

**AEON CO. (M) BHD.**  
Registration No. 198401014370 (126926-H)

MINUTES OF THE THIRTY- NINTH ANNUAL GENERAL MEETING OF THE COMPANY HELD VIRTUALLY AT THE BROADCAST VENUE LOCATED AT 12TH FLOOR, MENARA SYMPHONY, NO. 5, JALAN PROF. KHOO KAY KIM, SEKSYEN 13, 46200 PETALING JAYA, SELANGOR, MALAYSIA ON THURSDAY, 23 MAY 2024 AT 10.00 A.M.

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**PRESENT**

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**DIRECTORS**

Datuk Iskandar bin Sarudin	- Chairman and a proxy for shareholders set out in the Attendance Summary attached.
Mr Naoya Okada	- Managing Director (“MD”)
Mr Tsugutoshi Seko	- Deputy MD
Encik Hisham Bin Zainal Mokhtar	
Puan Zaida Khalida Binti Shaari	
Dato’ Merina Binti Abu Tahir	
Ms Jenifer Thien Bit Leong	
Encik Mohamad Abdul Naser Bin Md Jaafar @ Yunus	
Ms Chong Swee Ying	- Also a Shareholder
Mr Hiroaki Egawa	

**IN ATTENDANCE**

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Ms Samantha Tai Yit Chan	- Company Secretary
Mr Chan Chee Keong*	- Engagement Partner of KPMG PLT

**BY INVITATION**

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Ms Tan Ai Lee - Chief Financial Officer

**Note:**

\* Participated via video conferencing

The list of shareholders and proxies who attended the Meeting is set out in the Attendance Lists attached and shall form an integral part of this Minutes.

**1. OPENING REMARKS BY THE CHAIRMAN**

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The Chairman, Datuk Iskandar bin Sarudin, extended a warm welcome to the shareholders, proxies and invitees to the Company’s Thirty-Ninth Annual General Meeting (“39<sup>th</sup> AGM”). The Company Secretary informed the

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Meeting that the 39<sup>th</sup> AGM is held virtually at the broadcast venue through live streaming and online remote participation by using Remote Participation and Voting Facilities (“RPV”) provided by Boardroom Share Registrars Sdn Bhd (“**Boardroom**”) and is streaming from BSIP Online website at <https://investor.boardroomlimited.com>.

## 2. **VOTING PROCEDURES**

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The Meeting noted that all resolutions set out in the Notice of the 39<sup>th</sup> AGM must be voted by poll pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”).

The Company Secretary informed that the Company had appointed Boardroom to conduct the poll voting electronically and SKY Corporate Services Sdn Bhd as the scrutineer to verify the poll results. Polling was opened at the commencement of the AGM wherein members/proxies/corporate representatives could start to cast their votes. The results of the poll voting will be announced after the scrutineer has verified the poll results upon closure of the voting session. The Chairman directed that all the resolutions set forth in the Notice of the 39<sup>th</sup> AGM be conducted by way of electronic polling.

Shareholders were then briefed on the voting procedures through a video tutorial by the poll administrator.

## 3. **INTRODUCTIONS**

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The Chairman introduced the Board of Directors, Company Secretary, Chief Financial Officer and the representative of the External Auditors, Messrs KPMG PLT to the Meeting.

## 4. **QUORUM AND SUMMARY OF PROXIES RECEIVED**

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The Company Secretary informed that based on the report by the appointed Poll Administrator of the Meeting, a total of 1,970 members, comprising shareholders, proxies and corporate representatives, representing 789,882,686 ordinary shares or 56.26% of the total number of issued shares of the Company had registered to attend the Meeting via RPV.

The Company had received in total 329 proxy forms from the shareholders for a total of 1,059,269,953 ordinary shares, representing 75.45% of the total number of issued shares of the Company.

The Company Secretary confirmed that a quorum was present. With the requisite quorum being present, the Meeting was called to order at 10.05 a.m.

## 5. NOTICE OF AGM

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The Notice of the Meeting having been circulated within the stipulated time frame was taken as read.

The Chairman further invited shareholders and proxies to raise questions in real time by submitting their questions via the query box and the Company will respond to the questions accordingly.

## 6. WELCOME ADDRESS AND SPEECH BY THE CHAIRMAN

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The Chairman gave a welcome address to all participants of the 39<sup>th</sup> AGM and informed the Meeting that the Company had attained key milestones and made solid progress during the financial year ended 31 December 2023 (“**FY2023**”). Supported by a dedicated team of AEON People, the Company deepened customer relationships by serving Malaysians across all segments within the community – creating more smiles while connecting more hearts along the way. Amid the challenging landscape, the Company takes comfort that the AEON Living Zone ecosystem continues to strengthen the Company’s resilience to deliver a strong performance while progressing ahead in the Company’s sustainability journey.

