

AEON

Integrated
Annual Report

2025



CREATING
HAPPINESS
DELIVERING
GROWTH



FY2025 KEY HIGHLIGHTS



2.9M
AEON Member Plus

RM **4.3B**
Revenue

RM **133.8M**
Net Profit

RM **2.0B**
Net Assets

8,782
AEON People

SEN **4.5**
Proposed Dividend Per Share

SQ FT **13.0M**
Net Lettable Area



FTSE4Good

4.2
Rating

2025 FTSE4Good
Bursa Malaysia
Index

2025 FTSE4Good
Bursa Malaysia
Shariah Index

27
AEON MALL

35
AEON

6
AEON MaxValu Prime

62

AEON Wellness

50

DAISO

2

PETEMO PETLIFE STORE

Rocky Basecamp

2

AEON STYLE SUPERMARKET

1

* Information as at 16 March 2026

**AEON TAMAN MALURI
SHOPPING CENTRE,
KUALA LUMPUR**
Headquarters



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CREATING HAPPINESS DELIVERING GROWTH

This cover design reflects AEON's core belief that genuine progress is driven by human connection. The bold, typography-led approach emphasises AEON's commitment to "Creating Happiness, Delivering Growth," while the imagery of interconnected individuals reflects unity, trust, and inclusivity, values that have empowered AEON to grow in tandem with its stakeholders.

The design narrative acknowledges that AEON's success is intrinsically linked to the dedication of its communities, employees, and partners. Each relationship serves as a catalyst for learning, innovation, and continuous improvement, affirming the spirit of collaboration at the heart of the Company's journey.

Looking ahead, the cover conveys AEON's aspiration for sustainable and inclusive growth, where achievement is not defined solely by scale, but by the positive difference made in everyday lives. It reinforces AEON's enduring role as a trusted partner, committed to fostering joy, unity, and shared prosperity for all.

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Go Digital

Our Integrated Annual Report 2025 is accessible at <https://ir2.chartnexus.com/aeon/annual-report.php> or by scanning this QR Code

About This Report

AEON CO. (M) BHD.'s ('AEON' or 'the Company') Integrated Annual Report 2025 (IAR 2025) presents a clear and balanced view of our financial and non-financial performance, offering stakeholders meaningful insights into how we create sustainable value over the short, medium and long term.



Prepared in line with the International Integrated Reporting <IR> Framework and Bursa Malaysia's Sustainability Reporting Guidelines, this report goes beyond historical financial results to reflect AEON's value creation model, strategic priorities, material matters, and our responses to emerging risks, opportunities and capital dependencies within a dynamic operating environment.

Sustainability remains central to our strategy. Our Economic, Environmental, Social and Governance (EESG) performance is integrated throughout this report, highlighting how responsible practices enhance resilience, competitiveness and shared value for our customers, employees, shareholders, business partners and the communities we serve.

REPORTING PRINCIPLES AND FRAMEWORKS

AEON is listed on the Main Market of Bursa Malaysia Securities Berhad. This IAR 2025 has been prepared in compliance with the Main Market

Listing Requirements (MMLR), guided by the International Integrated Reporting <IR> Framework of the International Integrated Reporting Council (IIRC), and with reference to the Malaysian Code on Corporate Governance 2021 (MCCG) as well as Bursa Malaysia's Corporate Governance Guide – 4th Edition, unless otherwise stated.

The audited financial statements for the financial year ended 31 December 2025 have been prepared in accordance with the Malaysian Financial Reporting Standards (MFRS) Accounting Standards as issued by the Malaysian Accounting Standards Board, International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia.

Sustainability disclosures are aligned with Bursa Malaysia's listing requirements and reference leading global frameworks and standards, including:

- International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards
- National Sustainability Reporting Framework (NSRF)
- FTSE4Good Bursa Malaysia Requirements
- Global Reporting Initiative (GRI) Standards 2021
- The United Nations Sustainable Development Goals (UN SDGs)
- UN Global Compact's (UNGC) Ten Principles
- Greenhouse Gas (GHG) Protocol



The GRI Content Index and IFRS S1 and S2 Disclosure Index can be found on our corporate website at <https://aeongroupmalaysia.com/our-sustainability-performance>

SCOPE AND BOUNDARIES

This report presents financial and non-financial information relevant and accurate at the time of publication, covering the financial year from 1 January to 31 December 2025, unless otherwise stated, and is consistent with the Company's audited financial statements. It encompasses AEON's principal business activities in Malaysia, with sustainability disclosures reflecting key initiatives and activities undertaken during FY2025. The Latest Practicable Date of this IAR 2025 is 16 March 2026.

ASSURANCE

Financial statements disclosed in this IAR 2025 have been audited by Messrs KPMG PLT. Selected sustainability-related disclosures in this IAR 2025 has been subject to external assurance.

Please refer to the Independent Limited Assurance Statements on pages 240 to 245 for detailed information on the subject matter, scope and assurance conclusion.

FORWARD-LOOKING STATEMENT

Forward-looking statements should be read with a degree of caution as they are reliant on various events, risks, uncertainties and other factors beyond our control. These statements can be identified through the use of key words such as 'believes', 'intend', 'will', 'plans', 'outlook' and other similar words in conjunction with discussions on future operating or financial performance.

Such statements are not to be taken as implicit or explicit guarantee of our future performance. AEON provides no representation in respect of these statements and disclaims all liability whatsoever (whether in negligence or

otherwise) for any loss, damage, costs or expenses however arising out of or in connection with these statements and this report. AEON does not assume any obligation to update the forward-looking statements contained in this report.

DIRECTORS' STATEMENT OF RESPONSIBILITY

The Board of Directors of AEON is committed to upholding the highest standards of governance and transparency. In line with these principles, the Board is pleased to present a balanced and comprehensive Integrated Annual Report, prepared in accordance with reporting principles and frameworks as stated above.

FEEDBACK

We welcome feedback on this IAR 2025. Please direct all queries to:

Investor Relations Department

AEON CO. (M) BHD.
AEON Home Ground
3rd Floor,
AEON Taman Maluri Shopping Centre
Jalan Jejaka, Taman Maluri
Cheras, 55100 Kuala Lumpur

Email:
InvestorRelations@aeonretail.com.my

AEON's IAR 2025 is printed on FSC-certified papers.

About This Report

ICONS USED IN THIS REPORT

This report utilises the icons below throughout to link our capitals to material matters and key business risks to our strategies and operations.

Invested Capitals

- Financial
- Manufactured
- Intellectual
- Natural
- Human
- Social & Relationship

Stakeholders

- Customers
- Suppliers
- Shareholders and the Investment Community
- Community
- Employees
- Media
- Regulators and Governmental Authorities
- Industry

Material Matters

- MM1 Product Quality, Assurance & Safety
- MM2 Sustainable Supply Chain
- MM3 Business Resilience
- MM4 Climate Change
- MM5 Water Efficiency
- MM6 Waste Management
- MM7 Sustainable Packaging
- MM8 Labour Practices
- MM9 Diversity, Equity & Inclusion
- MM10 Health, Safety & Well-being
- MM11 Learning & Development
- MM12 Community Contribution, Support & Engagement
- MM13 Governance, Ethics & Integrity
- MM14 Data Governance & Security

Key Business Risks

- Strategic Risk
- People/Human Resource Risk
- Digitalisation Risk
- Liquidity Risk
- Cybersecurity Risk
- Product Proposition Risk
- Customer Experience Risk
- Health, Safety and Security Risk
- Sustainability Risk

Strategic Priorities

RETAIL

Grow Customer Base

- GCB1 Strengthen Customer Loyalty
- GCB2 Broaden Private Brands
- GCB3 New Store Opening and Store Facelifts

PROPERTY MANAGEMENT SERVICES

Increase Footfall and Traffic

- IFT1 Mall Rejuvenation and Facelifts
- IFT2 Diversify Tenant Mix
- IFT3 Effective Tenant Management

SUSTAINABILITY

Champion Sustainable Practices

Sustainable Economics

Empowering People

Environmentally Focused

Efficiency & Integrity



OUR INVESTMENT CASE

KEY MESSAGES

CREATING VALUE

CHAMPIONING SUSTAINABILITY

GOVERNANCE WITH INTEGRITY

FINANCIAL STATEMENTS

ADDITIONAL INFORMATION

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SMART CHECKOUT, SMARTER EXPERIENCE

AEON continues to enhance the in-store journey through intelligent self-checkout solutions that offer convenience, efficiency and a seamless transition from aisle to payment.



OUR INVESTMENT CASE

KEY MESSAGES

CREATING VALUE

CHAMPIONING SUSTAINABILITY

GOVERNANCE WITH INTEGRITY

FINANCIAL STATEMENTS

ADDITIONAL INFORMATION

Our Vision and Mission

AEON CO. (M) BHD. was incorporated in Malaysia on 15 September 1984 following an invitation by the Malaysian Government to support the modernisation of the nation's retail sector. Since then, the Company has grown into a leading player in retail and property management services, playing an integral role in shaping Malaysia's modern retail landscape.

AEON CO. (M) BHD. is a member of the AEON group in Malaysia and is 52.0% owned by AEON CO., LTD., an integrated holding company headquartered in Japan.

The global AEON Group operates across 14 countries and employs approximately 620,000 people worldwide, providing the Company with access to scale, operational expertise and deep retail experience.

Today, AEON operates a diversified retail and mall portfolio across Malaysia with a nationwide network of 185 retail outlets. These include 27 AEON Malls, 35 AEON Stores, 6 AEON MaxValu supermarkets, 1 AEON STYLE Supermarket, 62 AEON Wellness outlets, 50 DAISO outlets, 2 Petemo outlets and 2 Rocky Basecamp outlets.

Together, this ecosystem enables AEON to serve a wide spectrum of customer needs across daily essentials, health and wellness, lifestyle, specialty retail and value-focused offerings.

AEON offers an extensive range of products spanning groceries, household essentials, apparel, pharmaceuticals and general merchandise. In line with its



VISION

To create smiles and connect hearts

MISSION

To excite customers' experience that brings joy and happiness

VALUES

- With **EMPATHY**, we LISTEN
- With **COMPASSION**, we RESPECT

- With **INTEGRITY**, we TRUST
- With **KINDNESS**, we ACT

commitment to customer convenience and retail innovation, the Company continues to strengthen its omnichannel capabilities, including delivery options through the myAEON2go e-commerce platform, enabling a seamless integration of physical and digital shopping experiences.

Guided by its 'Customer First' philosophy, AEON remains focused on understanding evolving consumer preferences and delivering consistent value. Through a carefully curated product mix, strong Private Brand offerings and continuous innovation across its retail formats, AEON strives to provide a convenient, reliable and rewarding shopping experience for customers at every touchpoint.

Our Presence

AEON MALL	27
AEON	35
AEON MaxValu Prime	6
AEON Wellness	62
DAISO	50
Rocky Basecamp	2
PETEMO PETLIFE STORE	2
AEON STYLE SUPERMARKET	1



Region	AEON Mall	AEON Store	AEON MaxValu	AEON Wellness	DAISO	Rocky Basecamp	PETEMO	AEON STYLE Supermarket
1 Kedah				2	1			
2 Penang	1	2		3	4			
3 Perak	4	5	4	6	4			
4 Selangor	6	9	1	12	12	1	1	1
5 Kuala Lumpur	4	5	4	19	15			
6 Putrajaya		1						
7 Negeri Sembilan	2	2		2	2			
8 Melaka	2	2		2	2			
9 Johor	6	6	1	9	4	1	1	
10 Kelantan	1	1		1	1			
11 Terengganu				1	2			
12 Pahang		1		2				
13 Sarawak	1	1		3	3			

Our Business Offerings



AEON MALL

27

AEON Mall



AEON Mall is one of Malaysia's largest and most dynamic retail and mall operators, with 27 locations nationwide offering a diverse mix of local and international brands.

AEON Mall serves as an integrated community hub encompassing retail, dining, entertainment, sustainability initiatives and social engagement.

With a total net lettable area of 13.0 million sq. ft., AEON Mall offers a diversified tenant mix comprising supermarkets, fashion outlets, electrical and electronics retailers, home essentials and a wide range of food and beverage options. The malls emphasise affordability and quality, supported by festive sales campaigns, promotional activities and customer engagement programmes.

In FY2025, AEON Mall onboarded 377 new tenants, including 95 first-time entrants, underscoring the Company's strong market positioning and continued commitment to curating a dynamic and relevant retail mix that responds to evolving consumer lifestyles. Designed as family-oriented destinations, AEON Mall delivers an engaging and well-rounded shopping experience, with selected locations offering cinemas, complemented by children's play areas and entertainment zones. These experiential elements are further enhanced by a calendar of curated events designed to drive footfall, strengthen

customer engagement, and reinforce AEON Malls as preferred lifestyle destinations.

AEON Mall locations are strategically situated with convenient access to public transportation and are equipped with facilities designed to accommodate persons with disabilities, ensuring an inclusive, accessible and convenient shopping environment. To further support tenant operations, AEON Mall provides a dedicated e-Tenant Portal to enhance operational efficiency and foster closer collaboration with tenants. This is further complemented by designated advertising spaces within the malls to strengthen brand visibility and marketing impact.

Aligned with AEON Foundational Ideals, AEON Mall remains committed to sustainability and corporate social responsibility through the implementation of green initiatives, including waste reduction measures and energy-efficient systems. Community engagement and charitable programmes are actively supported reinforcing AEON Mall's commitment to creating positive and lasting social impact.

Our Business Offerings



AEON

35

AEON Store



AEON Store operates an integrated retail format comprising a General Merchandise Store (GMS) and a Supermarket, delivering a comprehensive one-stop shopping experience tailored to the everyday needs of Malaysian households across diverse communities.

The GMS offers an extensive assortment of Softline and Hardline merchandise. Softline categories span ready-to-wear apparel from casual to formal, while Hardline offerings include electrical and electronic appliances, kitchenware, bedding, and home furnishings.

The Supermarket provides a broad selection of fresh produce, including vegetables sourced directly from local farmers, alongside daily essentials, groceries and freshly prepared ready-to-eat meals, all positioned at accessible price points.

AEON operates 35 AEON Stores nationwide, delivering a holistic lifestyle retail experience within a convenient and welcoming environment. AEON Store features a curated portfolio of AEON Private Brands across both the GMS and Supermarket, including TOPVALU, innercasual, and HÔME CÔORDY, offering quality, value, and distinctive choices to customers.

To complement the in-store experience, customers may also shop online via the myAEON2go platform, enabling a seamless and fully integrated omnichannel retail experience.

Responding to the growing demand for convenience and ready-to-eat offerings, AEON Store offers a diverse range of halal-certified food and beverage options to meet customers' evolving preferences.

AEON Delicatessen features a selection of freshly prepared items, including sushi, bento boxes, roast chicken, hot snacks and desserts, providing convenient meal solutions for everyday consumption.

For those looking to dine in, Coco Café offers a kopitiam-style in-store dining experience, allowing customers to enjoy local favourites such as nasi lemak and kaya butter toast in a relaxed setting.

Further enhancing the food and beverage proposition, La Bohème presents a range of oven-fresh baked goods, featuring an appealing selection of pastries, breads and other confectionery items while La Bohème Coffee and La Bohème Desserts: Sucrée Amor, complete the cafe experience with dine-in options for customers.

AEON Delicatessen



Our Business Offerings



6
AEON
MaxValu

AEON MaxValu operates a network of strategically located supermarkets within high-density residential and commercial catchments, providing surrounding communities with convenient access to daily essentials. Designed with a compact and efficient store format, each outlet offers a carefully curated range of premium fresh produce and quality products at competitive prices, optimising space utilisation while ensuring product relevance.

AEON MaxValu places strong emphasis on service consistency, product freshness and operational efficiency, delivering a reliable and seamless shopping experience. Customers may shop in-store or via selected online platforms. This integrated omnichannel approach enhances customer convenience while reinforcing AEON MaxValu's positioning as a trusted, customer-focused retail format catering to everyday consumer needs.



62
AEON
Wellness

AEON Wellness has grown into a trusted health, beauty, and personal care brand since its inception in 2010, and currently operates 62 outlets nationwide. The brand delivers quality products and expert consultations, supported by a team of trained Pharmacists, Beauty Advisors, and experienced retail staff, dedicated to providing personalised wellness solutions.

Guided by its tagline "Be Healthy, Be Beautiful", AEON Wellness delivers service excellence through its professional team, offering tailored services such as health screenings, skin analysis, and chronic care support. It also supports healthier lifestyles through expert dietary and supplement guidance. With the added convenience of the myAEON2go platform, AEON Wellness continues to enhance accessibility to products and services, supporting AEON's customer-focused and sustainable growth strategy.

Our Business Offerings



50
DAISO

DAISO by AEON commenced operations in Malaysia in 2010 with the opening of its first outlet at AEON Mall Bandaraya Melaka. Operating under a flat-price retail model, DAISO offers quality products at fixed price points, delivering a convenient and value-driven one-stop shopping experience.

DAISO offers an extensive merchandise assortment of more than 8,000 items across multiple categories, including household essentials, personal care products, stationery, kitchenware, toys and seasonal items, with prices ranging from RM5.90 to RM29.50. Product offerings are refreshed regularly through the introduction of new and exclusive items, ensuring variety, relevance and differentiation to meet diverse customer needs and preferences.

DAISO aims to expand its retail footprint through the opening of new outlets across Malaysia to serve more customers. To further enhance accessibility and customer convenience, selected products are also available on the myAEON2go platform, supporting an integrated omnichannel retail approach.



2
Rocky
Basecamp

Rocky Basecamp (RBC) is Malaysia's first indoor speed climbing centre and houses Southeast Asia's first Olympic-standard speed climbing wall. The facility serves as a dedicated training venue for both aspiring and professional athletes, supporting technical development and preparation for competitive events at national and regional levels.

Beyond professional training, RBC promotes broader participation in climbing through a comprehensive range of facilities, including lead walls, fun walls and curved bouldering areas. Designed to accommodate varying skill levels from beginners to experienced climbers, the centre supports recreational climbing, structured skills development and fitness programmes within a safe and controlled indoor environment.

RBC also provides a structured setting that integrates physical activity, skill progression and confidence building. The centre caters to casual visits, organised training sessions, team-building activities and children's events. Guided by its objective to nurture emerging climbing talent, RBC remains focused on fostering learning opportunities and community engagement in the climbing scene.



Our Business Offerings



Petemo Petlife Store (Petemo) operates as an integrated pet lifestyle retail concept, offering a curated range of pet care products alongside professional services. Designed to foster customer trust and transparency, Petemo features open-concept grooming rooms with glass panels, allowing pet owners to observe the grooming process.

