 28 February 2005.
4. To re-elect the following Directors retiring under Article 74 of the Company's Articles of Association :-
  - i) Dato' Abdullah bin Mohd Yusof
  - ii) Mr. Toshiji Tokiwa
  - iii) Mr. Tatsuichi Yamaguchi
  - iv) Mr. Masato Yokoyama
  - v) Encik Ramli bin Ibrahim
  - vi) Brig. Jen. (B) Dato' Mohd Idris bin Saman
  - vii) Datuk Zawawi bin Mahmuddin
  - viii) Dato' Chew Kong Seng
5. To re-appoint Messrs KPMG Desa Megat & Co. as Auditors of the Company and to authorise the Directors to fix their remuneration.

### Ordinary Resolution 1

### Ordinary Resolution 2

### Ordinary Resolution 3

### Ordinary Resolution 4

### Ordinary Resolution 5

### Ordinary Resolution 6

### Ordinary Resolution 7

### Ordinary Resolution 8

### Ordinary Resolution 9

### Ordinary Resolution 10

### Ordinary Resolution 11

### Ordinary Resolution 12

### As Special Business

To consider and, if thought fit, to pass the following ordinary resolution:

6. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR THE RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE")

"THAT approval be and is hereby given to the Company, to enter and give effect to the recurrent related party transactions of a revenue or trading nature (hereinafter to be referred to as "Recurrent Transactions") with the related parties as stated in Section 2.2 of the Circular to Shareholders dated 31 May 2005 which are necessary for the Company's day-to-day operations subject further to the following:

(i) the Recurrent Transactions contemplated are in the ordinary course of business and on terms which are not more favourable to related parties than those generally available to the public, and are not to the detriment of the minority shareholders;

(ii) the approval is subject to annual renewal and shall only continue to be in force until:

(a) the conclusion of the next Annual General Meeting of the Company following the forthcoming Annual General Meeting of the Company at which the Proposed Renewal of Shareholders' Mandate is approved, at which time it will lapse unless by a resolution passed at the Annual General Meeting the mandate is again renewed;

(b) the expiration of the period within which the next Annual General Meeting of the Company after the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extensions as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or

(c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier; and

(iii) the disclosure of the breakdown of the aggregate value of the Recurrent Transactions conducted pursuant to the Proposed Renewal of Shareholders' Mandate in the Annual Report of the Company based on the following information:

(a) the type of Recurrent Transactions entered into; and

(b) the names of the related parties involved in each type of the Recurrent Transactions entered into and their relationship with the Company.

AND THAT the Directors of the Company be and are hereby authorised to do all acts and things to give full effect to the Recurrent Transactions contemplated and/or authorised by this resolution, as the Directors of the Company, in their absolute discretion, deem fit."

### Ordinary Resolution 13

# Notice of Dividend Payment

NOTICE IS HEREBY GIVEN THAT, subject to the approval of the shareholders at the Twentieth Annual General Meeting, a first and final dividend of 12 sen per share less 28% income tax in respect of the financial year ended 28 February 2005 will be paid to shareholders on 20 July 2005. The entitlement date for the said dividend shall be 4 July 2005.

A Depositor shall qualify for entitlement to the Dividend only in respect of :

- (a) Shares transferred to the Depositor's securities account before 4.00 p.m. on 4 July 2005 in respect of transfers.
- (b) Shares bought on the Bursa Malaysia Securities Berhad on cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD



SAW BEE LEAN  
(MAICSA 0793472)  
Secretary

Kuala Lumpur  
Date: 31 May 2005

## Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
2. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting, provided that the provisions of Section 149(1)(c) of the Act are complied with.
3. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 3rd Floor, Jusco Taman Maluri Shopping Centre, Jalan Jejaka, Taman Maluri, Cheras, 55100 Kuala Lumpur not less than 48 hours before the time set for holding the meeting.
5. If the appointor is a corporation, the instrument appointing a proxy must be executed under its Common Seal or under the hand of its attorney.
6. Explanatory Note on the Special Business:

### Ordinary Resolution 13 on the Proposed Renewal of Shareholders' Mandate

The proposed Ordinary Resolution 13, if passed, will empower the Directors from the date of the Twentieth Annual General Meeting, to deal with the related party transactions involving recurrent transactions of a revenue or trading nature which are necessary for the Company's day-to-day operations. These recurrent related party transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public and not to the detriment of the minority shareholders. This authority unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company and subject always to provision (ii) of the resolution. The details of the recurrent related party transactions are set out in the Circular to the Shareholders dated 31 May 2005, which is despatched together with this Annual Report.