The Chairman further announced that as a token of appreciation for shareholders, proxies and corporate representatives who attended and vote at the 39<sup>th</sup> AGM, a RM50 e-voucher will be credited into the AEON Member Plus Card or the e-wallet app for the participants.

## 7. PRESENTATION BY THE MANAGING DIRECTOR

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At the invitation of the Chairman, the Managing Director, Mr Naoya Okada (“**Mr Okada**”) briefed the Meeting on the financial and business performance of the Company for FY2023 and the future direction of the Company.

Mr Okada briefed the Meeting on the financial highlights for FY2023 of the Company, details of which were summarized as below:-

- The Company had recorded a revenue of RM4.1 billion for FY2023 driven by growth in property management services business. The Company had recorded a Profit After Tax (“**PAT**”) of RM114.8 million for FY2023, which was 3% higher as compared to the PAT of RM111.2 million for FY2022.
- To reward the shareholders of the Company, the Board had proposed a dividend of 4.0 sen per share, subject to shareholders’ approval.

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Mr Okada briefed the Meeting that AEON will leverage on the AEON Living Zone, which is an integrated ecosystem comprising AEON Group entities and partners, including the government complementing each other to provide optimal customer experience through the analysis and utilisation of customer behavioural data in each AEON entity. AEON's Mid Term Plan for FY2024 were summarised as below:-

- 1) Increase value of existing assets through mall rejuvenations and facelift projects
- 2) Grow customer base through new store openings
- 3) Drive digital innovation across our business

All with the aim to increase the overall customer shopping experience and attract higher customer footfall, while promoting sustainable management growth and ensuring long-term business sustainability.

- The AEON Living Zone is centred on customer needs while building the surrounding communities, creating synergy and complementing each other.
- The Company aims to create a system that will allow it to provide optimal customer experience through analysis of customer behavioural data supported by robust technology with analytics.
- The Company will integrate the loyalty point system across AEON Companies, allowing for seamless interactions and personalised shopping experience.
- The Company has rejuvenated 2 existing malls in FY2023, namely AEON Melaka and AEON Cheras Selatan. Post renovation, sales for both stores increased by 22% and 28% respectively.
- New store formats and modern facilities (post renovation) attracted more customers with its improved shopping environment which have also led to higher sales. For example, La Boheme bakery's sales increased by at least 60% in FY2023 store renovation.
- These rejuvenation and renovation projects proved to be value adding to AEON and more renovation projects are planned in FY2024, including AEON Bandar Puchong, AEON Ipoh Station 18, AEON Tebrau City and AEON Bukit Indah.
- The Company opened AEON Putrajaya in March 2023 and AEON Setia Alam in March 2024.
- A new project at KL Midtown is planned for opening by end of FY2025. This mall will have a slightly different positioning compared to existing AEON stores, aimsto cater to the more affluent customer segment.
- On Digital innovation, MyAEON2go will have nationwide delivery to enable the Company to serve a much wider customer base.
- The Company is committed to sustainable practices and stay guided by the Company's sustainability charter to enhance economic performance, strengthen environmental responsibility, drive positive social impact while maintaining a sound governance structure. One such initiative would involve reducing the Company's carbon footprint through usage of solar energy. A total of ten (10) malls are now equipped wit solar panels, with

three (3) already generating solar energy. These efforts will continue to be expanded across other AEON malls.

- The Company also highlighted that on 1 January 2023, the “Say No to Plastic Bag” campaign was launched that eliminated single-use plastic bags at cashiers and checkout counters across AEON stores nationwide to encourage usage of reusable bags.
- The Company will be celebrating its 40<sup>th</sup> Anniversary in Malaysia in FY2024. The Company will be holding a celebratory event for this. Thereafter, a video presentation of notable events by the Company organised in FY2023 in Malaysia was played.

## **8. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

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The Chairman informed the Meeting that the first item on the Agenda was to receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors’ and Auditors’ thereon.

The Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors having been circulated within the prescribed period was with the permission of the Meeting taken as read.

The Chairman informed that the Audited Financial Statements for the financial year ended 31 December 2023 tabled were meant for discussion only as provision under Section 340 of the Companies Act, 2016 does not require approval of shareholders.

Thereafter, the Chairman went through each of the motion set out in the Notice of the 39<sup>th</sup> AGM.

## **9. FINAL DIVIDEND - Ordinary Resolution 1**

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The Chairman informed that Ordinary Resolution 1 was to declare and approve the payment of a final dividend of 4.00 sen per ordinary share in respect of the financial year ended 31 December 2023.