Beyond retail and grooming services, Petemo provides experiential offerings that distinguish it from conventional pet stores. These include a dog daycare facility that offers a safe and supervised environment for pets while owners shop, as well as a "Play and Adopt" zone that allows prospective cat owners to interact and bond with rescued cats prior to adoption, fostering responsible pet ownership.

With a strong commitment and focus on quality, convenience and animal welfare, Petemo integrates retail, services and community engagement to enhance the overall pet ownership experience. By combining its Japanese retail heritage with an understanding of local market requirements, Petemo continues to strengthen its position in Malaysia's pet care and lifestyle segment.



AEON STYLE Supermarket is AEON's latest modern supermarket format, with its first outlet launched at Setia EcoHill, Semenyih in December 2025. The format offers a convenient shopping experience featuring fresh produce, organic products, imported groceries and Japanese specialty items.

AEON STYLE Supermarket delivers a carefully curated product range within a streamlined store layout, enhancing shopping flow and accessibility. The format places strong emphasis on high-quality fresh produce from fruits to vegetables, meat and seafood while complemented by a wide selection of ready-to-eat options. These offerings are tailored to meet the needs of customers with a fast-paced lifestyle seeking convenient meal solutions.

As a new business format, AEON STYLE Supermarket reflects AEON's commitment to innovation and customer-centric retail development. By integrating freshness, quality and convenience, the format strengthens AEON's supermarket segment while delivering a modern, efficient and elevated grocery shopping experience.

Our Business Offerings

myAEON2go

YOU ORDER, WE DELIVER

Shop at **myAEON2go** and enjoy same-day delivery.

Convenience

www.myaeon2go.com

Scan & Save!
Download and unlock exclusive deals today!

Huge Grocery Selection

myAEON2go

GET IT ON Google play Available on the App Store

As the digital anchor of AEON's omnichannel ecosystem, the myAEON2go e-commerce platform brings the convenience of AEON's trusted physical store network directly to customers' fingertips. Designed to seamlessly integrate online and offline retail, the platform enhances accessibility and shopping flexibility through a comprehensive range of fulfilment options, including same-day delivery, scheduled delivery and self-pickup at designated collection points at selected AEON Stores.

Serving as a one-stop digital destination for groceries and household essentials, myAEON2go platform is fully integrated with the AEON Points ecosystem, enabling customers to earn and redeem points seamlessly on their online purchases. The platform leverages data-driven capabilities, including machine learning-enabled personalisation, to deliver relevant product recommendations and a more tailored shopping experience based on customer preferences and purchasing behaviour.

myAEON2go platform continued to scale its operations across Peninsular Malaysia, including the establishment of a new fulfilment presence in AEON Kuantan in 2026,

further strengthening nationwide coverage. The platform also enhanced its product offering through the onboarding of additional strategic suppliers, expanding assortment depth and customer choice. These efforts were recognised externally when myAEON2go platform received the PC.com Reader's Choice – Best Online Grocery Retail Award, underscoring its growing market relevance and customer appeal.

Online transactions recorded an average order value more than double that of in-store purchases, supported by targeted online promotions designed to encourage higher basket sizes and greater rewards. Sales contributions from AEON Members also increased year-on-year, reinforcing the strength of a loyalty-driven customer base.

myAEON2go platform will continue to focus on service reliability, assortment relevance, personalisation capabilities, data protection and strong operational governance. These priorities support sustainable growth while reinforcing customer trust and delivering a convenient, rewarding and integrated omnichannel shopping experience.

Our Business Offerings

AEON's Private Brands



Established in Malaysia in 2013, TOPVALU represents AEON's flagship Private Brand and a key pillar of our retail differentiation strategy. TOPVALU offers an extensive and growing range of products across food, beverages, household essentials and daily necessities, available nationwide across AEON's supermarket network.

Increasing emphasis is placed on localisation, with products developed and curated to reflect Malaysian tastes, preferences and consumption habits. This includes adapting flavours, formats and product concepts, as well as ensuring Halal compliance for locally developed products, to better serve diverse Malaysian households while maintaining consistency with AEON's product development and assurance standards.

Our long-term vision is for customers to visit AEON specifically to discover and purchase TOPVALU products. To support this, we are progressively broadening the range, encouraging trial through wider shelf presence, targeted promotions and clear product differentiation. TOPVALU now offers credible alternatives to national brand products across multiple categories, giving customers more choice and the opportunity to experience the brand across everyday purchase occasions.

TOPVALU continues to strengthen its role as a destination brand within AEON, supporting customer loyalty, repeat visits and sustainable long-term growth.

innercasual (iC) is AEON's athleisure Private Brand from Japan, developed to deliver everyday comfort for everyday action. Designed to support active and modern lifestyles, the brand combines functional design with smart, eco-friendly fabric technologies to meet the demands of movement, comfort and versatility.

iC utilises lightweight materials engineered for high sweat absorption, quick-drying performance, and anti-odour and anti-bacterial properties, making the apparel suitable for gym sessions, casual outings and home wear. The product range spans innerwear, socks, active tops and bottom-wear for both men and women, offering customers practical options across multiple lifestyle needs.

Sustainability is an integral part of the brand's development, with selected products made using eco-friendly materials, including 100% organic cotton cultivated without pesticides or chemical fertilisers. By balancing innovation, comfort and responsible sourcing, iC delivers functional apparel at accessible price points.

iC is widely available across AEON stores nationwide, and through myAEON2go platform. Through this combination of performance, accessibility and thoughtful design, iC strengthens AEON's Private Brand portfolio while meeting customers' evolving expectations for everyday activewear.

HÓME CÓORDY is AEON's private label brand for home living, offering a comprehensive range of thoughtfully designed and well-coordinated products. Inspired by Japanese living concepts and craftsmanship, the brand is created to support comfortable and well-organised lifestyles through practical and coordinated home solutions.

HÓME CÓORDY emphasises minimalist design and everyday usability. Its collections feature a consistent and calming colour palette of white, blue and grey, allowing customers to easily mix and match products across different spaces for a cohesive home aesthetic.

The brand's wide assortment comprises bedding products such as pillows, comforters and sheets, kitchenware, containers and lunch boxes, as well as storage solutions and furniture. Many products are multi-functional, space-saving and designed to adapt to modern lifestyles, reflecting the brand's focus on versatility and ease of use.

HÓME CÓORDY products are available across AEON stores nationwide and through myAEON2go platform. The brand plays a key role in strengthening AEON's Private Brand portfolio and enhancing customers' everyday living experience.

Our Achievements

17 January

Putra Brand Gold Award – Retail

AEON received the award at the Putra Brand Awards, making it AEON's twelfth success in the Retail category. Putra Brand Awards is the premier brand award in Malaysia and is determined by consumer preference.



20 June

From Bidor to Segamat Growing the Malaysia – Japan Friendship Forest Legacy

The event marked the completion of the Malaysia – Japan Friendship Forest Programme in Bidor, where AEON planted 30,000 trees on a 22.75 hectare former tin mining site, and the symbolic launch of the Segamat Reforestation Programme through a Letter of Intent exchange.

5 March

AEON and KIP REIT Sign MOU to Expand AEON Mall Kinta City

AEON Mall Kinta City, will undergo significant upgrades, including the introduction of new retail lots, improved common areas, and enhanced facilities. The expansion project is expected to be completed in 2027.



25 June

AEON Mall Ipoh Station 18 reopens with a fresh look

The mall now features a newly revitalised space with upgraded amenities designed to meet the evolving lifestyle needs of Ipoh's growing community. It also consists of family entertainment, fitness centre, sports facilities and cafes.

22 May

40th Annual General Meeting

The meeting was conducted in a hybrid format, enabling greater participation from shareholders both in-person and online. All proposed resolutions were approved, reflecting strong shareholder support and confidence in AEON's strategic direction.



12 July

Malaysian Book of Records (MBOR) for the Most Participants Wearing Superman Costume in a Gathering

AEON Mall Bukit Indah set a MBOR with over 1,007 fans and customers donning the iconic superhero outfit. This record highlights AEON's commitment to creating engaging and memorable experiences for its customers.

29 May

Top Voted Employer in Retail Group

AEON has once again secured the Gold Award in the SEEK People & Purpose Awards 2025. The recognition is based on employees feedback, voted by working population familiar with their sectors.



15 July

Groundbreaking for AEON Mall Seremban 2 Expansion

The expansion of the new building will be located adjacent to the existing AEON Mall Seremban 2. Upon completion, the new mall will be the largest mall in Negeri Sembilan with a combined total net lettable area of over 700,000 square feet.

Our Achievements

9 August

Best Nationwide Retail Campaign Series

AEON was recognised at the Tourism Industry Awards for its integrated marketing excellence across Malaysia, with key campaigns such as “Everyday Fresh, Everyday Low Price”, “Prosperity Blossom” and festive Raya promotions effectively combining value-driven retail with strong community engagement.



19 August

AEON and AEON Credit sign joint venture to build a future-ready membership and data ecosystem

AEON and AEON Credit formalised a strategic JV to establish a new entity that will drive the integration of customer membership, data intelligence and digital engagement across the AEON ecosystem in Malaysia.



20 September

Malaysian Book of Records – The highest number of steps walked inside malls

AEON received MBOR for recording the highest number of steps walked inside malls in conjunction with Malaysia Wellness Month. A total number of 17,945,534 steps recorded in 27 AEON Malls across Malaysia.



25 September

The National Energy Award 2025

AEON received the Green Energy Stewardship – Gold Award for green electricity achieved through the Green Electricity Tariff (GET) programme since 2022 with 29 accounts subscribed under Retail category.



25 September

Best Online Grocery Retail – myAEON2go

AEON's e-commerce platform, myAEON2go, received the award at the PC.com Awards 2025, recognising AEON's commitment to delivering a seamless, reliable, and customer-centric online shopping experience, making everyday grocery shopping more convenient and accessible to all.

1 October

Most Improved ESG Performance Over Three Years

AEON was recognised with the Gold Award in the category of companies with market capitalisation between RM800 million and RM5 billion at The Edge ESG Awards 2025.

10 October

AEONfwd: Suppliers Conference 2025

This conference is designed to equip our business partners and suppliers with valuable knowledge and insights, fostering stronger collaboration and partnerships that drive sustainable growth with AEON.

11 October

AEON Planted 100 saplings for Terang di Hujung Dahan programme

A total of 50 rumbia and 50 berembang saplings were planted in conserving fireflies' natural habitat in Kuala Selangor.

Our Achievements

16 October

Reopening of AEON Bandaraya Melaka

The newly revamped AEON Bandaraya Melaka opened its doors to welcome shoppers. Visitors can experience modern aesthetics, improved layouts, and an atmosphere designed to elevate everyday retail needs.



28 October

Reopening of AEON Shah Alam

AEON Shah Alam reopened with a fresh new look and upgraded facilities. Among the highlights are the new smart trolleys, more self-checkout (SCO) counters, a Grab N Go section, and a refreshed La Boheme Café with 12 new food concept counters.



20 November

AEONfwd Business Partners

AEON brought together our valued Business Partners for a day of connections and forward thinking conversations. This was a platform to exchange insights and unveil AEON's strategic direction for 2026.



8 December

#AEONResponsible Suppliers Forum 2025

The event is the finale of #AEONResponsible Suppliers Program where AEON celebrated the suppliers' achievements and progress after a year of empowering them to measure and manage their carbon emissions.



12 December

AEON STYLE Supermarket Setia EcoHill Opening

AEON introduced AEON STYLE Supermarket at Setia EcoHill, Semenyih, featuring a contemporary layout, attractive product displays and an enhanced fresh-food experience designed for today's fast-paced lifestyles.

15 December

ESG Select List 2025

AEON was included by the UN Global Compact Malaysia & Brunei (UNGCMYB) as a 4-Star Lister under the categories of Purposeful Partnership, Future-Fit and Responsible Workforce, The North Star ESG Target Setting and ESG Trailblazer.

18 December

AEON Bukit Indah Reopening Celebration

AEON Bukit Indah made a grand return with a brand new look. The vibrant reopening celebration was filled with energy, and a first look at the upgraded and modern shopping floors.

21 December

Malaysian Book of Records – Most Participants Wearing Santa Claus Costume in a Gathering

AEON Mall Bukit Indah made history with 1,221 Santas gathered under one roof, officially secured MBOR: Most Participants Wearing Santa Costume in a Gathering.



OUR INVESTMENT CASE

KEY MESSAGES

CREATING VALUE

CHAMPIONING SUSTAINABILITY

GOVERNANCE WITH INTEGRITY

FINANCIAL STATEMENTS

ADDITIONAL INFORMATION

5-Year Financial Highlights

Year Ended 31 December	2021	2022	2023	2024	2025
Financial Performance (RM'000)					
Revenue	3,630,364	4,141,094	4,129,038	4,261,525	4,288,866
Retail	3,099,107	3,525,563	3,454,311	3,524,570	3,501,111
Property management services	531,257	615,531	674,727	736,955	787,755
EBITDA	724,652	759,931	711,077	715,799	740,361
Profit before tax	131,014	211,468	193,938	207,781	210,595
Profit after tax	85,287	111,232	114,832	128,032	133,781
Net dividend	42,120	56,160	56,160	63,180	63,180

Financial Position (RM'000)					
Assets					
Property, plant and equipment and intangible assets	3,171,171	3,003,477	3,129,532	3,130,896	3,304,500
Right-of-use assets	1,501,217	1,211,173	1,071,108	1,163,129	1,107,967
Investments	63,927	59,098	52,647	60,160	80,077
Deferred tax assets	168,264	180,639	183,148	187,229	198,253
Other non-current assets	18,101	18,238	17,915	26,003	17,039
Current assets	940,115	953,698	769,193	1,067,342	1,091,556
Total Assets	5,862,795	5,426,323	5,223,543	5,634,759	5,799,392

Equity (RM'000)					
Share capital	702,000	702,000	702,000	702,000	702,000
Non-distributable reserves	62,221	57,392	50,704	57,113	52,283
Retained earnings	978,524	1,047,636	1,106,308	1,178,180	1,248,781
Total Equity Attributable to Equity Holders of the Company	1,742,745	1,807,028	1,859,012	1,937,293	2,003,064

Liabilities (RM'000)					
Borrowings	728,333	497,776	419,995	620,000	790,000
Lease liabilities	2,064,988	1,779,411	1,623,904	1,686,737	1,624,406
Other liabilities	1,326,729	1,342,108	1,320,632	1,390,729	1,381,922
Total Equity and Liabilities	5,862,795	5,426,323	5,223,543	5,634,759	5,799,392

Financial Indicators					
Earnings per share (sen)	6.07	7.92	8.18	9.12	9.53
Dividend per share (sen)	3.00	4.00	4.00	4.50	4.50
Net assets per share (RM)	1.24	1.29	1.32	1.38	1.43
Debt to equity (times)	0.42	0.28	0.23	0.32	0.39
Return on equity (%)	4.89	6.16	6.18	6.61	6.68
Price earning ratio	23.23	17.30	13.33	17.21	11.33
Share price as at 31 December (RM)	1.41	1.37	1.09	1.57	1.08

Note:

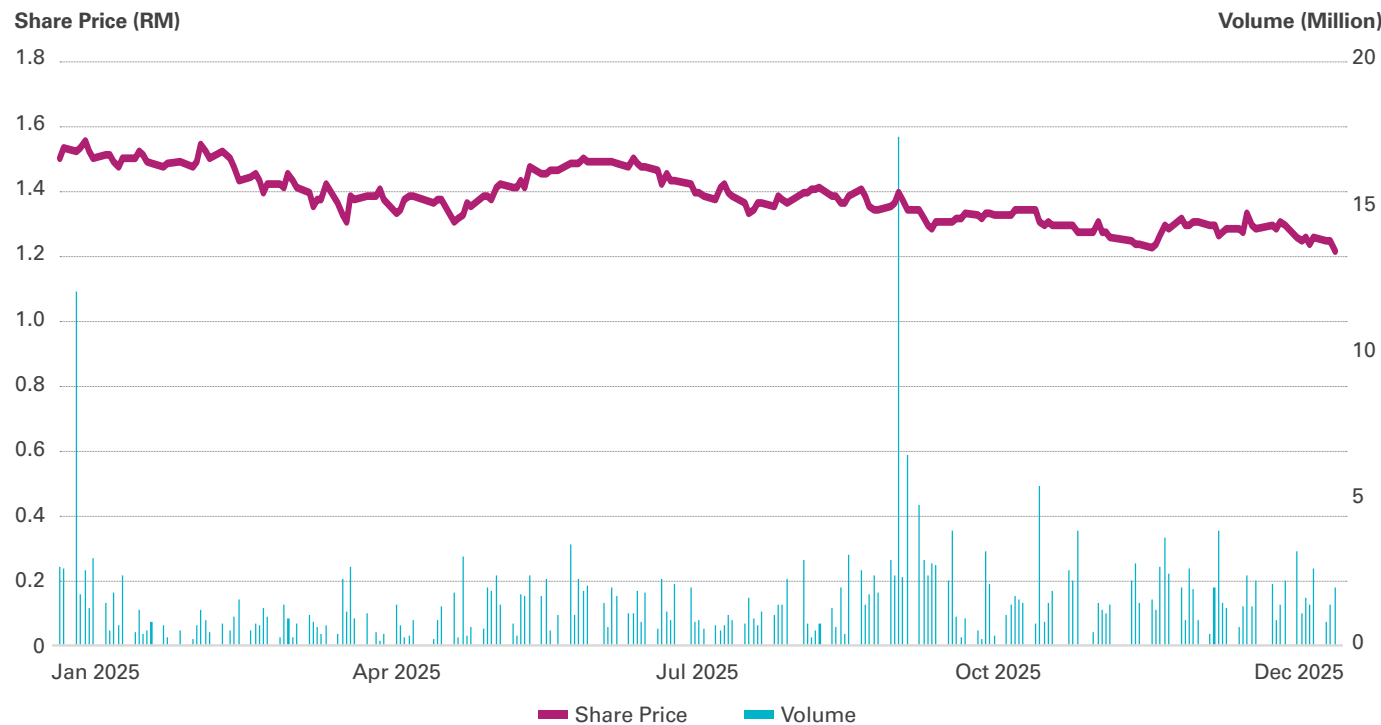
* Debt to equity excludes cash and lease liabilities.

5-Year Financial Highlights



Investor Relations

AEON remains committed to high standards of corporate disclosure and transparency to protect shareholders' interests and support well informed investment decisions. The Company maintains open communication channels and ensures fair treatment of investors by promptly sharing financial and strategic updates. Our Investor Relations page on our Company's website continues to serve as a comprehensive hub, providing share price information, Bursa Malaysia announcements, quarterly results, annual reports, investor presentations, and other relevant disclosures.