# Statement Accompanying Notice of Twentieth Annual General Meeting

pursuant to paragraph 8.28(2) of the Listing Requirements of Bursa Malaysia Securities Berhad

## 1. Directors standing for re-election at the Twentieth Annual General Meeting (20th AGM):-

Pursuant to Article 74 of the Articles of Association

- (i) Dato' Abdullah bin Mohd Yusof
- (ii) Mr. Toshiji Tokiwa
- (iii) Mr. Soichi Okazaki\*
- (iv) Mr. Tatsuichi Yamaguchi
- (v) Mr. Masato Yokoyama
- (vi) Encik Ramli bin Ibrahim
- (vii) Brig. Jen. (B) Dato' Mohd Idris bin Saman
- (viii) Datuk Zawawi bin Mahmuddin
- (ix) Dato' Chew Kong Seng

\*Mr. Soichi Okazaki has indicated that he does not wish to offer himself for re-election at the 20th AGM of the Company.

## 2. Details of attendance of Directors at Board Meetings

There were five Board Meetings held during the financial year ended 28 February 2005. Details of attendance of the Directors are set out in Statement of Corporate Governance appearing on page 36 of the Annual Report.

## 3. Place, Date and Time of Meeting

The Twentieth Annual General Meeting of the Company will be held at Ballroom 1, Level 2, Hotel Nikko, 165 Jalan Ampang, 50450 Kuala Lumpur on Wednesday, 22 June 2005 at 10.30 a.m.

## 4. Further details of Directors standing for re-election

Details of Directors standing for re-election are set out in Directors' Profiles appearing on pages 22-25 of the Annual Report.

# PROXY FORM

AEON CO. (M) BHD. (formerly known as Jaya Jusco Stores Bhd.)  
(Company No. 126926-H)  
(Incorporated in Malaysia)

No. of shares held

I/We, \_\_\_\_\_  
of \_\_\_\_\_  
being a member/members of the abovenamed Company, hereby appoint \_\_\_\_\_

of \_\_\_\_\_  
or failing him/her, \_\_\_\_\_  
of \_\_\_\_\_

as my/our proxy to vote for me/us on my/our behalf at the Twentieth Annual General Meeting of the Company to be held at Ballroom 1, Level 2, Hotel Nikko, 165 Jalan Ampang, 50450 Kuala Lumpur on Wednesday, 22 June 2005 at 10.30 a.m. and at any adjournment thereof.

My/our proxy is to vote as indicated below :

No.	Ordinary Resolution	For	Against
Resolution 1	To receive the Audited Financial Statements for the year ended 28 February 2005 together with the Reports of the Directors and Auditors thereon.		
Resolution 2	Declaration of a First and Final Dividend of 12 sen per share less 28% income tax		
Resolution 3	Approval of Directors' Fees		
Resolution 4	Re-election of Dato' Abdullah bin Mohd Yusof		
Resolution 5	Re-election of Mr. Toshiji Tokiwa		
Resolution 6	Re-election of Mr. Tatsuichi Yamaguchi		
Resolution 7	Re-election of Mr. Masato Yokoyama		
Resolution 8	Re-election of Encik Ramli bin Ibrahim		
Resolution 9	Re-election of Brig. Jen. (B) Dato' Mohd Idris bin Saman		
Resolution 10	Re-election of Datuk Zawawi bin Mahmuddin		
Resolution 11	Re-election of Dato' Chew Kong Seng		
Resolution 12	Re-appointment of KPMG Desa Megat & Co.		
Resolution 13	Proposed Renewal of Shareholders' Mandate for the Recurrent Related Party Transactions of a Revenue or Trading Nature		

[Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.]

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2005

Signature:

Shareholder or Common Seal

## NOTE :

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
2. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting, provided that the provisions of Section 149(1)(c) of the Act are complied with.
3. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 3rd Floor, Jusco Taman Maluri Shopping Centre, Jalan Jejaka, Taman Maluri, Cheras, 55100 Kuala Lumpur not less than 48 hours before the time set for holding the meeting.
5. If the appointor is a corporation, the instrument appointing a proxy must be executed under its Common Seal or under the hand of its attorney.

Place  
Stamp  
Here

The Company Secretary:

**AEON CO. (M) BHD.** (Company No.: 126926-H)  
(formerly known as Jaya Jusco Stores Bhd.)

3rd Floor, Jusco Taman Maluri Shopping Center,  
Jalan Jejaka, Taman Maluri,  
Cheras, 55100 Kuala Lumpur.

AEON

JUSCO



### **We Have Moved**

We are pleased to announce that, effective 11 April 2004, we have relocated our head / management office to the JUSCO Taman Maluri Shopping Center. As of this date, our business address, telephone and fax numbers are as follows:

**AEON CO. (M) BHD.** (126926-H)  
(Formerly known as JAYA JUSCO STORES BHD.)  
**Head Office**  
3rd Floor,  
JUSCO Taman Maluri Shopping Center,  
Jalan Jejaka, Taman Maluri, Cheras,  
55100 Kuala Lumpur.  
Tel: 03-9207 2005  
Fax: 03-9207 2006/2007

All JUSCO outlets, including Stores and Shopping Centers will retain their existing business addresses.