## **10. DIRECTORS’ FEES AND BENEFIT PAYABLE TO THE NON-EXECUTIVE DIRECTORS - Ordinary Resolution 2**

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The Chairman informed that Ordinary Resolution 2 was to approve the payment of Directors’ Fees and Benefit Payable to the Non-Executive

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Directors of up to Ringgit Malaysia One Million and Seven Hundred Thousand (RM1,700,000) for the period from 24 May 2024 until the conclusion of the next Annual General Meeting of the Company to be held in 2025.

The Chairman further informed that Ms Chong Swee Ying, who is a Director and also shareholder of the Company, would abstain from approving her own Directors' Fees at the AGM.

**11. RE-ELECTION OF DIRECTOR – DATUK ISKANDAR BIN SARUDIN**  
*- Ordinary Resolution 3*

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The Chairman informed that Ordinary Resolution 3 was with regards to his re-election as Director. As the Chairman is deemed interested in Agenda item, he invited Mr Okada, the Managing Director of the Company, to take over the Chair for the deliberation of this resolution.

Mr Okada informed that Ordinary Resolution 3 was to re-elect Datuk Iskandar bin Sarudin who retired pursuant to the Company's Articles of Association and being eligible, had offered himself for re-election. After tabling this Agenda item, Mr Okada handed back the chair to the Chairman.

**12. RE-ELECTION OF DIRECTORS - Ordinary Resolutions 4 to 12**

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The Chairman informed that Ordinary Resolutions 4 to 9 were to re-elect Mr Naoya Okada, Mr Tsugutoshi Seko, Encik Hisham Bin Zainal Mokhtar, Puan Zaida Khalida Binti Shaari, Ms Chong Swee Ying, Mr Hiroaki Egawa who retired pursuant to the Company's Articles 74 of Articles of Association and being eligible, had offered themselves for re-election.

The Chairman further informed that Ordinary Resolutions 10 to 12 are the re-election of Dato' Merina Binti Abu Tahir, Ms Jenifer Thien Bit Leong and Encik Mohamad Abdul Naser Bin Md Jaafar @ Yunus respectively as Directors of the Company pursuant to the Article 80 of Articles of Association and all of them being eligible, have offered themselves for re-election.

**13. RE-APPOINTMENT OF AUDITORS - Ordinary Resolution 13**

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The Chairman informed that Ordinary Resolution 13 was to re-appoint Messrs KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. The retiring Auditors, Messrs KPMG PLT had signified their consent to continue to act as Auditors of the Company.

**14. PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR THE RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE - Ordinary Resolution 14**

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The Chairman informed that Ordinary Resolution 14 was to seek Shareholders' approval for the Company to enter into recurrent and new related party transactions that are not more favourable to the related parties than those generally available to the public and the transactions are undertaken on arm's length basis and are not to the detriment of the minority shareholders of the Company.

The Meeting noted that the details of the recurrent related party transactions had been set out in the Circular to Shareholders dated 24 April 2024.

The Chairman further informed that the interested parties namely, Datuk Iskandar bin Sarudin, Mr Okada, Mr Tsugutoshi Seko, Ms Chong Swee Ying, Mr Hiroaki Egawa and AEON, Japan had declared their interest and had undertaken to ensure that persons connected to them had abstained from voting on the resolution, deliberating and approving the Proposed Shareholders' Mandate at the AGM.

**15. QUESTIONS AND ANSWERS SESSION**

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The Chairman informed that the Company had received questions from Minority Shareholder Watch Group ("MSWG") seeking clarification/information on several issues raised pertaining to the operational and financial matters as well as corporate governance.

Ms Tan Ai Lee ("Ms Tan") and Mr Tsugutoshi Seko ("Mr Seko") presented the replies to the questions raised from MSWG, details as set out in "Appendix I" attached herein.

Having addressed the questions from MSWG, the Chairman, Mr Okada, Mr Seko, and Ms Tan then proceeded to respond to the queries raised by the members/proxies submitted prior to the 39<sup>th</sup> AGM as well as live questions submitted via the online meeting portal. A summary of the queries raised and responses provided is appended as Appendix II.

After due discussion, the Audited Financial Statements for the financial year ended 31 December 2023 together with the Directors' and the Auditors' Reports thereon were deemed properly laid and duly received at the AGM.

## 16. VOTING

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After having addressed all the questions raised, the Chairman proceeded to voting. The Chairman placed on record that some shareholders have appointed him to be their proxy and he will vote according to their instructions. The Chairman also informed that the verification of the votes by the scrutineer would take approximately 20 minutes and the Meeting resumed at approximately 11.45 am for the declaration of voting results. The Chairman declared the polling closed for voting to be carried out.