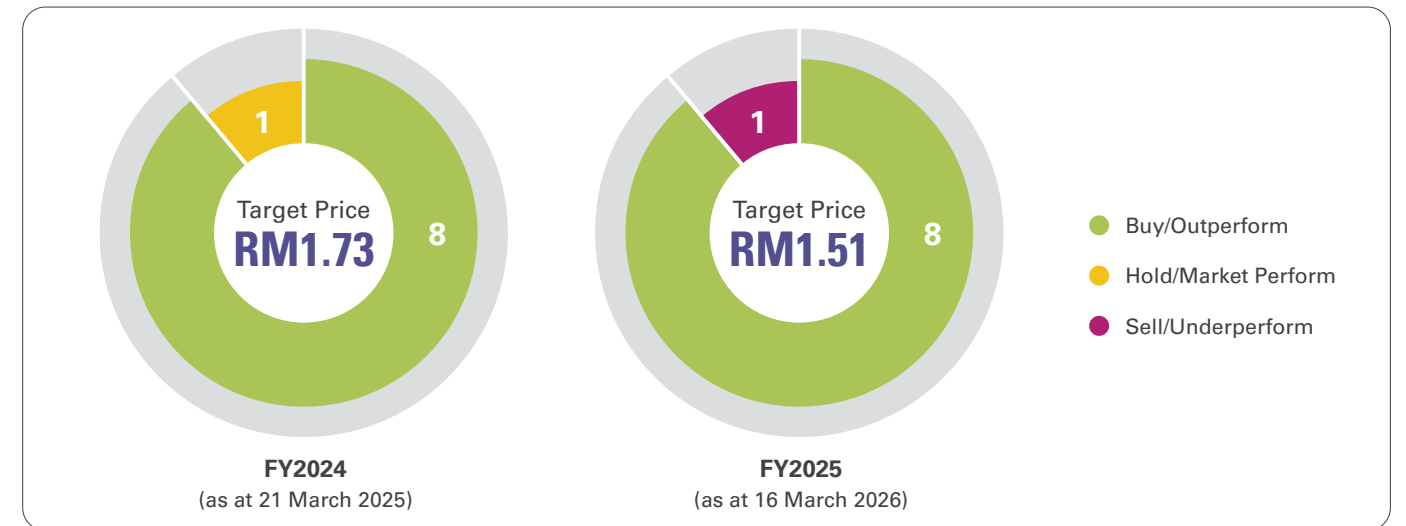
During the year, AEON's share price experienced fluctuations in line with market dynamics and investor sentiment. While the stock traded within a 52-week range of approximately RM1.02 to RM1.56, it reflected the broader retail sector trends and consumer spending patterns observed across. Periods of modest share price movement, including instances of both slight gains and declines, were seen as the market responded to quarterly performance updates and sector developments.

Market analysts continued to cover AEON, providing insights and forecasts that support investor understanding of the Company's fundamentals and prospects. AEON's stock is actively covered by nine research houses as listed below:

- Affin Hwang Investment Bank Berhad
- BIMB Securities Sdn Bhd
- CIMB Securities Sdn Bhd
- Hong Leong Investment Bank Berhad
- Kenanga Investment Bank Berhad
- Maybank Investment Bank Berhad
- MBSB Investment Bank Berhad
- RHB Investment Bank Berhad
- TA Securities Holdings Berhad

Investor Relations

Research coverage continued during the year, with these research houses reaffirming their views on AEON while updating their target prices in line with evolving market conditions.



Consensus analyst price targets have remained constructive, with an average target price of RM1.51 and eight Buy calls and one Sell call, suggesting confidence in the Company's strategic direction and medium term growth potential.

Overall, AEON's share price performance and ongoing analyst coverage reflect a balanced investor outlook shaped by both the Company's operational resilience and the evolving economic environment. The Company remains focused on enhancing shareholder value through disciplined execution, transparent communication, and proactive engagement with the investment community.

For more information on AEON's quarterly financial results announcements, please refer to AEON's company website at <https://ir2.chartnexus.com/aeon/quarterly-report.php>

Credit Rating and Engagement with Rating Agency

The Company maintains regular engagement with RAM Rating Services Berhad (RAM) as part of its commitment to transparency and prudent financial management. During the annual rating review process, Senior Management meets with the agency to discuss the Company's financial performance, capital structure, and strategic direction. The Investor Relations function supports this engagement by providing comprehensive operational and financial information to facilitate a thorough and balanced assessment of the Company's credit profile.

During the year, RAM affirmed the AA₂ rating on AEON's Islamic Medium Term Note (IMTN) Programme and P1 rating on Islamic Commercial Papers (ICP) Programme, reflecting the Company's established retail market position, resilient operating performance, and disciplined financial management.

Under the Sukuk Programme, which is structured based on the Shariah principle of Murabahah via Tawarruq arrangement in 2016, AEON established an ICP Programme with a limit of up to RM300.0 million and an IMTN Programme with a limit of up to RM1.0 billion, under a combined master limit of up to RM1.0 billion in nominal value. The ICP Programme under this structure expired in 2023. Separately, in 2024, AEON established an ICP Programme and an IMTN Programme with a combined aggregate limit of up to RM2.0 billion in nominal value under the Sukuk Wakalah Programme, which adopts the Shariah principle of Wakalah Bi Al-Istithmar.

These programmes provide the Company with financial flexibility to support working capital requirements and long-term business expansion. The affirmation of the ratings underscores continued confidence in AEON's credit fundamentals and its ability to maintain stable cash flows and sound financial discipline.

AEON's Credit Rating:

	2024	2025
ICP Programme	P1	P1
IMTN Programme	AA ₂	AA ₂

Key Messages

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- 28 From the Desk of the Managing Director

EMPOWERING CUSTOMERS, ELEVATING EXPERIENCE

AEON integrates smart trolley technology to enhance convenience, ease navigation and deliver a smoother in-store experience - making each visit simpler, smarter and more satisfying.



OUR INVESTMENT CASE

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Letter from the Chairman

SEIZING OPPORTUNITIES IN A DYNAMIC MARKET



Dear Valued Shareholders,

On behalf of the Board of Directors, I am honoured to present the Integrated Annual Report 2025 of AEON CO. (M) BHD. This year marks another meaningful chapter in our journey, one that reinforces AEON's enduring purpose of enriching lives and shaping Malaysia's evolving retail landscape through innovation and community connection.

Guided by a clear purpose to enrich everyday lives of Malaysians, AEON strives to deliver experiences that bring joy and happiness to our customers. This spirit is embodied by our AEON People, whose dedication and passion continue to strengthen the trust and emotional connection Malaysians have with the AEON brand.

Throughout FY2025, we continued to execute our strategic priorities with focus and discipline, strengthening our retail and property management businesses, enhancing customer engagement, and deepening our sustainability agenda while seizing new opportunities to create long-term value for our shareholders and stakeholders.



→ **DATUK ISKANDAR SARUDIN**
Non-Independent Non-Executive Chairman

Revenue
RM
4,288.9m

FY2024: RM4,261.5m

Net Profit
RM
133.8m

FY2024: RM128.0m

Net Assets
RM
2,003.1m

FY2024: RM1,937.3m

Proposed Dividend
Per Share
4.5 sen

FY2024: 4.5 sen

Letter from the Chairman

ESG CONSIDERATIONS ARE EMBEDDED ACROSS OUR BUSINESS, WITH A FOCUS ON CLIMATE ACTION, EMPLOYEE WELL-BEING, AND OPERATIONAL EFFICIENCY

SEIZING OPPORTUNITIES IN A DYNAMIC MARKET

The retail environment in FY2025 continued to be shaped by both global and domestic uncertainties. Persisting cost pressures, evolving consumer preferences, and higher operating expenses tested the sector's adaptability. At the domestic level, policy developments including adjustments to taxation, social assistance and fuel subsidies have the potential to influence consumer sentiment and spending behaviour. Despite these challenges, Malaysia's retail sector has remained resilient, underpinned by a stable labour market, recovery in tourism activity, and gradually improving consumer sentiment.

Within this dynamic environment, AEON has remained agile by leveraging the AEON Living Zone ecosystem, an integrated model of AEON group of companies in Malaysia, partners, and technology to deliver a seamless and engaging shopping experience that meets the everyday needs of our customers and communities. In FY2025, we strengthened the AEON Living Zone ecosystem with the establishment of our newly minted joint venture company with AEON Credit Service (M) Berhad - AEON 360 Sdn Bhd (AEON 360) which represents AEON group of companies in Malaysia's strategy to move beyond traditional retail and finance silos toward a digital-first, customer-centric ecosystem where loyalty, payments,

personalisation, and engagement are more integrated and data-driven. Guided by our enduring "Customer First" philosophy, we continuously enhance our product offerings, service quality, and digital platforms to strengthen customer connections and convenience.

At the same time, we remain committed to our environmental and social responsibilities. ESG considerations are embedded across our business, with a focus on climate action, employee well-being, and operational efficiency, ensuring that our growth aligns with sustainable practices and responsible stewardship.

DELIVERING VALUE AND REWARDING LOYAL SHAREHOLDERS

Our network of 35 AEON Stores and 27 AEON Malls, encompassing a combined net lettable area of approximately 13.0 million square feet, along with our growing portfolio of specialty outlets, continues to be a vibrant destination for customers and tenants alike. The appeal of our malls and retail outlets lies in a thoughtfully curated mix of offerings, strong tenant partnerships, and continuous innovation in both store formats and digital experiences.



Letter from the Chairman

THE BOARD IS PLEASED TO PROPOSE A FINAL DIVIDEND OF 4.5 SEN PER SHARE, AMOUNTING TO RM63.2 MILLION AND REPRESENTING A PAYOUT RATIO OF 47%

Over the past year, we continued to invest in mall and store refurbishments as well as digital initiatives including the rollout of additional self-checkout counters, smart trolleys, licence plate recognition, and enhancements to myAEON2go platform, making shopping more seamless and engaging, particularly for younger, tech-savvy customers. These efforts have strengthened brand loyalty while enriching the overall customer experience.

Coupled with well-executed strategic priorities, these initiatives contributed to another year of solid performance. AEON achieved a net profit of RM133.8 million, and the Board is pleased to propose a final dividend of 4.5 sen per share, amounting to RM63.2 million and representing a payout ratio of 47%, subject to shareholders' approval at the upcoming AGM.

Looking ahead, we remain focused on delivering exceptional experiences, driving operational excellence, and investing strategically to capture new opportunities, ensuring AEON continues to grow sustainably while creating long-term value for our shareholders and the communities we serve.

EMBEDDING SUSTAINABILITY AT THE CORE

Sustainability remains central to AEON's purpose and long-term strategy, guiding how we operate, manage risks and create value

for our stakeholders. In FY2025, we strengthened sustainability governance, advanced climate action, deepened social impact, and enhanced ESG transparency to ensure our efforts deliver measurable and meaningful outcomes.

Guided by the AEON Sustainability Charter, we aligned our sustainability and climate roadmap with Malaysia's National Energy Transition Roadmap and the nation's net-zero greenhouse gas emissions target by 2050. In parallel, AEON reaffirmed its own commitment to achieving net-zero emissions by 2050, underpinned by initiatives to build a resilient and sustainable value chain that supports long-term growth.

To embed sustainability into decision-making and accountability, we aligned our disclosures with global standards, including the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board, and incorporated ESG-related KPIs into the company scorecard. This linkage ensures sustainability outcomes are measured, governed and rewarded alongside financial performance.

During the year, we reviewed our material sustainability topics, incorporating stakeholder feedback to ensure continued relevance and impact. Our ESG strategy is anchored on four pillars, namely Sustainable Economics, Environmentally Focused, Empowering People, and Efficiency & Integrity, with customers at the centre.



This integrated approach enables us to create shared value for employees, partners and communities, consistent with AEON's founding principle of "Peace, People and Community".

We continued to invest in renewable energy across our malls, expanded EV charger installations to support low-carbon mobility, and strengthened environmental stewardship through the ongoing expansion of our reforestation programme in Malaysia. In support of inclusive growth, AEON contributed RM1.3 million towards community-focused initiatives in FY2025.

These sustained efforts have begun to receive meaningful external recognition. In 2025, AEON received the Gold Award at the The Edge Malaysia ESG Awards for Most Improved ESG Performance over three years, and the Overall Excellence Award at the Minority Shareholders Watch Group's National Corporate Governance & Sustainability Awards

Letter from the Chairman



2025. AEON was also recognised under the ESG Select List 2025 by the UN Global Compact Malaysia & Brunei (UNGCMYB) as a 4-Star Lister under the categories of Purposeful Partnership, Future-Fit and Responsible Workforce, The North Star ESG Target Setting and ESG Trailblazer.

In addition, AEON was included for the fourth consecutive year in both the FTSE4Good Bursa Malaysia Index and the FTSE4Good Bursa Malaysia Shariah Index, achieving a rating of 4.2 in 2025 and placing us above the global industry average for broadline retailers. We also maintained the highest 4-star rating under Bursa Malaysia's FTSE4Good standards, reaffirming our commitment to strong governance and sustainable value creation.

LOOKING AHEAD

As we look to FY2026 and beyond, AEON will continue to pursue sustainable, customer-centric growth. Our focus will be on enhancing the AEON Living Zone ecosystem, deepening collaboration with tenants, suppliers, and AEON group companies in Malaysia, and driving innovation that elevates the overall customer experience.

At the same time, we remain committed to embedding sustainability across all aspects of our business, balancing profitability with purpose to deliver a positive, lasting impact on both society and the environment.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to extend my heartfelt appreciation to all our stakeholders for their continued trust and support in AEON.

To our valued shareholders and loyal customers, thank you for your unwavering support and continued patronage. To our AEON People, your dedication, passion, and resilience remain the foundation of our success. I also wish to express my sincere gratitude to my fellow Board members for their guidance, insights, and steadfast commitment to the highest standards of governance.

I would like to extend our sincere appreciation to Mr. Hiroaki Egawa for his dedicated service and valuable contributions during his tenure on the Board, and we wish him every success in his future endeavours.

We are pleased to welcome Mr. Tsugutoshi Seko as Managing Director and look forward to working closely with him as he leads the Company in advancing AEON's strategic priorities.

I would also like to record my appreciation to Mr. Naoya Okada for his leadership and contributions during his tenure as Managing Director. As Mr. Okada assumes his new role as Non-Independent Non-Executive Director on the Board, we look forward to continuing our close collaboration and benefiting from his experience and insights.

Together, we will continue to build on AEON's strong foundation, drive sustainable growth and create shared value for all stakeholders.

Datuk Iskandar Sarudin
Chairman

From the Desk of the Managing Director

LEVERAGING AN INTEGRATED RETAIL AND PROPERTY MANAGEMENT MODEL TO DEEPEN ENGAGEMENT AND UNLOCK VALUE

Q1

Reflecting on FY2025, how has AEON adapted to Malaysia's evolving consumer landscape and positioned itself for the future of retail?



Over the years, AEON has continuously evolved in step with changing consumer lifestyles, expanding into diverse retail formats, introducing new lifestyle concepts, and embracing digital transformation to create a more seamless and engaging shopping experience. Our portfolio of brands, including AEON Stores, AEON MaxValu, AEON STYLE Supermarket, AEON Wellness, and DAISO, has become synonymous with choice, convenience, and value.

Beyond retail, our malls have become vibrant community hubs, bringing together tenants that provide essential goods and services, while serving as spaces where people connect, shop, and create shared experiences. This community-centric approach reflects AEON's enduring purpose to serve communities and enrich lives.

In line with this commitment, we continue to advance initiatives in sustainability, community engagement, and local economic development, reinforcing our role as a responsible corporate citizen contributing to Malaysia's growth and well-being.

We take pride in the impact we have made over the years, from redefining the shopping experience to championing environmental stewardship and social responsibility. Moving forward, AEON remains focused on innovation, sustainability, and collaboration to shape the next chapter of retail in Malaysia.



Q2

How would you summarise the key developments and dynamics that shaped the retail and business landscape in FY2025?



The retail landscape remained fluid, shaped by evolving global trade dynamics, new tariff measures, and domestic policy changes, including targeted social assistance programmes and the fuel subsidy rationalisation plan. These developments influenced consumer spending patterns, particularly in discretionary categories.

For AEON, FY2025 was about striking the right balance between agility and financial discipline. We took proactive measures to manage cost pressures, optimise store operations, and refine our product mix in line with evolving customer preferences. While overall sentiment remained cautious, we observed encouraging recovery during festive

From the Desk of the Managing Director

Dear Valued Shareholders,

It is both a privilege and an honour to address you in my new capacity as Managing Director following my appointment on 1 March 2026. Having served as AEON's Deputy Managing Director since July 2022, I bring with me a deep appreciation of AEON's strategy, values and operational dynamics, which I intend to build upon as we take the Company forward.

With the steadfast support of the Board, AEON Leadership Council and the unwavering commitment of AEON People, I am confident that we will continue to strengthen our business and make meaningful progress in our journey towards sustainable, long-term success.

periods and steady footfall across our stores and malls, reflecting customers' continued confidence in AEON as a trusted and preferred shopping destination.

Rather than dwell on the challenges, we treated FY2025 as a year of valuable learning and opportunity: to strengthen our fundamentals, accelerate digitalisation, and deepen engagement with customers and business partners. This focus, anchored by our strategic priorities across retail and property management, positions AEON well for sustainable growth as the retail landscape continues to evolve.



→ **MR. TSUGUTOSHI SEKO**
Managing Director

RETAIL

Revenue
RM
3,501.1m
FY2024: RM3,524.6m

PROPERTY MANAGEMENT SERVICES

Revenue
RM
787.8m
FY2024: RM737.0m

From the Desk of the Managing Director

Q3

Despite a challenging retail landscape in FY2025, AEON delivered strong results. How did the company achieve this?

⑦

In FY2025, AEON navigated a cautious consumer landscape by staying close to our customers and responding to their evolving needs. With households prioritising essentials amid macroeconomic pressures, we adapted our offerings, promotions, and product mix to deliver greater value and convenience. We continued to roll out engaging campaigns such as "Time Out Day", "Everyday Fresh, Everyday Low Price", "Thursday is Better Than Friday" and more, to offer exclusive rewards and deals for our members. Complementing these initiatives, our malls also hosted exciting events, including thematic and special meet-and-greet events with celebrities, which helped drive footfall, benefiting both our stores and tenants.