## POLL RESULTS

The Meeting was called to order when resumed at 11.45 a.m. and after obtaining the report from the scrutineer, the Chairman announced the results of the poll as follows:-

Resolutions	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
<p><b>Ordinary Resolution 1</b></p> <p>To declare and approve the payment of a final dividend of 4.0 sen per ordinary share in respect of the financial year ended 31 December 2023</p>	1,061,472,834	99.9938	65,815	0.0062
<p><b>Ordinary Resolution 2</b></p> <p>To approve the payment of the Director's fees and benefits payable to the Non-Executive Directors of up to Ringgit Malaysia One Million and Seven Hundred Thousand (RM1,700,000) until the conclusion of the next Annual General Meeting of the Company to be held in 2025</p>	991,918,702	99.9667	330,051	0.0333
<p><b>Ordinary Resolution 3</b></p> <p>To re-elect the Director, Datuk Iskandar bin Sarudin, who is retiring pursuant to Article 74 of the Company's Articles of Association</p>	1,038,154,885	97.8419	22,898,968	2.1581



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<b>Ordinary Resolution 4</b>  To re-elect the Director, Mr Naoya Okada, who is retiring pursuant to Article 74 of the Company's Articles of Association	1,060,981,983	99.9932	71,770	0.0068
<b>Ordinary Resolution 5</b>  To re-elect the Director, Mr Tsugutoshi Seko, who is retiring pursuant to Article 74 of the Company's Articles of Association	1,060,742,599	99.9705	313,154	0.0295
<b>Ordinary Resolution 6</b>  To re-elect the Director, Encik Hisham Bin Zainal Mokhtar, who is retiring pursuant to Article 74 of the Company's Articles of Association	1,060,870,692	99.9827	183,061	0.0173
<b>Ordinary Resolution 7</b>  To re-elect the Director, Puan Zaida Khalida Binti Shaari, who is retiring pursuant to Article 74 of the Company's Articles of Association	1,060,644,998	99.9615	408,755	0.0385
<b>Ordinary Resolution 8</b>  To re-elect the Director, Ms Chong Swee Ying, who is retiring pursuant to Article 74 of the Company's Articles of Association	1,037,764,692	97.8090	23,246,461	2.1910
<b>Ordinary Resolution 9</b>  To re-elect the Director, Mr Hiroaki Egawa, who is retiring pursuant to Article 74 of the Company's Articles of Association	1,060,973,397	99.9924	80,456	0.0076

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<b>Ordinary Resolution 10</b>  To re-elect the Director, Dato' Merina Binti Abu Tahir, who is retiring pursuant to Article 80 of the Company's Articles of Association	1,060,844,808	99.9804	207,545	0.0196
<b>Ordinary Resolution 11</b>  To re-elect the Director, Ms Jenifer Thien Bit Leong, who is retiring pursuant to Article 80 of the Company's Articles of Association	1,060,289,098	99.9285	758,255	0.0715
<b>Ordinary Resolution 12</b>  To re-elect the Director, Encik Mohamad Abdul Naser Bin Md Jaafar @ Yunus, who is retiring pursuant to Article 80 of the Company's Articles of Association	1,060,839,910	99.9798	213,943	0.0202
<b>Ordinary Resolution 13</b>  To re-appoint KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	1,060,709,114	99.9673	346,739	0.0327
<b>Ordinary Resolution 14</b>  Proposed Renewal of Existing Shareholders' Mandate for the Recurrent Related Party Transactions of a Revenue or Trading Nature and Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature	344,856,184	99.9661	117,067	0.0339

Based on the results of the poll voting, the Chair declared the following resolutions **APPROVED AND RESOLVED** as follows:-

**ORDINARY RESOLUTION 1**

“That the payment of a Final Dividend of 4.0 sen per ordinary share in respect of the financial year ended 31 December 2023 be and is hereby approved.”

**ORDINARY RESOLUTION 2**

“That the Directors' fees and benefits payable to the Non-Executive Directors of up to RM1,700,000 for the period from 24 May 2024 until the conclusion of the next Annual General Meeting of the Company to be held in 2025 be and is hereby approved.”

**ORDINARY RESOLUTION 3**

“That Datuk Iskandar bin Sarudin be and is hereby re-elected as Director of the Company.”

**ORDINARY RESOLUTION 4**

“That Mr Naoya Okada be and is hereby re-elected as Director of the Company.”

**ORDINARY RESOLUTION 5**

“That Mr Tsugutoshi Seko be and is hereby re-elected as Director of the Company.”

**ORDINARY RESOLUTION 6**

“That Encik Hisham Bin Zainal Mokhtar be and is hereby re-elected as Director of the Company.”

**ORDINARY RESOLUTION 7**

“That Puan Zaida Khalida Binti Shaari be and is hereby re-elected as Director of the Company.”

**ORDINARY RESOLUTION 8**

“That Ms Chong Swee Ying be and is hereby re-elected as Director of the Company.”

**ORDINARY RESOLUTION 9**

“That Mr Hiroaki Egawa be and is hereby re-elected as Director of the Company.”