The expansion of our Private Brands also strengthened customer loyalty through quality and competitive pricing. Today, our in-house brands including TOPVALU, HÔME CÔORDY, La Boheme, AEON Delicatessen and various Softline brands, account for 18% of total retail sales and are available across AEON stores nationwide. We continue to expand the range to better meet the diverse needs of Malaysian consumers and reinforce our long-term competitive positioning.

During the year, we introduced AEON STYLE Supermarket to strengthen our integrated supermarket proposition, bringing together essential groceries, ready-to-eat offerings, Private Brands and selected specialty concepts within a modern and convenient retail format.

This strategic positioning reflects our focus on meeting evolving consumer preferences for food, value, wellness and lifestyle needs, while expanding our presence in this segment.

We will continue to refine our supermarket formats and pursue targeted expansion under a multi-format retail approach, bringing AEON closer to customers through accessible locations and differentiated concepts. These efforts reinforce the supermarket business as a key growth pillar and support our ambition to remain as the preferred and relevant retail destination for Malaysian households.

We expanded our presence in the East Coast of Malaysia with the opening of AEON Kuantan Store in East Coast Mall, Pahang in January 2026. This marks our second store in the East Coast region and first in the state of Pahang to serve the surrounding community.

We also undertook strategic renovation and maintenance works across selected stores and malls in FY2025, resulting in refreshed, vibrant, and engaging environments that elevate the customer experience while strengthening the appeal and competitiveness of our retail and tenant spaces. These efforts remain a key strategic priority, enhancing the long-term value of our stores and malls while contributing towards higher footfall and stronger mall performance.

We also view customer engagement as a key priority for AEON. In FY2025, we

established AEON 360, a joint venture with AEON Credit Service (M) Berhad, to unify our rewards programme and customer data across the AEON group of companies in Malaysia, strengthening customer engagement and insights.

Designed as an integrated platform underpinning the AEON Living Zone ecosystem, AEON 360 enables a seamless and consistent loyalty experience, allowing members to earn, redeem, and enjoy privileges across multiple touchpoints spanning retail, mall, and financial services offerings within the AEON group of companies in Malaysia.

With a growing base of over 2.9 million AEON members, AEON 360 leverages data-driven insights to support AEON from curated assortments to personalised offers, and exclusive member privileges, encouraging repeat visits and deepening long-term customer relationships. Beyond loyalty, AEON 360 also supports AEON's broader digitalisation and omnichannel strategy, strengthening our ability to better understand customer needs and create meaningful, connected experiences across the AEON Living Zone ecosystem.

These initiatives have enabled AEON to turn challenges into momentum, strengthening our foundation, accelerating sustainable growth, and charting a clear path for long-term success amid a fast-changing retail environment.

From the Desk of the Managing Director



Q4

Can you elaborate on the impact of AEON's recent mall and store renovation projects on customer engagement and operational outcomes?

⑦

AEON's integrated retail and property management model remains a key differentiator, enabling us to enhance customer engagement while unlocking operational synergies across our portfolio. In FY2025, AEON undertook a series of staged renovation projects across selected malls and stores, including AEON Ipoh Station 18, AEON Bandaraya Melaka, AEON Shah Alam, and AEON Bukit Indah.

All planned refurbishment works were completed on schedule, allowing the upgraded stores and malls to reopen ahead of the year-end festive season, a critical period for capturing heightened consumer activity. These initiatives refreshed layouts, improved ambience, and introduced more contemporary design elements, aligning the physical retail environment with evolving shopper expectations for comfort, convenience, and experiential engagement. Following renovations, we observed longer dwell times and higher repeat visits, driving increased footfall and reinforcing AEON Malls as preferred destinations for shopping, dining and social interaction.

The improvements also delivered tangible benefits for our tenant partners. More attractive and modernised mall environments supported stronger tenant sales performance, attracted new tenant brands, and enabled a broader mix of food & beverage and entertainment offerings, the key drivers of customer engagement and visit frequency. Supported by consistent asset enhancement efforts over the years, and solid rental renewal rate of 93%, by net lettable area, mall occupancy is stable at 96%. Meanwhile, tenant sales increased by 8.3% and car visits rose by 5.0%, reflecting improved overall engagement and operational outcomes.

Collectively, these results underscore the strategic importance of continuous asset enhancement in an increasingly competitive retail landscape. By investing in experiential and future-ready retail spaces, AEON is strengthening customer affinity, supporting tenant success, and reinforcing the long-term relevance and resilience of its mall portfolio while continuing to evolve alongside changing consumer lifestyles and expectations.

From the Desk of the Managing Director

Q5

We have discussed the enhancements to AEON's malls and stores. How is AEON complementing these physical upgrades with technology and digital initiatives to further elevate the customer experience?



As customer expectations evolve, digital capabilities have become an increasingly important complement to our physical retail investments. In FY2025, AEON continued to advance its digital transformation agenda to enhance convenience, improve service quality, and create a more seamless shopping experience across both online and offline touchpoints.

The myAEON2go platform remains central to this strategy, serving as a bridge between our stores and customers' digital lifestyles. We also expanded the e-commerce platform's assortment to include a wider range of products from our Private Brands, AEON Wellness, and DAISO, offered at in-store prices with same-day delivery options. These enhancements, supported by targeted online promotions, drove higher platform sales and reinforced myAEON2go platform as a natural extension of our physical stores.

Within our stores, we continued to scale digital solutions to enhance convenience, improve operational efficiency, and promote a more seamless in-store shopping experience for our customers. The rollout of additional self-checkout (SCO) counters across AEON Stores, AEON MaxValu, AEON STYLE Supermarket, AEON Wellness, and DAISO outlets improved queue management and reduced waiting times, with utilisation rates increasing to 52% to date.



We also introduced targeted in-store digital innovations designed to elevate in-store experience. These include Malaysia's first smart avocado scanners to assist customers in assessing product quality and ripeness, the progressive rollout of smart trolleys to enhance shopping efficiency, electronic shelf labels to display real-time product information and pricing, AI-powered weighing machines that enhance accuracy and shorten wait times as well as licence plate recognition systems in AEON Malls car parks to streamline entry and exit. Collectively, these initiatives reduce friction across the customer journey while supporting more efficient store operations.

We take a purposeful, customer-centric approach to digital transformation, leveraging technology to complement our physical retail strengths, enhance convenience, and drive sustainable, long-term growth in an increasingly digital retail environment. We will continue to strengthen our digital ecosystem by enhancing myAEON2go platform, expanding AI-driven analytics, and deepening omnichannel integration across our retail network to deliver personalised experiences, improving operational scalability, and strengthening customer trust and loyalty.

From the Desk of the Managing Director

Q6

Shifting our focus to financials, can you walk us through the key drivers behind AEON's performance in FY2025, particularly in terms of revenue growth, profitability, and how the company managed its costs in a year that remained both competitive and fast-evolving?



Amid a competitive and rapidly evolving retail environment, AEON delivered resilient performance in FY2025, underpinned by consistent and well-executed strategies across both our Retail and Property Management Services segments. Revenue grew by 1% to RM4.3 billion, supported by stronger contributions from our Property Management Services portfolio, driven by focused investments in store and mall upgrades. These investments were undertaken to enhance asset quality, elevate customer experience, and position AEON for sustainable long-term growth. Profit after tax increased by 5% to RM133.8 million, supported by disciplined cost management.

The expansion of our Private Brand portfolio remained a key driver of margin resilience during the year. A broader and more relevant assortment strengthened our value proposition while providing greater flexibility in pricing and cost management. In parallel, our strategy of tailoring each store's assortment to the needs of its surrounding community allow us to serve customers with greater relevance and precision.

Marketing initiatives also played an important role in sustaining performance. We capitalised on major festive and peak shopping periods, while deploying targeted campaigns during off-peak season to maintain footfall and sales momentum. These efforts not only supported revenue



growth but also reinforced customer loyalty and brand visibility throughout the year.

Our Property Management Services business continued to deliver stable performance, supported by stable occupancy levels, strong rental renewals, and effective tenant mix optimisation. These outcomes reflect the impact of our ongoing asset rejuvenation strategy, particularly the revitalisation of older malls to enhance relevance, attract quality tenants, and sustain healthy visitor traffic.

Cost discipline remained a key management focus in FY2025. We exercised tight control over operating expenses, particularly in personnel and utility costs. The continued rollout of solar photovoltaic (PV) systems

helped mitigate electricity cost pressures, while the expansion of SCO enabled more efficient manpower deployment, reducing reliance on temporary labour while improving in-store efficiency and customer convenience.

From a balance sheet perspective, our Sukuk Wakalah programme continued to strengthen our financial position. By securing new borrowings at more favourable rates, we secured lower cost of funds and enhanced liquidity, providing a stronger foundation to support ongoing capital expenditure and future growth initiatives. During the year, the Company raised RM200 million in Islamic Medium Term Notes under the programme to fund capital expenditure investments.



From the Desk of the Managing Director

Q7

Beyond financial performance, sustainability continues to be an important focus for AEON. Can you share the key sustainability initiatives undertaken in FY2025 and how they align with your long-term commitments?

①

Sustainability remains central to AEON's long-term strategy. In FY2025, we advanced initiatives across our operations, supply chain, and communities, guided by the AEON Sustainability Charter and our 2050 net-zero ambition. During the year, the Company also began aligning its disclosures with IFRS S1 and IFRS S2, enhancing the robustness and transparency of our sustainability and climate-related reporting.

On the environmental front, we accelerated our transition towards cleaner energy and more resource-efficient operations. Solar PV installations now power 12 malls, reducing operational emissions and supporting Malaysia's broader decarbonisation efforts. Our electric vehicle (EV) charging network has expanded to 64 bays across 18 AEON Malls, enhancing customer convenience while promoting low-carbon mobility. At the same time, data-driven assessments of energy, water, and waste usage across our malls and stores continue to improve resource management and operational efficiency.

Responsible sourcing continues to be a key priority. The #AEONResponsible Suppliers Program, Malaysia's first retailer-led ESG supplier initiative, expanded supplier engagement in FY2025 through capacity-building workshops, sustainability-linked financing and digital ESG disclosure tools to enhance transparency, resilience and accountability across the supply chain.

Community initiatives also progressed with various community initiatives launched during the year including reforestation programme, social outreach and charity runs reflecting our commitment to environmental conservation and community well-being.

Looking ahead, sustainability will remain firmly embedded within AEON's strategic priorities. We will continue expanding renewable energy, deepening supplier ESG engagement, and enhancing operational efficiency, while sustaining community-focused initiatives. Coupled with robust governance practices, these efforts reinforce AEON's commitment to transparency, long-term value creation, and responsible growth.



Q8

How is AEON positioning itself for growth in FY2026 and beyond?

①

We are confident about the journey ahead and remain firmly committed to strengthening AEON's position as one of Malaysia's leading retailers and mall operators. With a nationwide footprint spanning 27 malls, 35 stores, and 123 specialty outlets, our growth strategy for FY2026 and beyond is anchored on three priorities: expanding our customer base, driving footfall across our malls and stores, and advancing our sustainability agenda. These priorities will be supported by continued investment in product innovation and technology to deliver a seamless and relevant shopping experience.

Growth will be driven by the expansion of innovative retail concepts, including future rollout of AEON STYLE Supermarket. This supports our strategy to strengthen food retail as a key growth pillar while bringing greater convenience, value, and choice closer to Malaysian homes. In parallel, we will continue enhancing our Private Brand offerings, upgrading existing malls and stores, and curating tenant mixes to enhance vibrancy and sustain long-term performance. We also aim to leverage data and digital tools to sharpen customer engagement and enhance operational efficiency across our network.

From the Desk of the Managing Director

Q9

As we conclude, what would you like to share with our stakeholders about AEON's journey ahead?

①

On behalf of the Company, I would like to express our sincere appreciation to our Chairman, Board members, and the AEON Leadership Council for their steadfast guidance and strategic counsel, which continue to shape our direction and long-term growth. I would also like to sincerely thank my predecessor, Mr. Naoya Okada, for his outstanding leadership, dedication and significant contributions to AEON's growth and resilience. His stewardship has strengthened AEON's management structure and laid a solid foundation for the Company's future. As he returns to AEON Japan for a new assignment, we extend our heartfelt gratitude for his invaluable service and wish him every success in his next endeavour.

We are equally grateful to our customers, tenants, business partners, suppliers, regulators, and financiers for their continued trust and collaboration. Your support remains integral to the strength and resilience of the AEON ecosystem.

I would also like to extend special recognition to our AEON People. Your dedication, professionalism, and commitment are central to our ability to deliver meaningful shopping experiences and uphold the values that define our brand.

Finally, I would like to thank our shareholders for their continued confidence in AEON. Your trust underpins our pursuit of sustainable growth and long-term value creation. With the collective efforts of our AEON People and partners, we remain optimistic about the year ahead and look forward to continuing our journey of progress together.

Our next phase of growth is also reinforced by several major development projects. AEON Mall KL Midtown, designed around lifestyle and experiential retail, is scheduled to open later this year to serve the growing urban community. In Seremban, the expansion of AEON Mall Seremban 2 will transform the mall into a premier retail destination with over 700,000 square feet of net lettable area upon completion. The enhanced mall is set to elevate the shopping experience, attract greater footfall, and reinforce its retail leadership position in Negeri Sembilan's retail landscape.

In Ipoh, the expansion of AEON Mall Kinta City, in partnership with KIP REIT, marks a significant step in strengthening our Northern presence. Scheduled for completion in 2027, the redevelopment will expand retail offerings and modernise facilities, ensuring the mall continues to meet evolving consumer expectations while remaining a key community hub and favourite destination for local shoppers.

As we scale, we remain focused on disciplined and sustainable growth. By leveraging technology, enhancing in-store and digital convenience, and optimising our operations, we are positioning AEON to remain resilient and relevant, while being well-placed to deliver long-term value in an evolving retail landscape.

Creating Value

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INNOVATING EVERYDAY

AEON brings advanced technology into daily operations, using AI-driven machines to improve convenience, accuracy, and customer satisfaction at every touchpoint.



OUR INVESTMENT CASE

KEY MESSAGES

CREATING VALUE

CHAMPIONING SUSTAINABILITY

GOVERNANCE WITH INTEGRITY

FINANCIAL STATEMENTS

ADDITIONAL INFORMATION

Key Market Trends

In 2025, global economic growth remained subdued as trade frictions, rising protectionist policies, and heightened tariff uncertainties disrupted supply chains and dampened investment sentiment. Cross-border trade and capital flows weakened, limiting opportunities for many trade-dependent economies. Persistent geopolitical tensions, evolving trade policies, and shifts in global supply chains continued to weigh on business confidence and investment sentiment. These global headwinds created a challenging operating environment and softened consumer sentiment worldwide.

Against this backdrop, Malaysia, despite being affected by these external pressures, remained one of the better-performing economies in ASEAN in 2025. This resilience was supported by solid domestic demand, steady consumption, sustained investment activity, and favourable labour-market conditions. Government measures, including targeted social assistance and subsidy rationalisation initiatives, helped support household consumption and shape income patterns, while influencing spending behaviour, particularly in discretionary categories.

While the Malaysian retail sector recorded encouraging growth on the back of robust domestic demand, consumer behaviour continued to reflect cautious optimism. Heightened cost-of-living pressures prompted households to prioritise essential and value-driven purchases, resulting in more deliberate and measured spending patterns, especially in discretionary segments.

At the same time, the structure of the retail sector continued to evolve in response to these behavioural shifts. Retailers accelerated efforts to deliver greater value, convenience, and personalisation, while consumers increasingly embraced integrated shopping experiences. Omnichannel engagement gained further importance, with shoppers expecting seamless transitions between digital platforms and physical stores, alongside improved fulfilment speed, payment flexibility, and service quality.

As the market continues to transform, AEON remains committed to reinforcing its position as one of Malaysia's leading retailers by adapting its offerings and enhancing customer experience nationwide. The Company will continue leveraging its extensive retail footprint, sizable AEON Member Plus base and the AEON Living Zone ecosystem to deliver a seamless shopping journey, while prioritising operational agility amid evolving market conditions. By staying attuned to emerging trends and aligning strategic priorities with changing customer needs, AEON aims to strengthen resilience and create sustainable long-term value for customers, tenants, shareholders, and the communities it serves.

Key Market Trends

As the retail landscape continues to adapt to macroeconomic, technological, and consumer shifts, several key market trends have been observed, including:

1 Economic Conditions and Inflationary Trends Shaping Consumer Behaviour

While inflationary pressures in several major economies showed signs of gradual easing, price levels remained elevated relative to pre-pandemic norms, resulting in a sustained high-cost operating environment for businesses and households alike.

In Malaysia, economic conditions were comparatively resilient against this backdrop. Growth was supported by stable domestic demand, a favourable labour market, and ongoing investment activity, underpinned by both public and private sector initiatives. Inflation moderated from earlier peaks but remained a key consideration for consumers, influenced by cost-of-living pressures, new electricity tariff structure, and policy measures such as targeted subsidy rationalisation.

These conditions shaped consumer spending behaviour throughout the year. While essential consumption remained resilient, households became increasingly price-sensitive and value-oriented, exercising greater discretion in non-essential expenditure. Consumers demonstrated a clear preference for competitive pricing, promotions, and products that offered strong quality-to-value propositions, reinforcing the importance of affordability and trust in retail choices.

For the retail sector, the prevailing economic and inflationary environment necessitated a continued focus on operational discipline, cost management, and value creation. Retailers prioritised optimising cost structures, refining product assortments, and strengthening Private Brand offerings to mitigate margin pressures while meeting evolving customer expectations. At the same time, maintaining price competitiveness without compromising quality emerged as a critical differentiator.

Looking ahead into 2026, Bank Negara Malaysia expects headline inflation to remain manageable at 1.5% to 2.5%, supported by the absence of excessive demand pressures and targeted government measures to cushion the impact of global cost increases. While global commodity prices are expected to remain relatively stable, upside risks persist, particularly from geopolitical tensions in the Middle East, which may introduce volatility in energy markets and contribute to potential inflationary pressures.

In this environment, retailers that are able to remain agile, uphold value leadership, and respond proactively to shifts in consumer confidence will be better positioned to sustain performance and capture growth opportunities.

Our Invested Capitals



Key Business Risks



Key Market Trends

2 Evolving Consumer Behaviour Driven by Digital-First and Younger Demographics

The growing influence of younger, digitally native consumers is reshaping Malaysia's retail landscape. Shoppers from Gen Z to young working adults increasingly drive purchasing trends, expecting greater convenience, authenticity, and personalised engagement at every stage of their shopping journey.

Digital touchpoints now sit at the centre of consumer decision-making. Online platforms play a critical role in product discovery, price comparison, peer reviews, and content-led inspiration. Even when purchases are completed in physical stores, these decisions are often shaped long before customers arrive, reinforcing the importance of consistent, seamless omnichannel experiences.