**ORDINARY RESOLUTION 10**

“That Dato' Merina Binti Abu Tahir be and is hereby re-elected as Director of the Company.”

#### **ORDINARY RESOLUTION 11**

“That Ms Jenifer Thien Bit Leong be and is hereby re-elected as Director of the Company.”

#### **ORDINARY RESOLUTION 12**

“That Encik Mohamad Abdul Naser Bin Md Jaafar @ Yunus be and is hereby re-elected as Director of the Company.”

#### **ORDINARY RESOLUTION 13**

“That the retiring Auditors, Messrs KPMG PLT. having signified their consent to act, be hereby re-appointed as Auditors at a fee to be fixed by the Directors.”

#### **ORDINARY RESOLUTION 14**

**- PROPOSED RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE FOR THE RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AND PROPOSED NEW SHAREHOLDERS’ MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

“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 2.3 of the Circular to Shareholders dated 24 April 2024 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 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 340(2) of the Companies Act, 2016 (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Companies Act, 2016); or

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- 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 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.”

## **17. CONCLUSION**

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There being no other business to be transacted, the Meeting concluded at 11.55 am with a vote of thanks to the Chair.

SIGNED AS A CORRECT RECORD

- SIGNED -

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CHAIRMAN  
DATUK ISKANDAR BIN SARUDIN

Date : 2 JULY 2024

**Operational & Financial Matters**

1. AEON MaxValu outlets offer a wide array of groceries and food products that cater to diverse customers’ needs. It also offers a variety of general merchandise items such as apparel, household goods, and electrical appliances at reasonable prices. Since the first outlet was established in 2005, AEON now has seven AEON MaxValu outlets offering customers a pleasant and personalized shopping experience (page 10 of IAR 2023).

a) Besides the purportedly reasonable prices, what other distinctions set AEON MaxValu outlets apart from AEON stores, given their similar product offerings? Are there compelling justifications for this duplication?

**AEON MaxValu offer daily essential products of fresh produce, groceries, household items and focus on wider range of imported products under the compact efficient store layout as compared to AEON full-fledged stores. AEON MaxValu are often located in densely populated areas like Bangsar South or Desa Park City to offer greater convenience to customers who prefer to shop near their office or home.**

b) How are the financial performance of AEON MaxValu outlets, considering there are only seven outlets since the inception of the first one in 2005? Are there any plans to either expand or downsize the number of outlets?

**AEON MaxValu continue to contribute towards AEON’s overall business portfolio. While revenue contribution is currently less than 10% of total revenue, we continue to enhance our product portfolio mix to serve a wider customer base. On expansion plan, we continue to review and evaluate opportunity and assess feasibility of expansion or downsizing of all our outlets on an ongoing basis.**

2. Established in 2006, AEON Wellness has expanded to 64 outlets nationwide, upholding an unwavering commitment to top-notch services and product offerings to ensure customer satisfaction throughout its growth (page 10 of IAR 2023).

a) Considering the highly competitive nature of the industry with the proliferation of pharmacies, how is the financial performance of AEON Wellness?

**AEON Wellness operate in a highly competitive landscape. Although revenue contribution is less than 10% of AEON’s total revenue, AEON Wellness is an integral part of AEON, serving as an extension to the AEN brand to serve customers with its wide presence across Malaysia.**

- b) What competitive advantages does AEN Wellness possess compared to its peers?

**AEON Wellness focus on offering quality selections and personalized services to customers. Setting us apart from our peers is our dedicated team of in-store pharmacists and beauty advisors in some selected outlets. They provide professional consultation services including health checks, diet and supplement advice to manage health conditions such as diabetes, high blood pressure and skin analysis to tailor made skin care solution for our customers. We also have exclusive products line-up imported from Japan to enable us to create a unique merchandise mix.**

3. The Company's e-commerce platform, myAEON2go provides customers with access to AEON's wide assortment of products while acting as a one-stop shop for customers to purchase all their daily needs at their fingertips. This platform complements physical shopping by providing customers with a hassle-free shopping experience from the comfort of their homes (page 11 of IAR2023).

- a) Has the introduction of e-commerce platform, myAEON2go boosted sales significantly? Please provide percentage of online sales to total revenue in the last three financial years.

**myAEON2go is an alternative distribution channel launched in August 2021 to engage with customers who prefer to shop online. Despite online sales remain less than 5% of total sales in both FY2022 and FY2023, myAEON2go continues to see positive traction with sales growth of 35% year-on-year in FY2023.**

4. Although footfall to shopping malls has been increasing since the reopening of the Malaysian economy post-pandemic, consumers' purchasing power has softened due to the ongoing macro headwinds including inflation and interest rate hikes (page 19 of IAR 2023).

- a) Considering the less optimistic outlook for FY2024 due to ongoing macroeconomic challenges, how does the Company plan to address these hurdles? Additionally, are there plans to open more malls or stores in FY2024?

**We continue to review our pricing strategy holistically to ensure our product and pricing caters to all customers. As part of the initiative to ease consumers' financial pressures, we continue to offer various on-ground promotions collaborating with our business partners. Specifically, for Grocery and Perishable, our campaigns include "Everyday Fresh, Everyday Low Price", "Thursday is Better than Friday", and "Weekend Bonus" to offer customers greater value.**

**We have just opened our 35th store at Setia Alam in March this year. Plans are underway to open more specialty stores during the**

**year. We will also be opening a new mall in KL MidTown by end of year 2025.**

- b) Will the recent announcement of a wage hike for civil servants assist in countering or mitigating the negative effects of the macroeconomic headwinds?

**This is too early for us to comment as it has yet to be implemented.**

5. Based on the data tabulated, retailing segment revenue decreased by 2% from FY2022 to FY2023 and moving forward, it seemed challenging with ongoing macro headwinds. Segment profit declined by 52.3% and profit margin was only 2%. Meanwhile, revenue from property management services increased by 10% (Page 179 of IAR2023).

- a) Considering the more promising prospects and higher profit margins of property management services, does AEON intend to pursue more aggressive expansion in this segment? If so, what are the specific plans?

**Our focus remains on growing both Retail business and Property Management Services segment concurrently. On the Property Management Services segment, we will be carrying out more store and mall renovations this year to attract greater customer footfall as well as potential tenants to our malls. On our expansion plan, we opened AEON Setia Alam store in March this year and will be opening a new mall in KL MidTown by end of year 2025.**

- b) What percentage of tenancy agreements are scheduled for upward rental revisions in FY2024 and FY2025?

**More than 50% of tenancy agreements are due for renewal in FY2024 and FY2025. The rental revision is negotiated with tenant on the case-by-case basis.**

### **Sustainability Matters**

1. A significant step in AEON's renewable energy strategy has been the successful installation of solar photovoltaic (PV) at AEON Taman Maluri Shopping Centre and AEON Alpha Angle in 2022, as well as seven additional malls in 2023. With AEON Taman Maluri Shopping Centre and AEON Alpha Angle already generating solar energy, the Company aims to have 13 AEON Malls equipped with solar PVs by 2024 (page 68 of IAR2023).

- a) By the end of 2024, how many more AEON malls are slated to be equipped with solar PVs, and what is the timeline for their installations?

**We target to have 13 AEON malls to be equipped with solar PVs by end of 2024. This includes the 3 malls which are already**



**generating solar and additional 7 malls which have completed installation in 2023 and another 3 new installations to be completed by end 2024.**

- b) Upon the completion of solar PV installations for all AEON malls, what is the estimated amount of emissions reduction expected?

**At optimal level, we expect solar energy to contribute between 10-15% of the total electricity consumption per AEON mall, whereby each mall is expected to generate about 1,000-2,000 MWh depending on the size of the mall. This addition of renewable energy will reduce each mall's carbon footprint, aligning with our sustainability goals, showcasing AEON's commitment to environmental responsibility.**

2. AEON has achieved emission intensity reduction by 51% in 2023 compared to base year 2019 due to AEON's green electricity purchase via Green Energy Tariff (GET) and solar PV generation. Total emissions in 2023 was 130,602 tCO<sub>2</sub>e, an increase of 43% compared to 2022. This was primarily due to increase in Scope 2 emissions by 67% as it gradually reduces reliance on GET subscription and shift towards renewable energy generation through solar PV. Consequently, emission intensity increased by 0.1 tCO<sub>2</sub>e/MWh (page 68-69 of IAR 2023).

Moving forward, how would the Company plan to reduce the emission intensity more significantly and balance between GET subscription and shift towards renewable energy generation through solar PV?

**Moving forward, AEON plans to develop decarbonisation strategies that will help accelerate our greenhouse gas emission reduction. Aside from GET subscription and solar PV installation, we also installed energy saving systems across 14 AEON malls to enhance energy efficiency and conduct company-wide energy saving counter measures to optimize electricity consumption, ensuring a comprehensive approach to energy conservation and sustainability.**

Questions Raised by Shareholders/Proxies and Responses from the Chairman, Mr Okada, Mr Seko and Ms Tan