While price sensitivity remains relevant amid cost-of-living pressures, purchasing behaviour among younger consumers is increasingly guided by perceived value, brand trust, and relevance. Curated assortments, quality assurance, and accessible pricing are key to capturing this segment, particularly across lifestyle, wellness, personal care, home essentials, and pet-care categories.

A heightened focus on health, wellness, and self-improvement also continues to influence purchasing choices. Younger consumers are increasingly drawn to products that support well-being, sustainability, and modern lifestyle needs.

To stay competitive, retailers must strengthen their digital ecosystems, leverage data-driven insights, and adopt more targeted engagement strategies that align with the expectations of today's informed and empowered consumer base. A compelling value proposition now extends well beyond physical stores, encompassing seamless digital interfaces, fast and flexible fulfilment, and personalised communication tailored to the habits of the next generation of shoppers.

Our Invested Capitals



Key Business Risks



3 Growing Imperative for Digital and Technological Adoption

Digital transformation is reshaping Malaysia's retail sector, influencing how consumers interact with brands and how retailers operate in physical stores. While online platforms, mobile applications, and social media remain important for customer engagement, in-store digital innovation has become equally critical in enhancing convenience, efficiency, and the overall shopping experience.

Shoppers now expect faster, more seamless, and intuitive journeys. This has accelerated the adoption of technologies such as self-checkout counters, smart trolleys, electronic shelf labels, and other AI-enabled systems. These tools help to reduce wait times, improve accuracy, and streamline store operations. These innovations also allow retailers to allocate resources more effectively, enabling on-ground employees to focus on higher-value interactions that enrich customer service.

AI-driven tools and smart retail technologies are strengthening decision-making across the value chain. Retailers are increasingly leveraging data analytics, automation, and real-time insights to optimise inventory management, improve pricing accuracy, and enhance service responsiveness. As digital maturity grows, customers also expect personalised engagement and smooth integration with loyalty programmes, underscoring the importance of robust digital reward ecosystems.

As physical stores evolve into smarter, digitally enabled environments, retailers that invest strategically in the right technologies will be better positioned to deliver value, deepen engagement, and remain competitive in an increasingly technology-driven retail landscape.

Our Invested Capitals



Key Business Risks



Key Market Trends

4 Rising Demand for Experiential and Future-Ready Retail Spaces

Shifting consumer expectations and structural changes in retail are redefining the role of physical retail spaces. Shopping malls are increasingly expected to function as lifestyle hubs and community destinations, offering experiences, convenience, and engagement in addition to traditional retail.

Footfall trends favoured well-maintained and contemporary malls that provide refreshed layouts, relevant tenant mixes, and experiential offerings such as food & beverage, entertainment, wellness, and social spaces. Conversely, ageing large format stores and static environments have become less effective in driving repeat visits, particularly among younger and digitally fluent consumers.

Retailers also showed growing preference for flexible, well-designed spaces that support evolving store concepts and omnichannel operations. This has increased the importance of infrastructure upgrades, digital readiness, sustainability features, and adaptable layouts to meet tenant and consumer expectations.

Intensifying competition from e-commerce and newer retail developments has further heightened the need for existing malls to remain relevant. Asset enhancement initiatives including renovation, repositioning, and tenant optimisation have therefore become essential to sustaining footfall, tenant demand, and long-term asset value.

In this environment, continued investment in retail space renewal is increasingly a strategic imperative, enabling malls to remain competitive, enhance customer engagement, and support sustainable performance over the long term.

Our Invested Capitals



Key Business Risks



5 Heightened Emphasis on Sustainability and Responsible Business Practices

Sustainability continued to gain prominence as environmental stress became more apparent. Stakeholders including regulators, investors, customers, and communities are increasingly expecting companies to operate responsibly, manage their environmental and social impacts, and demonstrate strong governance practices.

Sustainability considerations are also playing a more central role in investment decisions, with ESG performance increasingly viewed as an indicator of long-term business resilience and risk management. At the same time, regulatory expectations around sustainability disclosures and climate-related risks continued to evolve, requiring companies to strengthen data quality, governance, and transparency.

As governments and markets translate sustainability commitments into clearer policies and reporting expectations, companies are placing greater focus on embedding sustainability into their business strategies and operations. This includes efforts to improve energy efficiency, reduce emissions and waste, strengthen responsible sourcing, and enhance community engagement.

In this environment, sustainability is no longer viewed as a standalone initiative but as a core element of business strategy. Organisations that integrate responsible practices into decision-making are better positioned to build stakeholder trust, strengthen operational resilience, and deliver sustained long-term value.

Our Invested Capitals



Key Business Risks



Business Opportunities and Strategic Responses

The retail landscape continues to evolve in response to changing economic conditions, shifting consumer expectations, advancing technology, and growing sustainability considerations, as highlighted in the Key Market Trends section of this IAR 2025. These developments present both challenges and opportunities for retailers and mall operators. To support long-term growth and strengthen AEON’s competitive position, the Company remains focused on translating key market trends into practical business opportunities and strategic responses. By staying closely attuned to changes in consumer behaviour, retail formats, and operating requirements, AEON continuously refines its strategies to remain relevant and responsive in a dynamic market.

AEON proactively adapts its business strategies to address changes in the operating environment. In 2025, AEON continues to focus on enhancing customer experience, refreshing retail spaces, advancing digital and omnichannel capabilities, improving operational efficiency, and embedding sustainability into everyday operations to cater to the changing consumer landscape. These actions are guided by AEON’s strategic priorities and supported by the AEON Living Zone ecosystem.

Key business opportunities identified from the market trends observed in 2025, together with AEON’s corresponding strategic responses to capture these opportunities and deliver sustainable value for customers, tenants, shareholders, and the communities it serves are outlined below:

1 Strengthening Value Leadership Amid Inflationary Pressures

Addressing Key Market Trend

Economic Conditions and Inflationary Trends Shaping Consumer Behaviour

In an environment shaped by elevated cost-of-living pressures and heightened price sensitivity, Malaysian consumers increasingly prioritised essential purchases and value-for-money propositions. Against this backdrop, AEON focused on strengthening affordability, relevance, and product quality to support consumers while sustaining business performance.

Guided by a customer-centric philosophy, AEON ensured that fresh and quality products remained accessible at competitive and consistent price points across its retail network. Value-led initiatives such as “Everyday Fresh, Everyday Low Price” and “Thursday is Better Than Friday” were intensified to help customers manage daily expenses while reinforcing trust, affordability, and price transparency.

To further address inflationary pressures, AEON expanded its Private Brand portfolio as a key value lever. Brands such as TOPVALU, La Boheme, AEON Delicatessen, HÔME CÔORDY and Kids Republic, offered quality household essentials, food and beverage, lifestyle products and apparels at accessible price points, providing customers

Align to Strategic Priorities

RETAIL
Grow Customer Base
GCB1 GCB2 GCB3

with greater choice while supporting margin resilience through improved cost control and pricing flexibility.

Product innovation played a critical role in maintaining relevance amid cautious consumer spending. TOPVALU assortments were expanded and localised to better meet Malaysian preferences. La Boheme sections were revitalised with refreshed concepts and wider selections, while selected AEON Delicatessen formats were repositioned into more welcoming, family-oriented destinations offering value-driven food choices. HÔME CÔORDY offerings were broadened to address growing home-living needs, and Softline ranges were strengthened to serve diverse apparel requirements.

Through these initiatives, AEON continued to adapt to changing consumer preferences, offering products that balance quality, value, and accessibility while maintaining a broad and appealing assortment. By closely aligning its merchandising strategy with consumer needs in a challenging economic environment, AEON continued to support customers’ everyday lives while reinforcing its long-term competitiveness and resilience.

Business Opportunities and Strategic Responses

2 Positioning for a Digital-first and Next-generation Consumer

Addressing Key Market Trend

Evolving Consumer Behaviour Driven by Digital-first and Younger Demographics

The rise of digital-first and younger consumer segments continues to reshape expectations across the retail landscape. These shoppers are increasingly discerning, placing greater emphasis on convenience, personalisation, value, and the ability to transition seamlessly between online discovery and physical engagement. This evolving behaviour presents AEON with significant opportunities to deepen customer relevance, broaden our reach, and strengthen our position among Malaysia’s growing base of digitally connected consumers.

To capture this opportunity, AEON is accelerating its digital transformation to deliver a more intuitive, connected and responsive retail experience. Central to this strategy is the seamless integration of our online and offline channels, enabling a unified and consistent customer journey across all touchpoints. Our physical stores remain a key engagement platform, complemented by digital capabilities that enhance accessibility, convenience and choice.

The myAEON2go platform continues to play a pivotal role in this ecosystem, offering flexible fulfilment options including online ordering, scheduled delivery, and in-store pickup, while maintaining price parity with physical stores. During the year, we expanded the platform’s assortment to include a wider selection of Private Brand products, AEON Wellness offerings and DAISO merchandise, catering to digitally savvy consumers seeking both value and variety. These enhancements have strengthened the platform’s position as a comprehensive and convenient shopping solution for everyday needs.

Align to Strategic Priorities

RETAIL
Grow Customer Base
GCB1 GCB3

PROPERTY MANAGEMENT SERVICES
Increase Footfall and Traffic
IFT1 IFT2 IFT3

Continuous improvements to the myAEON2go platform user interface have further enhanced the customer experience, with a focus on intuitive navigation, faster search functionality and a more streamlined checkout process. Leveraging data-driven insights and analytics, AEON has also advanced its personalisation capabilities, delivering more relevant product recommendations and targeted promotions based on customer preferences and purchasing behaviour. These initiatives not only enhance engagement and customer satisfaction but also improve operational efficiency and scalability across our retail network.

At the same time, shifting consumer priorities, particularly towards lifestyle, health and wellness, continue to influence purchasing decisions. AEON is responding by expanding the footprint of key formats such as HÔME CÔORDY, AEON Wellness and DAISO across strategic locations, ensuring greater accessibility to curated, quality and value-driven offerings that align with modern lifestyles.

Through these integrated digital and retail strategies, AEON is well-positioned to meet the evolving expectations of next-generation consumers. By combining convenience, personalisation and a seamless omnichannel experience, we continue to reinforce our position as a trusted, relevant and future-ready retail destination.

Business Opportunities and Strategic Responses

3 Elevating Customer Experience Through Digital and Technological Innovation

Addressing Key Market Trend

Growing Imperative for Digital and Technological Innovation

Align to Strategic Priorities



The rapid acceleration of digital adoption across Malaysia’s retail sector has broadened customer expectations, with both tech-savvy shoppers and traditional customers seeking greater convenience, efficiency, and value. In response, AEON is strengthening its digital and technological capabilities to enhance the shopping journey for all customer segments, ensuring that innovations complement the familiarity and comfort of in-store experiences.

Across our physical stores, AEON is expanding the deployment of digital solutions such as self-checkout counters, electronic shelf labels, smart trolleys, and AI-assisted weighing scanners. These technologies reduce wait times, improve transaction accuracy, and streamline store operations, delivering a more efficient and seamless experience for customers who prefer in-person shopping, while also meeting the expectations of younger, digitally oriented consumers. By automating routine processes, frontline employees are able to focus more on meaningful customer engagement and service delivery.

To deepen personalisation and enhance value, AEON continues to strengthen the AEON Member Plus programme with tailored rewards, exclusive digital promotions, and improved service features. Better integration of first-party data allows us to deliver relevant offers and consistent experiences across online channels, in-store touchpoints, and social platforms, ensuring that customers benefit from convenience and recognition regardless of how they choose to shop.

Through sustained investment in technology and data-driven capabilities, AEON is building a more connected and customer-centric retail ecosystem. Our approach supports traditional shoppers with enhanced convenience, engages younger demographics with seamless digital touchpoints, and positions AEON to grow sustainably in an increasingly technology-driven retail landscape.

4 Redefining Retail Through Experiential Shopping

Addressing Key Market Trend

Rising Demand for Experiential and Future-Ready Retail Spaces

Align to Strategic Priorities



Shifts in consumer behaviour, driven by higher expectations for engagement, comfort, and meaningful interactions, are redefining the purpose of physical retail spaces. Increasingly, shoppers seek destinations that offer more than products: they value curated experiences, community connection, and environments that complement their lifestyles. This trend is reshaping Malaysia’s retail landscape, creating opportunities for retailers to elevate their spaces into immersive, experience-driven, lifestyle destinations.

In line with this market evolution, AEON is reimagining its stores and malls to deliver richer, more engaging shopping experiences. Through strategic asset enhancement initiatives, we are upgrading interior environments, improving ambience and comfort, and integrating experiential elements that encourage longer dwell time and repeat visits to our malls and stores. These enhancements have strengthened footfall, increased customer engagement, and created positive spill-over effects for our tenant partners.

To respond to evolving consumer preferences, particularly the increasing focus on food, value, wellness, and lifestyle, AEON is reshaping its retail formats into a diversified, multi-format ecosystem anchored by

Business Opportunities and Strategic Responses

5 Strengthening Sustainable and Responsible Retail Practices

Addressing Key Market Trend

Heightened Emphasis of Sustainability and Responsible Business Practices

Align to Strategic Priorities



As sustainability becomes a core expectation among consumers, regulators, and business partners, the retail sector is entering a new era where responsible practices are essential to long-term relevance and competitiveness. This shift presents AEON with opportunities to deepen stakeholder trust, differentiate our brand, and build a more resilient business model aligned with national and global sustainability priorities.

AEON’s strategic response is anchored in integrating sustainability across our operations, supply chain, and customer touchpoints. Guided by our sustainability aspirations, we are advancing initiatives that minimise environmental impact, promote responsible sourcing, and encourage healthier, more conscious consumption.

A key priority is accelerating our transition toward low-carbon and resource-efficient operations. AEON is progressively upgrading stores and malls with energy-efficient equipment, smart cooling systems and LED lighting to reduce electricity usage and operational emissions. We are also expanding renewable energy adoption through solar PV installations, supporting Malaysia’s pathway toward net-zero emissions.




Beyond environmental initiatives such as the Malaysia–Japan Friendship Forest Programme, AEON remains committed to social value creation. We continue to support local communities through employment opportunities, CSR programmes, and partnerships with NGOs and government agencies, reinforcing our long-standing role as a responsible corporate citizen.

By embedding sustainability into our business strategies and daily operations, AEON is strengthening long-term competitiveness while contributing meaningfully to national and global sustainability goals. This holistic approach enhances operational efficiency, supports regulatory compliance, and builds stronger customer loyalty, creating shared value for our stakeholders and the communities we serve.

Key Business Risks

AEON has in place a robust Enterprise Risk Management Framework that enables us to manage and report the risks that we face as a business. A risk that can seriously affect our ability to deliver our customer value proposition or business sustainability is termed a 'Principal Risk'.

To manage these principal risks effectively, we have identified the risk appetites for key areas affecting the management of our principal risks. The table below sets out our principal risks, their underlying causes and the key control factors in addressing each risk.

Risk	Rationale/Cause	Key Control and Mitigation Factors
 <p>STRATEGIC RISK Inability to innovate and transform the existing business model and increase AEON's competitiveness in terms of attracting retailers, customers, and the local community, especially in a highly disruptive marketplace, for long-term business sustainability.</p>	<ul style="list-style-type: none"> Shift in customer preferences. Heightened competition from physical and digital malls. Shift in customers' expectations for the future of malls. External factors such as a dampened retail spending environment, climate change and global competition for digital and technology talent. Project-related risks such as risks incurred during project planning and execution, and in the management of contracts. Poor governance structure to monitor, report and follow up on any action plan. 	<ul style="list-style-type: none"> A clear strategic roadmap that repositions and re-energises sustainability in every facet of business. Enhancing AEON's retail stores through a myriad of digitalisation endeavours to further strengthen our value proposition. Ongoing tenant renewals process to strengthen tenant mix and increase footfall to our malls. Balance allocation of capital expenditure for physical mall rejuvenation and facelift and maintenance while enhancing digital platforms towards delivering an omnichannel experience. Project management governance practices established to track and monitor the cost and progress of key projects.
 <p>PEOPLE/HUMAN RESOURCE RISK The risk of being unable to attract, retain and develop the right talent and capabilities required to contribute to achieving AEON's strategic priorities and long-term growth.</p>	<ul style="list-style-type: none"> Heightened competition for talent locally and globally. Remuneration and benefits that lack competitiveness to attract and retain the right talent for the right jobs. 	<ul style="list-style-type: none"> Succession programme in place for key personnel. In-house development and training programmes.
 <p>DIGITALISATION RISK Delays in digitalisation efforts may affect the Company's competitive position.</p>	<ul style="list-style-type: none"> High reliance on third-party vendors to deliver front-end retail applications. Inadequate integration between front-end applications and AEON's back-end physical and IT systems. 	<ul style="list-style-type: none"> Ongoing assessment and update on both front-end and back-end applications to deliver effective IT solutions.

Key Business Risks

Risk	Rationale/Cause	Key Control and Mitigation Factors
 <p>LIQUIDITY RISK Ineffective cash management and inadequate tenant collection management are leading to potential delays in fulfilling payment obligations.</p>	<ul style="list-style-type: none"> Suboptimal resource management leading to ineffective cost management. Adverse changes in commodity prices, affecting the supply cost of key inventory, leading to lower sales and increased logistic costs and energy costs. Changes in government/regulatory stance on licensing, permits, taxation and interest rates. 	<ul style="list-style-type: none"> Various cost optimisation initiatives to balance between business operations requirements and customer experience. Continuous review of fit-for-purpose financing facilities against operating needs. Closely monitor supply changes and implement necessary remediation plans.
 <p>CYBERSECURITY RISK Compromised IT infrastructure due to internal or external threats, which may lead to data breaches, theft, loss and misappropriation of information that could result in loss of customer confidence, leading to reputational damage and business disruption.</p>	<ul style="list-style-type: none"> Heightened exposure, given the acceleration of digitalisation in AEON's business functions. Lack of an adequate cybersecurity policy and programme. Lack of specialists in cybersecurity and data integrity. Increase in external cyber threats through Distributed Denial-of-Service (DDoS) attacks and ransomware. 	<ul style="list-style-type: none"> Adoption of a cloud-based storage service provider that provides enhanced data security protection. Enhancement to cybersecurity features to secure our network, web applications, web server, application codes and database layers of various front-end and back-end applications. Periodic IT security audits and reviews. Annual review of insurance plans to ensure their adequacy and exploring new risks to be insured.
 <p>PRODUCT PROPOSITION RISK Inability to understand and gauge customer demand and preferences in terms of product needs and requirements, such as choice/assortment, quality, safety, price competitiveness and evolving ethical and responsible sourcing standards, leading to inability to build and sustain customer loyalty.</p>	<ul style="list-style-type: none"> Limited assortment due to inadequate data-driven information about customer preferences. Heightened competition from physical and digital retailers, locally and globally. Changing demographics, e.g. Younger customer segments are not only emerging as potent retail spenders, but also influencing the course of the regulatory environment in which we operate. Global/local supply chain disruptions due to climate change-induced events, global political volatility, geopolitical tensions, government restrictions, and potential recession impacting key suppliers. Inadequate ethical and responsible supply chain management. 	<ul style="list-style-type: none"> Strategies implemented to develop AEON's Private Brands by adhering to ethical and responsible sourcing practices while combining a balanced approach to local and global sourcing to future-proof AEON against supply chain disruptions. Data-driven customer insights to offer customers a personalised and holistic shopping experience. Strong supplier relationship and incentives structure to ensure a healthy supply chain.

Key Business Risks



Risk	Rationale/Cause	Key Control and Mitigation Factors
 <p>CUSTOMER EXPERIENCE RISK Failure to continuously attract and satisfy customers' demand and preferences due to a lack of personalisation.</p>	<ul style="list-style-type: none"> A combination of poor understanding of consumer preferences and lack of data-driven analysis, such as past purchasing trends, to deliver a personalised shopping experience. Inadequate personalisation in our e-commerce/ customer relationship management of front-end retail applications, e.g. myAEON2go platform. 	<ul style="list-style-type: none"> Leverage myAEON2go platform to deliver an omnichannel retail experience, as well as e-wallet payment options to elevate customers' shopping experience. Tailored product mix in different AEON Stores to serve local customer demand. In-house market/customer insights and customer experience/happiness team to monitor customer experience. Enhance AEON Member Plus rewards through corporate partnerships and member incentives. Ongoing customer data enhancement through purchasing trend analysis.
 <p>HEALTH, SAFETY AND SECURITY RISK Failure to provide a safe and conducive working environment for employees and a safe shopping environment for our customers. The health, safety and security of our employees, customers and stakeholders remain a top priority for our business.</p>	<ul style="list-style-type: none"> Internal threats, such as employee misconduct/negligence and poor facility management, and external threats, such as robbery, child kidnapping, fire, flood, etc. Business disruptions due to extreme weather conditions as a result of climate change, exacerbated by poor urban development and planning. 	<ul style="list-style-type: none"> In-house and dedicated health and safety team to audit stores and malls' compliance with AEON's health, safety and security requirements. Deployment of enhanced technological features, such as smart CCTVs, to enhance security. Assessment of threats, such as floods, to cultivate a localised approach in securing our malls and their people; reviewing emergency facilities to ensure ability during disruptions. Enhancement of the business continuity programme, which includes the emergency response procedures and disaster recovery plan, to minimise business disruptions for customers.
 <p>SUSTAINABILITY RISK There is an increasing focus globally and locally on how businesses operate, with greater scrutiny on ESG-related risks and opportunities and their ramifications. This necessitates a truly holistic approach to understand climate-related risks and embedding ESG into our business strategy and operations.</p>	<ul style="list-style-type: none"> Increasing focus on ESG as companies emphasise equitable and inclusive long-term value creation. Increasing demand from society and the investment community to understand how companies are managing their risks and opportunities related to environmental, social, and governance criteria. Increasing interest among employees to understand and be associated with a positive work culture that values sustainability and social responsibility. 	<ul style="list-style-type: none"> Continuous monitoring and execution of AEON's ESG strategies by the Sustainability and Risk Management Committee to strengthen ESG governance. Clear ESG policy and structure for assignment of responsibilities, priorities, and commitments. Incorporated ESG KPIs as part of AEON's corporate scorecard, strengthening the link between ESG performance. Develop a progressive plan that integrates and embeds sustainability practices within our business and corporate strategy.

Stakeholder Engagement




As one of Malaysia's leading retailers and mall operators, AEON engages a broad and diverse group of stakeholders whose perspectives are essential to our long-term success. We recognise that effective stakeholder engagement is a critical pillar of our business, enabling us to gather meaningful insights that help shape our strategies, sustainability priorities and operational initiatives.

Through regular dialogues and informal interactions, we stay closely aligned with our stakeholders' evolving expectations and concerns. The feedback we receive directly informs our materiality assessment, strengthens our decision-making processes and highlights opportunities for continuous improvement. These engagements reinforce trust and collaboration, supporting AEON's commitment to creating sustainable value for stakeholders while shaping our strategic imperatives as part of our value creation process.




A summary of our key stakeholder groups, modes of engagement, primary discussion topics and AEON's responses is outlined in the table below.

Stakeholders	Modes of Engagement	Matters Discussed by Stakeholder	Our Response
 <p>Customers</p>	<ul style="list-style-type: none"> Stores and malls visit myAEON2go platform Promotions and marketing campaigns Website and social media platforms Customer service counter AEON Careline touchpoints Newsletters 	<ul style="list-style-type: none"> Product pricing, quality and safety Customer service, engagement, convenience, comfort and satisfaction Privileges, benefits and added value Online shopping Data privacy 	<ul style="list-style-type: none"> Customer engagement activities Timely response to customer enquiries Regular surveys of Net Promoter Score (NPS) and customer satisfaction Innovative service offering on myAEON2go platform Reliable customer service Compliance with Personal Data Protection Act 2010 (PDPA)
 <p>Shareholders and the Investment Community</p>	<ul style="list-style-type: none"> Annual General Meeting Integrated Annual Reports Results announcements and analyst briefings Company announcements on Bursa Malaysia Conferences and non-deal roadshows Regular meetings and teleconference calls Company website Stores and malls visit 	<ul style="list-style-type: none"> Business outlook and strategic direction Operational efficiencies Cash utilisation and dividends Governance and business ethics Returns to shareholders Sustainability strategy and initiatives 	<ul style="list-style-type: none"> Regular investor engagements Timely updates on material business developments, strategy and performance Engagement with ESG rating agencies

Stakeholder Engagement

Stakeholders	Modes of Engagement	Matters Discussed by Stakeholder	Our Response
Employees 	<ul style="list-style-type: none"> Onboarding programme Monthly morning assembly AEON Leadership Council meeting Head of Division and Department meeting Learning and development programmes Surveys Emails and iAEON app 	<ul style="list-style-type: none"> Remuneration structure Employee benefits and welfare Learning and career development opportunities Strategic direction and business growth Conducive working environment Health and safety procedures at work Employment equality Opportunity to contribute towards sustainability initiatives 	<ul style="list-style-type: none"> Career development opportunities Employee benefits OSH training and activities Learning and development programmes Job rotations Employee engagement platforms Employee volunteering opportunities
Regulators and Governmental Authorities 	<ul style="list-style-type: none"> Regular stakeholder dialogue Review of policies and procedures Regular engagement with government bodies Store visits, forums, meetings, roundtables & briefings Corporate website 	<ul style="list-style-type: none"> Direct and indirect contribution to the local economy Growth and challenges of the local retail industry Compliance with laws and legal framework Sustainable business practices Environment and Climate Change Human Rights Governance and Business Ethics 	<ul style="list-style-type: none"> Uphold good corporate governance through robust policies such as the AEON Corporate Commitment and Anti-Bribery and Corruption Policy to ensure regulatory compliance Adhere to responsible and sustainable practices to protect stakeholders' interests
Suppliers 	<ul style="list-style-type: none"> Clear procurement and payment policies and SOPs Whistleblowing channel Supplier audits Joint-marketing collaborations Formal and social events Regular stakeholder dialogues #AEONResponsible Suppliers Program 	<ul style="list-style-type: none"> Ethical business practices Clear and concise trading terms Prompt and timely payments Strategic partnerships Product and promotion support Human Rights Technology and Digital Transformation Cybersecurity Sustainability initiatives 	<ul style="list-style-type: none"> Fair and transparent dealing Partner with suppliers on shared opportunities

Stakeholder Engagement

Stakeholders	Modes of Engagement	Matters Discussed by Stakeholder	Our Response
Community 	<ul style="list-style-type: none"> Malaysian AEON Foundation (MAF) activities Festive celebrations Corporate Social Responsibility (CSR) events and programmes Job opportunities Kiosk and temporary space set-ups at shopping malls 	<ul style="list-style-type: none"> CSR programmes and initiatives Community support and aid and education Environmental awareness and education Business and job opportunities 	<ul style="list-style-type: none"> CSR engagements and donations Impactful programmes and initiatives
Media 	<ul style="list-style-type: none"> Media releases and conferences Media interviews Media collaborative programmes Online and offline media campaigns Editorial, advertorial and branded content 	<ul style="list-style-type: none"> Product offerings and launches Business performance Business milestones and industry updates Sustainable business practices Perception management and crisis communication 	<ul style="list-style-type: none"> Regular media engagements Announcements on material business developments, strategy and performance
Industry 	<ul style="list-style-type: none"> Meetings / forums / roundtables with Malaysia Retailers Association (MRA), Malaysia Shopping Malls Association and industry players Strategic membership in climate-focused and sustainability organisations, including the UN Global Compact Network Malaysia & Brunei (UNGCMYB) and the CEO Action Network (CAN) Regular stakeholder dialogues 	<ul style="list-style-type: none"> Industry outlook, retail sales performance, and government policies Climate-related issues, decarbonisation pathways, and ESG regulatory compliance Mutual interest issues 	<ul style="list-style-type: none"> Partner with suppliers on shared sustainability opportunities and circular economy initiatives Adherence to responsible business practices to protect stakeholder interests

Legend:
Frequency of Engagement  Ongoing  Monthly  Quarterly  Annually

Value Creation Model

AEON's Value Creation Model is anchored in our commitment to sustainable growth, shared prosperity, and societal well-being. Guided by the AEON Foundational Ideals of pursuing peace, respecting humanity, and contributing to local communities, always with customers as our starting point, we adopt an integrated approach to creating long-term value for our stakeholders.

Leveraging the Six Capitals as our key inputs, we transform financial, manufactured, intellectual, natural, human, social & relationship resources into meaningful economic and societal outcomes. Through the AEON Living Zone ecosystem, we deploy these capitals to drive our strategic priorities, enhance operational resilience, and strengthen our competitive advantage.

This holistic model enables AEON to generate sustainable value across our stakeholder groups while supporting Malaysia's social and economic development. By continually reinvesting in our people, communities, and the environment, AEON ensures that value created is not only delivered today but preserved and expanded for future generations.

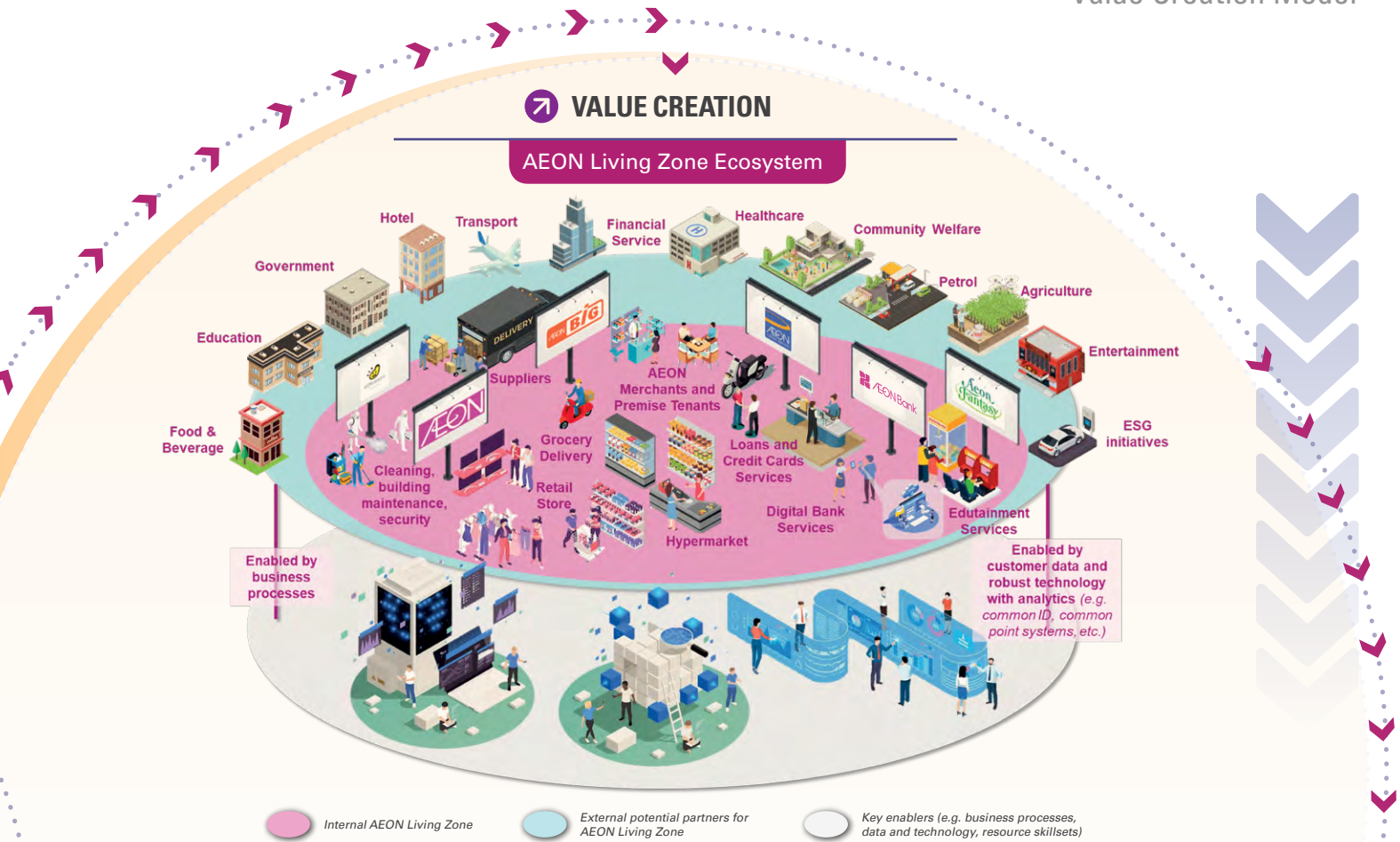


OUTPUT

SUSTAINABLE ECONOMICS

Expanding customer reach to drive performance and positive stakeholder value	RM4.3b Revenue	47% Dividend Payout Ratio	6 AEON MaxValu	50 DAISO
	RM133.8m Net Profit	27 AEON Mall	1 AEON STYLE Supermarket	13.0m sq ft Net Lettable Area
	4.5 sen Proposed DPS	35 AEON Store	62 AEON Wellness	2.9m AEON Member Plus

Value Creation Model



ENVIRONMENTALLY FOCUSED Operating responsibly and contributing towards a greener planet	EMPOWERING PEOPLE Supporting the local community and economy	EFFICIENCY & INTEGRITY Upholding a sound governance structure
>557,000 Trees Planted To Date	8,782 AEON People	Zero Corruption Incident
32,160 MWh Solar Energy Generated	160,985 Total Training Hours By Employee	Zero Substantiated complaints concerning breaches in customer privacy or data loss
22% Emissions Reduction (Scope 1 & 2) against base year 2019	179 Persons with Disability under AEON's Employment	
11% Rate of Waste Diverted from Landfill	RM1.3m Community Investment	

Championing Sustainability

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COMMITMENT BEYOND OPERATIONS

Beyond in-store operations, AEON advances sustainability with 64 EV charging bays across 18 malls nationwide, promoting green mobility and making EV charging more convenient and accessible.



OUR INVESTMENT CASE

KEY MESSAGES

CREATING VALUE

CHAMPIONING SUSTAINABILITY

GOVERNANCE WITH INTEGRITY

FINANCIAL STATEMENTS

ADDITIONAL INFORMATION

Basis of Preparation and Presentation

This IAR 2025 includes sustainability-related disclosures prepared with reference to the IFRS Sustainability Disclosure Standards issued by the ISSB, in line with MMLR of Bursa Malaysia Securities Berhad. For further details on reporting frameworks and standards referenced, please refer to About This Report on page 2 of this IAR 2025 under Reporting Principles and Frameworks.

The reporting boundary applied for sustainability-related disclosures is consistent with the Company's financial reporting boundary, addressing and assessing material risks and opportunities across the value chain, from upstream to downstream operations subject to data availability. This report also includes the Bursa Malaysia Prescribed Table and Sustainability Performance Data Table.

Connectivity of Information

The Sustainability Statement should be read together with the Company's financial statement for the year ended 31 December 2025. Where relevant, the presentation currency of the sustainability-related financial disclosures is Ringgit Malaysia (RM), consistent with the presentation currency of the financial statements. Unless specified otherwise, all amounts are rounded to the nearest thousand. At the end of each reporting period, AEON undertakes an assessment to identify sustainability-related risks and opportunities that could reasonably be expected to affect the Company over the short, medium and long term, in line with Bursa Malaysia's reporting requirements and the Company's strategic planning processes. For all sustainability-related risks and opportunities (SROs) and climate-related risks and opportunities (CROs), AEON applies the following time horizons, which are aligned with its strategic planning cycles and asset lifecycles.

Time Horizons

- Short Term**
0 – 5 years
(2026-2030)
- Medium Term**
5 – 15 years
(2031-2040)
- Long Term**
15 – 25 years
(2041-2050)

SROs and CROs are assessed across the Company's value chain as follows:

Value Chain Impact

- Upstream**
Suppliers and energy providers
- Own Operations**
AEON's internal logistics and distribution network
- Downstream**
Customers and tenant operations

First-Time Adoption of IFRS Sustainability Disclosure Standards and Transition Reliefs

AEON is reporting in alignment with the IFRS Sustainability Disclosure Standards under the National Sustainability Reporting Framework for the first time for FY2025. The Company has applied the following standards for the annual reporting period commencing 1 January 2025:

- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1)
- IFRS S2 Climate-related Disclosures (IFRS S2)

As at 31 December 2025, there are no other IFRS Sustainability Disclosure Standards issued by the ISSB. In accordance with the transition provisions available under IFRS S1 and IFRS S2, as well as the applicable requirements under MMLR, AEON has applied the transition relief from disclosing comparative information, where applicable.

Key Judgements and Estimation Uncertainty

The preparation of sustainability-related disclosures requires management to apply judgement and make assumptions in certain areas. Key areas of judgement and estimation uncertainty include, but are not limited to, the following:

- Identification of material sustainability-related risks and opportunities**, including the determination of relevance and potential impact across AEON's retail, property management services, and supply chain activities;
- Assessment of climate-related risks and opportunities**, including the classification of physical and transition risks, and the evaluation of potential impacts across different time horizons;
- Value chain considerations**, including the extent to which upstream and downstream activities are included based on data availability, relevance, and materiality;
- Use of assumptions, models, and external data**, including climate-related data, qualitative scenario considerations, and industry benchmarks, where internal data is limited; and
- Estimation uncertainty**, particularly in relation to the forward-looking nature of climate-related impacts, changes in regulation, market behaviour, and technological developments.