- Regarding requests to give e-voucher to the participants of the 39<sup>th</sup> AGM, the Chairman informed that as a token of appreciation for shareholders, proxies and corporate representatives who attended and voted at the 39<sup>th</sup> AGM, a RM50 e-voucher will be credited into the AEON Member Plus Card or the AEON e-wallet app.
- On the declaration of dividends, the Board had recommended the payment of a final dividend of 4.00 sen per ordinary share in respect of the financial year ended 31 December 2023, subject to shareholders’ approval at this AGM.
- On the printed copy of the Integrated Annual Report 2023, the Chairman informed that shareholders could submit their request for a printed copy of the Integrated Annual Report 2023 to the Share Registrar, which would be sent to the shareholders by ordinary post as soon as possible upon the receipt of the request.
- With regards to the renovation of old and outdated facilities, Mr Okada informed that the Company will continue to monitor the stores and aim to provide the best experience to customers.
- Regarding the Menu Rahmah campaign initiative by the government, Mr Okada commented that the Company was supportive on this and will continue to have various on-ground promotions and collaborating with business partners to offer customers greater value.
- On the total net lettable area, Mr Okada informed that the Company has a total of 13.4 million square feet and distribution by categories were 50% to AEON supermarket/departmental stores, 13% for specialty, 11% for fashion and 10% for food and beverage stores.
- Mr Okada informed that there were no plans to have any Real Estate Investment Trusts.
- On the possibility of collaboration with the Ministry of Tourism, the Company will study the suggestion.
- To combat the global retail slowdown, Mr Okada informed that the Company will continue to work with suppliers to offer competitive prices to customers and expanding product offerings as well as improving productivity to sustain profit margins of the Company.
- With regards to the suggestion to improve TopValu products, Mr Okada informed that the Company will consider the suggestions to improve customers’ shopping experience with AEON.
- Regarding the suggested strategic initiatives to increase brand visibility and presence within the digital market space, Mr Okada informed that myAEON2go

had expanded product offering and improved to enhance customer experience and further initiatives have been taken to enhance the Company's social media presence.

- On the financial performance and projections, Mr Okada informed to refer to pages 23 and 24 of the Integrated Annual Report 2023 and also the recently released first quarterly results of the Company.
- Regarding the sustainability efforts, Mr Okada highlighted that the Company was guided by the AEON sustainability charter and also to refer to pages 44 to 90 of the Integrated Annual Report 2023 for an overview of the sustainability efforts by the Company.
- With regards to the customer experience, Mr Okada informed that the Company will continue to invest in renovations in existing stores and malls to deliver new shopping experiences to customers and varying goods and services will be customised to the locality to deliver a unique experience at each store.
- On the member card fees, the Company will continue to review the members' benefits and will announce any changes accordingly.
- Regarding the business competition the Company faces, Mr Okada stated that the Company offers a one-stop shopping destination offering customers products and services that meet their daily needs or festive shopping via our supermarket and department stores. AEON also has its own Private Brands either locally manufactured or direct imports offering greater product choice to customers which also contribute towards better margins.
- Regarding the company boycotts that have been occurring in Malaysia as of late, Mr Okada commented that the Company respects all race and religions in Malaysia and takes precautions and safeguards to ensure that none of the products and services offered offends any religion or race within the country.
- With regards to questions related to AEON Big (M) Sdn Bhd ("AEON BIG"), Mr Okada informed that this was a subsidiary of AEON Co., Ltd. Japan and thus he was not at liberty to provide further comment on this.
- Mr Okada will consider the suggestions by a shareholder to improve their cost base and improve efficiency.
- In addressing the query on AEON Digital Bank, AEON Digital Bank's foray into the banking industry will strengthen the overall AEON strengthen the overall AEON Living Zone ecosystem, driving financial inclusion to serve the subset of people and supporting all businesses across AEON Group of companies in Malaysia. More details will be shared during the launching of AEON Digital Bank.
- In relation to the question on the possibility of new stores and malls opening in Sabah, the Company was constantly reviewing opportunities for this on the case-by-case basis.

- Mr Okada informed that the Company was focused on growing both retail and property management services segment concurrently as shared in the presentation earlier.
- With regards to the queries on the malls, Mr Seko informed that all AEON Malls are smoke-free, both indoors and outdoors, in line with the regulations by authorities.
- On the enquiry relating to artificial intelligence (“A.I.”) and digitalisation initiatives, Mr Seko informed that the Company was studying the possibility of A.I. applications for the Company’s business. The Company shall continue to expand the installation of self-checkout counters to streamline the checkout process and reduce waiting times to enhance customers’ shopping experience.
- In relation to the solar PV, Mr Seko informed that two (2) malls namely AEON Taman Maluri and AEON Alpha Angle generated solar PV at full capacity in FY2023. The Company managed to save about on average 5% to 6% of the respective mall’s electricity consumption.
- Mr Seko informed that the Company remains committed to ensure fair employment, adherence to all applicable laws, regulations and employment standards. The Company stands by their AEON Code of Conduct which stipulates the expected standards for corporate behavior and provide a safe platform and whistleblowing channel for staff.
- Ms Tan responded to the question relating to the myAEON2go investment and performance and informed that the total investment as at to-date was RM52 million, revenue was less than 5% of the Company’s total revenue.
- With regards to revenue contribution by region, Ms Tan informed that the central region contributed 63% while the northern and southern regions contribution were 19% and 18% respectively.
- On the mall structure, capital expenditure investment and funding requirement questions, Ms Tan informed that 50% of the Company’s malls were leased while the remaining 50% were self-owned. The Company’s annual capital expenditure ranged around RM250 million to RM300 million, barring any one-off expenditures. Funding of these capital expenditure investments are a combination of internally generated funds and external borrowings.
- On the revenue breakdown, Ms Tan informed that the revenue contribution by Foodline, Softline, Hardline and Wellness were 63%, 19%, 14% and 4% respectively. The Company does not provide profit by category as these information were business sensitive. Higher operating expenses were mainly driven by personnel, utilities maintenance and promotional events. The Company’s effective tax rate was about 40% as the construction, renovation and land do not qualify for capital allowance reduction.
- With regards to the impact of other online shopping platforms to the Company’s revenue, Ms Tan commented that revenue remained stable in 2023 despite changes in the market landscape and consumers’ shopping behavior post-

pandemic. The Company will continue to drive higher revenue through expansion of product portfolio mix and private brands on both online and offline platforms.

- Regarding the impact of SST implementation to consumers' buying power, this was still too early to conclude on the impact of the SST on consumers as consumers were already facing inflationary pressures and were more cautious in their expenditure on non-essential items.
- With regards to the increase in profit and revenue, Ms Tan informed that the increase of profit and revenue in FY2023 were driven by growth in property management services segment and disciplined cost management.
- Regarding Chinese New Year and Hari Raya sales performance, Ms Tan commented that the Company noticed softer purchasing power from customers due to lingering effects of inflation during the festive seasons and referred the performance to the recently released first quarterly results of the Company.
- On investor relations, the Company maintained active dialogue with the investment community and remains open to meet all interested investors be they local or foreign.
- On the possibility of holding a physical AGM, the Chairman informed that a physical AGM allowed the Company to reach more shareholders while also being cost effective.
- With regards to the cost of the virtual AGM, the Chairman informed that it cost the Company less than RM50,000.
- Mr Okada responded that the Company will continue to review the AEON card membership benefits and update its members accordingly.
- With regards to the query on profit generation, Mr Okada informed that the Company will continue to collaborate with suppliers to provide competitive prices to customers and review the costs to drive profit generation.
- In relation to the Q1 FY2024 improved results, Ms Tan informed that the improved results were mainly due to seasonal festivities and the Company expects to sustain similar performance level as per FY2023.
- Mr Okada further informed that any plans of shutting down AEON stores will be evaluated on a case-by-case basis.
- With regards to addressing the issue of people smoking in the mall's toilets, the Company will address this issue moving forward.
- With regards to the complaints of myAEON2go, Mr Seko appreciated the feedback and informed the Company shall continue to improve the app's experience for customers.
- On the possibility of waiving the requirement for appointing scrutineers to verify poll results, the Company Secretary informed that it is a requirement under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and

hence, not possible to be waived.

- In response to the average basket value, Ms Tan informed that the average basket value currently was RM62 which represented an increase of approximately 15% since the Covid-19 pandemic.
- With regards to AEON MaxValu's performance, Ms Tan informed that the business remains stable and revenue had grown as well compared to pre-Covid period.
- With regards to the current interest rate hikes, Ms Tan informed that the Company will continue to review this and negotiate with the financial institutions to insulate the portfolio from interest rate hikes.
- On the impact to the Company's operations due to the weakening of the Ringgit Malaysia, Ms Tan informed that most of the products were sourced locally and do not have an immediate direct impact of the weakening currency. Ms Tan provided the breakdown of the stores currently operational, which consisted of 35 stores, 28 malls, 7 MaxValu stores, 62 AEON Wellness pharmacies and 44 Daiso outlets. The capital expenditure for FY2023 was RM430 million.
- With regards to the dividend distribution, Ms Tan clarified that the dividend distribution did not take into consideration any Zakat payments.
- Regarding the dividend policy of the Company, Ms Tan informed that there was no existing dividend policy.
- On the loyalty reward programme query, Mr Okada informed that the Company will work with AEON bank for possible future collaborations.
- Regarding both AEON store and AEON BIG both being in Mid Valley, Mr Okada informed that both stores have different offerings which cater to different customers.
- With regards to AEON's 40 years' celebration, Mr Okada informed that the Company will have a lineup of celebratory activities and promotions to AEON customers.
- Regarding the Company's expansion plans, Mr Okada responded on the earlier presented plans on the opening of the AEON store at Setia Alam and the AEON Mall at KL MidTown.
- With regards to feedback received on the parking checkout machines, Mr Okada informed that the Company will continue to improve on the parking machines across AEON stores.