Actual outcomes may differ from these estimates and assumptions due to changes in external conditions, regulatory developments, availability of data, and evolving methodologies. While AEON has identified material climate-related risks and opportunities and considered their potential impacts, the quantification of current and anticipated financial effects under different climate scenarios is at an early stage and is discussed qualitatively. As sustainability and climate-related reporting practices continue to evolve, AEON recognises that certain disclosures are subject to data limitations and estimation uncertainty. The Company will continue to enhance its data collection processes, methodologies, and internal controls to improve the accuracy, consistency, and completeness of future disclosures.

Our Approach to Sustainability

At AEON, sustainability is deeply rooted in our corporate philosophy and commitment to creating a better future for our customers, communities, and planet. Our approach is guided by the AEON Foundational Ideals of pursuing peace, respecting humanity, and contributing to the local communities, always with customers as our starting point. These principles have been fundamental in shaping our sustainability framework and initiatives.

AEON established the AEON Sustainability Charter (ASC) in 2022 as the Company's core framework for integrating sustainability into its business strategy and operations. The ASC comprises four core pillars, each designed to address key sustainability priorities relevant to AEON's business and stakeholders. Together, these pillars guide how sustainability is embedded into our daily operations, enabling AEON to deliver long-term value while actively supporting global and national sustainability goals.

Sustainable Economics to continuously provide value to customers

AEON consistently delivers high quality products and services to customers. To meet our customers' needs and rapidly changing preferences, we seek opportunities to adapt and innovate the business to stay agile, responsible and resilient. We aim to cater to a broad range of customer personas and drive organic growth.

Environmentally Focused to protect our planet and community

AEON is committed to mitigating and managing our environmental footprint and minimise negative impacts to climate change. We strive to reduce our GHG emissions through steps such as adoption of renewable energy and improvements in energy efficiency. We are committed to enhance efficient water usage, adopt circular economy practices and address climate-related risks across our operations.

Empowering People to better serve our employees, customers, and community

AEON is committed to fostering a diverse, equitable and inclusive workplace as well as uplifting the livelihoods of local communities. We strive to create positive social impact to enhance the quality of life and livelihoods of both our employees and the local communities.

Efficiency & Integrity to reinforce trust with our internal and external stakeholders

AEON strives for operational efficiency and market leadership that is underpinned by a strong governance framework to ensure robust workplace ethics and organisational integrity. Our approach includes equipping our business partners and stakeholders with the knowledge to uphold these standards.

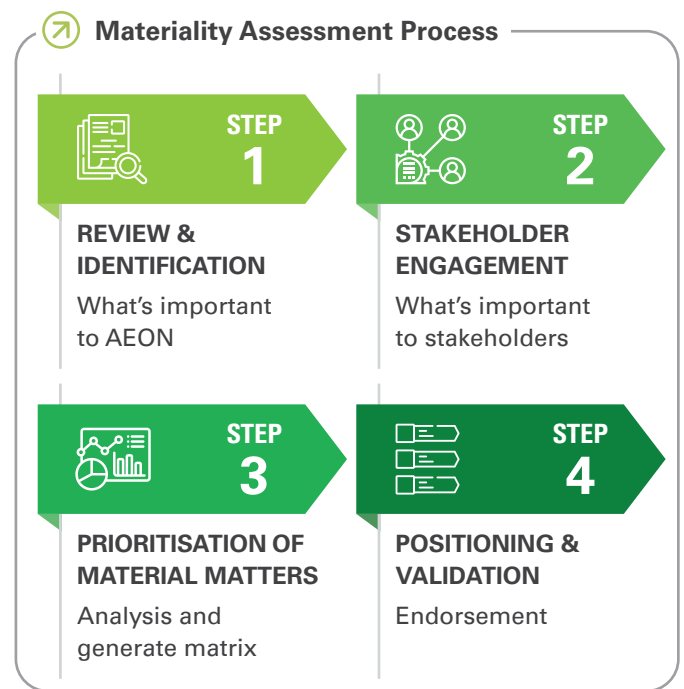


Materiality Assessment Approach

AEON's Material Matters shape the Company's sustainability strategy and guide the prioritisation of its 2025 sustainability goals. The materiality assessment is undertaken to identify and prioritise sustainability topics based on two dimensions: their importance to stakeholders and their significance to AEON's business operations. To maintain relevance, the Company reviews its Material Matters annually, taking into account stakeholders' feedback, regulatory developments, emerging sustainability trends, and evolving risk considerations.

The Company streamlined its Material Matters from 18 to 14 following a comprehensive reassessment conducted in 2024. The 14 Material Matters align with stakeholder expectations, business priorities and the sustainability-related risks and opportunities most relevant to AEON's value creation. In 2025, a high-level materiality reassessment was undertaken to validate the continued relevance of these Material Matters. The review included desktop research on sustainability trends and regulatory developments, as well as stakeholder engagement.

The revalidation process was carried out using a structured four-step approach:



1. Review & Identification
Based on the Company's annual high-level materiality assessment, the list of Material Matters remained unchanged from 2024. Prioritised matters were broadly consistent with the previous year, with 'Business Resilience' identified as an additional area of emphasis in response to emerging operational, economic and external risk factors.

2. Stakeholder Engagement
In 2025, AEON continued its stakeholder engagement primarily through ongoing informal interactions and selected external engagements with key stakeholders. These engagements provided general insights into stakeholder expectations and emerging sustainability considerations relevant to the Company's business and operating environment.

Feedback gathered through these engagements was considered alongside internal assessments to guide the Company's annual high-level materiality review and support alignment between sustainability priorities and business objectives. AEON recognises the importance of structured stakeholder engagement and will continue to progressively enhance its approach in line with the maturity of its sustainability practices.

For more information on AEON's Stakeholder Engagement initiatives, please refer to pages 49 to 51.

3. Prioritisation of Material Matters
We have prioritised six key Material Matters by evaluating their impact on the Company and their importance to stakeholders. This approach enables AEON to concentrate on areas that are most vital to its business performance and stakeholder expectations.

4. Positioning & Validation
Labour Practices continued to emerge as a rising priority among stakeholders, reflecting its increasing relevance to AEON's workforce management and operational continuity. Product Quality, Assurance and Safety and Sustainable Supply Chain also remained key areas of focus, underscoring stakeholder expectations for product integrity, responsible sourcing and supply chain reliability.

In addition, Climate Change and Waste Management were highlighted as critical issues due to their associated risks and potential opportunities for the business. Business Resilience was newly prioritised to reflect heightened exposure to operational disruptions and an increasingly complex operating environment.

Materiality Assessment Approach



As part of AEON's annual materiality review, the Sustainability Steering Committee (SSC) deliberated on AEON's material sustainability matters, focusing on their relevance to the Company. The findings were further deliberated for approval by the Sustainability and Risk Management Committee (SRMC) and the Board, for inclusion in this IAR 2025.

AEON remains committed to monitoring sustainability trends and will continue to review Material Matters annually, to ensure continued relevance. This ensures our sustainability initiatives remain aligned with evolving stakeholder expectations and business objectives.

The Material Matters identified through this process form the basis for the identification of AEON's sustainability-related risks and opportunities, and underpin the Company's sustainability strategy, risk management approach, and the selection of relevant metrics and targets, as outlined in the subsequent sections of this report.

The 14 Material Matters remain embedded within the ASC, structured across four pillars.

The ASC translates the Company's 14 Material Matters into the four core pillars, providing a structured framework for implementation and performance management.

Materiality Assessment Approach



Building on this foundation, AEON began aligning its sustainability-related disclosures with IFRS S1 and IFRS S2 in FY2025. As part of this process, the Company assesses sustainability and climate-related risks and opportunities relevant to its business model, strategic direction and long-term resilience. The outcomes of these assessments are presented to and deliberated by the SRMC, which provides oversight to ensure that sustainability and climate-related considerations are incorporated into the Company's risk management and strategic planning and subsequently approved by the Board.

SUSTAINABILITY GOVERNANCE

This section should be read together with the Corporate Governance Overview Statement on pages 133 to 146, which outlines the Board's oversight and management responsibilities relating to sustainability and climate-related matters.

Sustainability is embedded within AEON's governance framework, with clear oversight structures to monitor sustainability-related risks and opportunities, including climate-related matters.

The Board has ultimate oversight of these matters and is informed through structured reporting and committee updates throughout the year. The SRMC, which meets at least four times a year, reviews sustainability-related risks, opportunities, targets and performance on a quarterly basis. Key deliberations and strategic implications are escalated to the Board for consideration and guidance.

Sustainability-related risks are integrated into the Enterprise Risk Management (ERM) framework and are tabled to the SRMC and the Board as part of the regular risk reporting cycle. The Audit Committee (AC) oversees sustainability-related disclosures and the effectiveness of internal control processes in line with its financial reporting and assurance responsibilities.

Materiality Assessment Approach

In overseeing AEON's strategy and business direction, the Board and the SRMC consider relevant sustainability-related risks and opportunities, alongside financial, operational and regulatory factors. Where applicable, these considerations form part of management's evaluation and due diligence processes. The Board also considers potential trade-offs between short-term financial performance and long-term sustainability objectives.

The Board, supported by the SRMC, oversees the setting of sustainability-related targets and monitors progress against approved metrics on a periodic basis. Where applicable, sustainability-related performance considerations are incorporated into management performance evaluations in accordance with the Company's remuneration framework.

STRATEGY

This section describes how AEON addresses sustainability-related risks and opportunities that could reasonably be expected to affect the Company's enterprise value, in line with the requirements of IFRS S1. These matters are assessed in the context of AEON's business model, strategic priorities, and financial planning across the short, medium, and long term horizons. Sustainability-related considerations relevant to enterprise value are integrated into business planning across its retail and property management services activities to support operational resilience, and sustainable growth.

Climate-related disclosures aligned with IFRS S2 are presented within the Environmentally Focused pillar on pages 77 to 95, reflecting the integration of climate strategy into AEON's environmental priorities.

The sustainability-related risks and opportunities identified under IFRS S1 are summarised in the following table. These risks and opportunities reflect exposures that may influence operating costs, asset performance, regulatory compliance and long-term business resilience.

Material Sustainability-Related Risks and Opportunities

1 WASTE MANAGEMENT

Risk Description

Stricter waste and circular economy regulations, including heightened oversight of landfill-related methane emissions, may increase disposal costs and compliance requirements across AEON's operations.

Opportunities

Adoption of structured waste segregation and recovery processes may reduce disposal costs, improve resource efficiency and strengthen regulatory compliance.

Qualitative Financial Implications

Short Term

Incremental capital expenditure and operating cost for waste segregation systems and compliance requirements.

Medium Term

Higher disposal and compliance costs due to tightening waste regulations.

Long Term

Higher disposal costs, incremental capital expenditure and potential compliance costs arising from tightening waste regulation and implementation of circular economy frameworks.

Management Response

Managed under AEON's Waste Management Policy, with close monitoring of regulatory developments. Further operational initiatives are disclosed on pages 89 to 93 under the Reduce Waste section of the Environmentally Focused pillar.

Pillar

Environmentally Focused

Material Matters

MM6 Waste Management

Capital

Natural

Key Business Risks

Sustainability Risk

Value Chain Impact

Own Operations

Downstream

Materiality Assessment Approach

2 SUSTAINABLE PACKAGING

Risk Description

Evolving packaging requirements and potential Extended Producer Responsibility (EPR) regulation may increase compliance costs through eco-leivies and operational obligations across AEON's value chain.

Opportunities

Proactive alignment with sustainable packaging and EPR principles may strengthen the brand differentiation, expand access to environmentally conscious customer segments, and support revenue growth from sustainable product offerings while improving long-term cost efficiency.

Qualitative Financial Implications

Short Term

Incremental compliance, reporting and administrative costs associated with packaging requirements and EPR implementation.

Medium Term

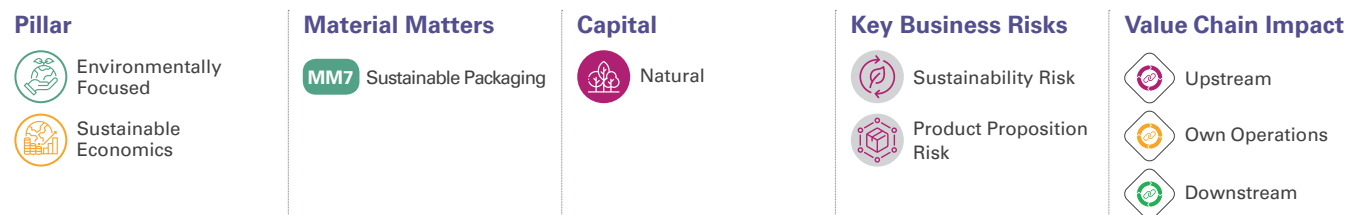
Additional operating cost and supply chain costs arising from packaging requirements, product traceability, take-back schemes and reporting requirements.

Long Term

Sustained cost exposure and potential margin pressure if product packaging, EPR fees, product redesign requirements or circular economy mandates intensify.

Management Response

AEON continues to assess potential implications for its product and packaging practices and closely monitors the development of EPR regulatory frameworks. AEON's commitment to 50% sustainable packaging and eliminate single-use plastics across its value chain by 2040 supports its long-term readiness for evolving circular economy requirements. Further initiatives are outlined on pages 89 to 93 under the Reduce Waste section of the Environmentally Focused pillar.



Waste Management exposures are primarily concentrated within AEON's retail outlets and malls across Malaysia, particularly in facilities with higher waste volumes and food handling operations. Sustainable Packaging exposures relating to evolving packaging and EPR requirements, are concentrated within AEON's Private Brand packaging value chain, including supplier sourcing and downstream distribution. Regulatory exposure is influenced by evolving federal and state-level environmental requirements.

During the reporting period, the identified sustainability-related risks and opportunities did not result in a material impact on AEON's financial position, financial performance or cash flows. Financial effects were primarily operational and compliance-related in nature, including incremental expenditure associated with waste management systems, regulatory monitoring and process enhancements.

Based on current assessments, these exposures are also not reasonably expected to result in a significant risk of material adjustment to the carrying amounts of assets and liabilities within the next annual reporting period. As regulatory requirements evolve, incremental capital expenditure may be required for infrastructure upgrades, compliance systems and operational improvements. Such expenditure is expected to be funded through internally generated cash flows and routine capital allocation processes, with no material asset disposals or retirements identified at this stage.

Materiality Assessment Approach

Over the short to medium term, compliance and capital expenditure may increase as regulatory requirements tighten. Over the longer term, waste recovery, packaging optimisation and resource efficiency initiatives are expected to support cost stability and operational resilience. In assessing these risks and opportunities, AEON considers trade-offs between short-term cost implications and longer-term regulatory readiness and enterprise value preservation. Management has qualitatively assessed the resilience of the Company's business model across the defined time horizons and considers its retail and property management services businesses to be resilient under current regulatory trajectories and phased implementation measures, subject to continued monitoring of regulatory developments.

The following section outlines AEON's approach to managing these sustainability-related risks and opportunities, while subsequent sections describe how these risks and opportunities are addressed through the Company's metrics and targets and pillar-based initiatives.

RISK MANAGEMENT

AEON manages sustainability-related risks and opportunities through processes that are aligned with, and progressively integrated into, the Company's ERM framework. These processes support the identification, assessment, prioritisation and monitoring of material sustainability-related risks and opportunities across the Company's retail and property management services activities.

Further details on the Company's overall risk governance structure are set out in the Statement on Risk Management and Internal Control on pages 152 to 160.

Sustainability-related risks and opportunities are identified through AEON's materiality assessment process, ongoing regulatory monitoring and management review. Identified risks and opportunities are evaluated based on their potential impact, likelihood, and time horizon using assessment criteria consistent with the broader ERM methodology. Both qualitative and, where available, quantitative factors are considered in assessing the nature, magnitude and potential financial implications of these exposures.

Material sustainability-related risks are assessed and prioritised alongside other principal risks within the Company's risk universe through the ERM risk scoring framework. These risks are incorporated into the Risk Register and are monitored through periodic risk reporting, mitigation tracking and reviewed by RMC, SSC, and the SRMC, in accordance with established risk governance processes. Outcomes from these assessments guide enterprise-wide risk discussions, strategic planning and resource allocation decisions.

Material sustainability-related opportunities are further assessed based on their potential strategic, operational and financial impact, implementation feasibility and alignment with the Company's business objectives. These opportunities are prioritised alongside other strategic initiatives and integrated into business planning, capital allocation and performance monitoring processes, with periodic management review.

Scenario analysis is applied, where relevant, to support the assessment of longer term exposures. Where scenario analysis is not applied, assessment are primarily guided by regulatory trend analysis and management judgement. In assessing sustainability-related risks, AEON also considers the resilience of its strategy and business model across short, medium and long-term time horizons. This assessment considers potential impacts on revenue streams, cost structures, asset utilisation and capital allocation.

Oversight of sustainability-related risks is provided by the Board and the SRMC, with management-level coordination supporting integration into strategy and operational processes.

There were no material changes to the Company's sustainability-related risk management processes during the reporting period. AEON continues to apply its established ERM-aligned approach and remains committed to progressively enhancing the integration of sustainability-related risks into its risk management, including enhancement to risk identification, assessment methodologies and reporting mechanism as practices continue to mature.

Materiality Assessment Approach

METRICS AND TARGETS

AEON uses sustainability-related metrics and targets to monitor performance, manage material risks and opportunities, and track progress against its strategic and transition objectives. These metrics and targets are informed by the sustainability-related risks and opportunities identified through the Company's materiality assessment and risk management processes.

Each target specifies the performance metric used, the applicable time horizon and, where available, the base year from which progress is measured. Progress against targets, including interim milestones where applicable, is disclosed within the relevant sustainability pillars of this IAR 2025.

For each material sustainability-related risk and opportunity, AEON applies relevant quantitative or qualitative indicators to assess performance and exposure. Metrics are measured on an absolute basis or, where relevant, using intensity measures to enable performance tracking over time. The scope, definitions and methodologies for these metrics are primarily aligned with Bursa Malaysia's Sustainability Reporting requirements and relevant industry standards. Where metrics are internally defined or adapted to reflect AEON's operational scope in Malaysia, the basis of calculation and any material differences from referenced guidance are disclosed alongside the respective metric.

In relation to the material sustainability-related risks and opportunities identified under IFRS S1, namely Waste Management and Sustainable Packaging, AEON applies specific performance indicators to monitor exposure, regulatory readiness and operational effectiveness. For Waste Management, metrics include total waste generated and waste diversion rates and food waste reduction targets. For Sustainable Packaging, indicators focus on packaging optimisation, plastic reduction initiatives and progress towards the Company's commitment to eliminate single-use plastics by 2040. These metrics support the ongoing assessment of operational impacts, cost exposure and long-term regulatory alignment.

Performance against sustainability-related metrics and targets is monitored by the SSC and reported to the SRMC on a quarterly basis as part of the Company's governance and risk oversight processes. Where applicable, selected sustainability metrics are subject to external assurance as disclosed in the Independent Limited Assurance Report on pages 240 to 245.


Climate-related metrics and targets, representing a material subset of AEON's sustainability-related risks and opportunities, are disclosed in the Environmentally Focused pillar section on pages 77 to 95, where detailed performance data and initiatives are presented. Further details on metrics, targets and initiatives relating to Waste Management and Sustainable Packaging are also set out in the Reduce Waste section of the Environmentally Focused pillar on pages 89 to 93.

Sustainability Targets and Performance



AEON discloses a summary of sustainability targets and performance across its material matters and focus areas below. This table provides an overview of the Company's sustainability commitments and progress across its four sustainability pillars.

Since 2024, AEON established mid to long-term sustainability targets to strengthen accountability, support risk management, and track performance against its EESG priorities. Transparent reporting of these targets enables stakeholders to assess progress and reinforces AEON's commitment to long-term value creation.



The following table sets out AEON's aspirations, targets and performance for FY2025.

ASC Pillar	Focus Area	Material Matters	Aspiration & Targets	FY2025 Performance
 SUSTAINABLE ECONOMICS	Foster Sustainable Business Partnership	MM2	<ul style="list-style-type: none"> 50% tenant adherence to AEON ESG guidelines by 2030. 100% suppliers adherence to AEON Supplier Code of Conduct by 2040. Empower micro, small and medium businesses for sustainable economic development. 	<ul style="list-style-type: none"> Rolled out AEON ESG Guidelines via Tenant Management E-handbook. <i>Refer to page 72 for more information.</i> 250 of TOPVALU and newly onboarded suppliers have adhered to AEON Supplier Code of Conduct. <i>Refer to page 69 for more information.</i> 99% proportion of spending on local suppliers. <i>Refer to page 70 for more information.</i>
	Enhance Product Quality	MM1	<ul style="list-style-type: none"> Prioritise the safety and well-being of our customers by delivering high-quality products. Promote sustainable procurement through suppliers' adherence to AEON procurement principles. 	<ul style="list-style-type: none"> Maintained HACCP and Halal certification. <i>Refer to pages 72 to 73 for more information.</i> Ongoing development of a sustainable procurement guidelines. To date, all TOPVALU paper products are FSC-certified. <i>Refer to page 74 for more information.</i>
	Improve AEON's Agility to Meet Customer Needs	MM3	<ul style="list-style-type: none"> Attain self-checkout counters (SCO) utilisation at 50%. 	<ul style="list-style-type: none"> SCO utilisation was at 52% in 2025. <i>Refer to page 75 for more information.</i>

Sustainability Targets and Performance

ASC Pillar	Focus Area	Material Matters	Aspiration & Targets	FY2025 Performance
 ENVIRONMENTALLY FOCUSED	Reduce Carbon Footprint	MM4	<ul style="list-style-type: none"> 70% reduction in Scope 1 & 2 GHG emissions compared to base year 2019 by 2035. All new buildings completed from 2025 onwards to be green-building certified. 	<ul style="list-style-type: none"> Achieved 22% of Scope 1 & Scope 2 emissions reduction in 2025 against base year 2019. Developed Green Building Policy in 2025 for all new buildings. <i>Refer to pages 83 to 86 for more information.</i>
	Minimise Water Consumption	MM5	<ul style="list-style-type: none"> 15% reduction of water consumption by 2030 compared to base year 2019. 	<ul style="list-style-type: none"> Reduced 9% water consumption in 2025 compared to base year 2019. <i>Refer to pages 87 to 88 for more information.</i>
	Reduce Waste	MM6 MM7	<ul style="list-style-type: none"> 15% of total waste diverted from landfill by 2030. 	<ul style="list-style-type: none"> 11% of total waste were diverted from landfill.
			<ul style="list-style-type: none"> 50% reduction of food waste in AEON's operations by 2040. 50% sustainable packaging by 2030 and eliminate single-used plastic across value chain by 2040, where feasible. 	<ul style="list-style-type: none"> Baseline assessment of total food waste in progress to support measurable reduction targets. Baseline assessment and category-level review of packaging materials in progress to support measurable reduction targets. <i>Refer to pages 89 to 93 for more information.</i>
Enhance Biodiversity Conservation	MM4	<ul style="list-style-type: none"> Plant additional 30,000 trees by 2027. 	<ul style="list-style-type: none"> Segamat Reforestation Project launched at Johor, targeting 30,000 trees across 36 hectares in the next three years. 48 rumbia and 50 berembang saplings were planted to conserve fireflies habitat in Kuala Selangor. <i>Refer to pages 94 to 95 for more information.</i> 	
 EMPOWERING PEOPLE	Promote Diversity, Equity & Inclusivity	MM9	<ul style="list-style-type: none"> Maintain at least 30% women representation in AEON Board and in ALC. Maintain at least 50% women representation in leadership position. 2% of AEON's workforce to include Person With Disabilities (PWD) by 2030. 	<ul style="list-style-type: none"> 40% of the AEON Board and 33% of ALC are women.* 58% of Management roles held by women. PWD was at 2% in 2025. <i>Refer to page 98 for more information.</i>

Sustainability Targets and Performance

ASC Pillar	Focus Area	Material Matters	Aspiration & Targets	FY2025 Performance
 EMPOWERING PEOPLE (CONT'D)	Respect Human & Labour Rights	MM8	<ul style="list-style-type: none"> Conduct human rights due diligence (HRDD) and address gaps identified by 2030. 	<ul style="list-style-type: none"> Three priority improvement areas were identified, with mitigation measures being progressively implemented. <i>Refer to pages 98 to 99 for more information.</i>
	Enhance Health, Safety & Well-being	MM10	<ul style="list-style-type: none"> Commit to protecting AEON employees' health, safety and well-being. 	<ul style="list-style-type: none"> Zero fatality recorded in 2025. Lost Time Injury Rate (LTIR) of 1.46 recorded in 2025. <i>Refer to pages 100 to 104 for more information.</i>
	Empower Employee Learning & Development	MM11	<ul style="list-style-type: none"> Implement future-skills training aligned with market trends. 	<ul style="list-style-type: none"> 162 training programs conducted in 2025. <i>Refer to pages 105 to 107 for more information.</i>
	Community Engagement & Development	MM12	<ul style="list-style-type: none"> Contribute at least RM1 million annually to external beneficiaries. 	<ul style="list-style-type: none"> RM1.3 million invested for 46,610 beneficiaries in 2025. <i>Refer to pages 108 to 109 for more information.</i>
 EFFICIENCY & INTEGRITY	Promote Integrity & Anti-Corruption	MM13	<ul style="list-style-type: none"> Zero cases related to bribery and corruption. Achieve ISO37001 Certification. 	<ul style="list-style-type: none"> Zero cases related to bribery and corruption. In progress to achieve ISO37001 certification. <i>Refer to pages 110 to 111 for more information.</i>
	Strengthen Data Governance & Security	MM14	<ul style="list-style-type: none"> Zero incident of privacy and data leaks. 	<ul style="list-style-type: none"> Zero incidents related to privacy and data leaks. <i>Refer to page 112 for more information.</i>

Note:

* As at the Latest Practicable Date of this IAR 2025, women representation on the Board and ALC is 44% and 37% respectively. Refer to pages 120 and 128 for more information.

AEON is committed to regularly reviewing and refining its targets to ensure alignment with evolving sustainability priorities, regulatory requirements, and stakeholder expectations. This ensures the Company remains on track to deliver meaningful outcomes for the business and the communities it serves.



SUSTAINABLE ECONOMICS

Goal: Build a Resilient and Sustainable Value Chain by 2040

AEON's financial resilience supports long-term value creation and underpins the sustainability of its business in a dynamic retail environment. As one of Malaysia's largest retailers, AEON contributes to economic development through job creation, support for local suppliers and ongoing engagement with the communities it serves.

The Company's economic performance is driven by a disciplined business strategy that focuses on anticipating market developments, maintaining a sound balance sheet, and leveraging digital capabilities to respond to evolving customer needs. Risk management remains integral to this approach, enabling AEON to manage uncertainty, safeguard operational continuity, and strengthen resilience across short-, medium-, and long-term horizons.

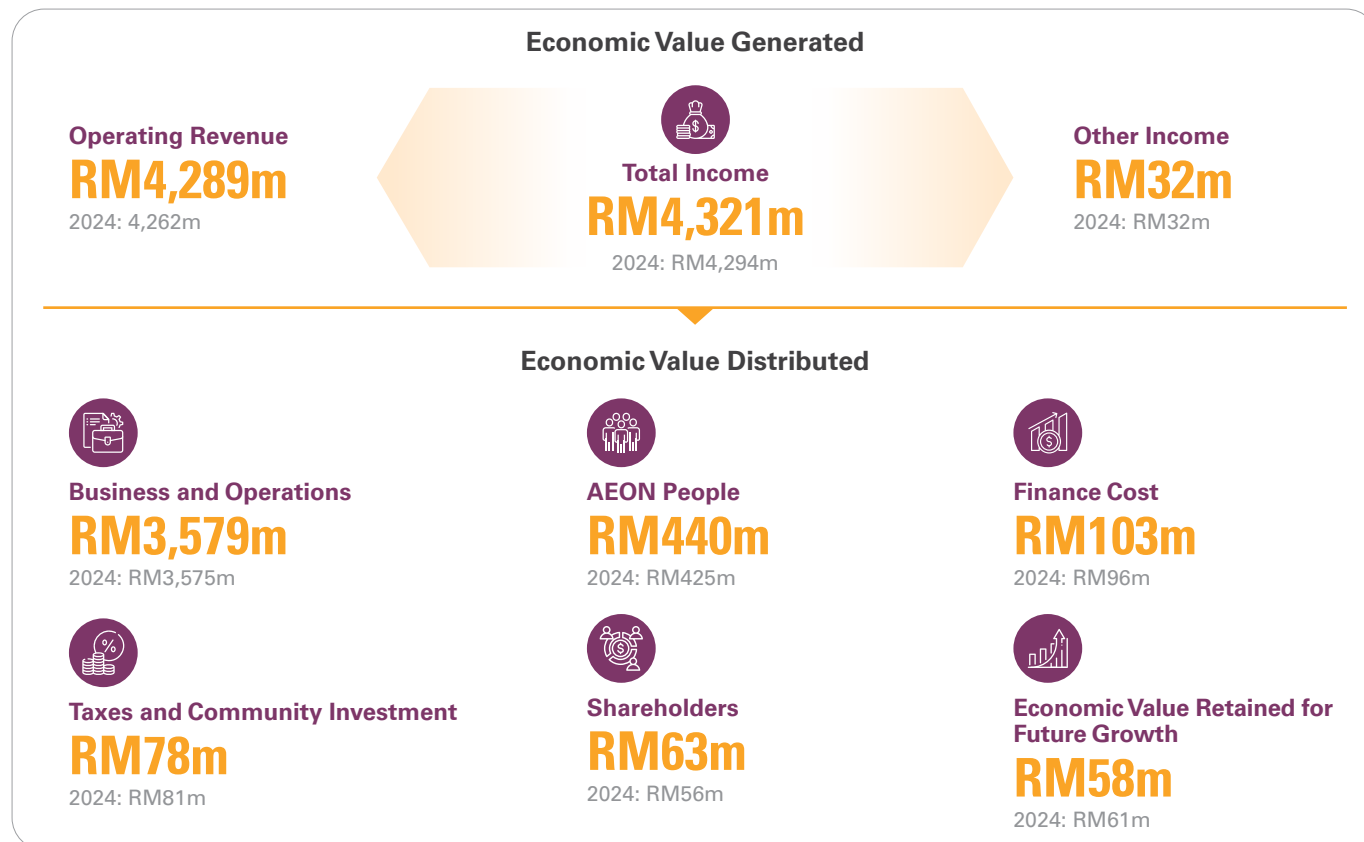
AEON's Value Creation Model, as set out on pages 52 to 53 of this IAR 2025, illustrates how the Company leverages six capitals: Financial, Manufactured, Intellectual, Human, Social and Natural, to generate sustainable economic outcomes. Sustainability considerations are embedded across these capitals, ensuring that financial performance is pursued alongside environmental stewardship and social responsibility to deliver long-term stakeholder value.

DELIVERING RESILIENT ECONOMIC PERFORMANCE

MM3 GRI 201-1



In 2025, AEON recorded a total revenue of RM4.3 billion, with 82% derived from our Retail business segment. The table below indicates the economic value generated and distributed to our stakeholders.



The financial results presented in the table are derived from the audited financial statements, which are available on pages 168 to 224 of this IAR 2025.

Sustainable Economics

FOSTERING SUSTAINABLE BUSINESS PARTNERSHIPS

MM2 GRI 2-6, 204-1, 308-1, 414-1



Commitment

- 50% tenant adherence to AEON ESG guidelines by 2030
- 100% suppliers adherence to AEON Supplier Code of Conduct by 2040
- Empower micro, small and medium businesses for sustainable economic development

Why It Matters

A strong and responsible supplier and tenant partnerships are essential to ensuring operational resilience and sustained stakeholder trust.

Risks

Weak governance or non-compliance within the supply chain may lead to operational disruption.

Opportunities

Strengthen partnership improves supply chain stability, product quality and customer trust.

Our Approach

- Embed ESG standards into supplier and tenant engagements
- Promote responsible sourcing and leasing through clear policies and compliance frameworks
- Foster collaboration with partners to support ethical, social and environmental responsibility across our value chain

Policies

- AEON Supplier Code of Conduct
- AEON Responsible Sourcing

These policies can be viewed at <https://aeongrouppmalaysia.com/sustainability-policies/>. For a comprehensive view of our expectations and guidelines for suppliers, please refer to the AEON Supplier Code of Conduct which is accessible in 15 languages at <https://www.aeon.info/en/sustainability/social/coc/>.

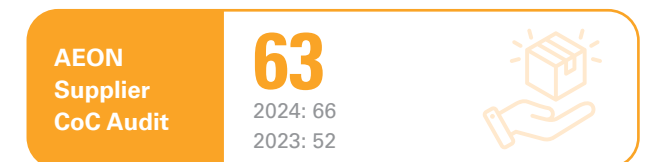
OUR INITIATIVES IN 2025

1. AEON Supplier Code of Conduct Audit

The AEON Supplier Code of Conduct (CoC) was established by AEON CO., LTD., Japan in 2003, serves as a foundational framework for responsible and ethical business practices across AEON's global supply chain. In Malaysia, AEON continues to align its TOPVALU Private Brand suppliers with the AEON Supplier CoC, which outlines 13 key requirements, covering compliance with applicable laws and regulations, environmental management, human rights and occupational safety and health standards.

Suppliers of TOPVALU products are required to adhere to the AEON Supplier CoC and submit declarations of compliance. Where applicable, supplier audits are conducted to assess alignment with labour practices, environmental management systems (EMS), and occupational safety and health management systems. Audits are carried out on a biennial cycle or in accordance with regulatory requirements and risk considerations.

All suppliers under TOPVALU have adhered to the AEON Supplier CoC. In 2025, a total of 63 audits were conducted, as part of our ongoing monitoring efforts.



In 2025, AEON expanded the application of the AEON Supplier CoC beyond the TOPVALU to include all new suppliers onboarded into AEON's value chain. As part of the standard onboarding and suppliers renewal process, new suppliers are required to review, acknowledge and comply with the AEON Supplier CoC through the AEON Supplier portal.

As at 31 December 2025, 126 newly onboarded suppliers have acknowledged the AEON Supplier CoC via the portal. In total, 250 suppliers of AEON's total trade suppliers have adhered to the AEON Supplier CoC. AEON will continue to monitor supplier adherence and progressively integrate AEON Supplier CoC requirements into supplier engagement and risk assessment processes.

Sustainable Economics

2. Cultivating a Sustainable Supply Chain for Small and Medium Enterprises (SMEs)

Supporting micro, small and medium enterprises (MSMEs) remains an important part of AEON's sustainability approach, contributing to local economic growth, job creation, supply chain diversity and resilience. We continue to prioritise sourcing from local suppliers, strengthening domestic business ecosystems while reducing transportation-related emissions.

In 2025, local suppliers accounted for 99% of AEON's total procurement spent. The proportion between local and foreign suppliers in AEON is as follows:

No. of Suppliers	2023	2024	2025
Local Suppliers	3,898	3,563	3,988
Foreign Suppliers	127	110	128
Proportion of Local Suppliers	97%	97%	97%
Proportion Spending on Local Suppliers	99%	99%	99%*

Note:

* *Independently assured.*

In support of local SMEs and MSMEs, AEON continued its collaboration with ministries and government agencies in 2025 to provide a structured retail platform for local entrepreneurs to showcase and commercialise their products across selected AEON Malls nationwide.

Through various government-led programmes conducted across multiple mall locations, AEON facilitated market access opportunities for 601 MSMEs, generating total sales of about RM10 million during the year. These initiatives supported income generation, product visibility and commercial exposure for local entrepreneurs across agriculture, food and beverage, festive market and local product showcases.

Programme Name	Agency/Ministry	Venue	No. of MSME
1. Bazaar Ramadan	Ministry of Entrepreneur Development and Cooperatives (KUSKOP)	Multiple malls	102
2. Kempen Beli Barangan Malaysia	Ministry of Domestic Trade and Cost of Living (KPDN)	AEON Mall Nilai and AEON Mall Shah Alam	23
3. Program Promosi & Jualan Produk Usahawan	Jabatan Pertanian Selangor	AEON Mall Cheras Selatan	12
4. KALA Fest Indahya Kelantan	Kelantan State Economic Development Corporation (PKINK)	AEON Mall Nilai	19
5. Jelajah Usahawan NS Choice	Negeri Sembilan State Economic Planning Unit (UPEN)	AEON Mall Shah Alam	15
6. Program Rasa-rasa Akuakultur Mega 2025	Jabatan Perikanan Selangor	AEON Mall Shah Alam	12
7. FAMA Fest N9	Federal Agricultural Marketing Authority (FAMA)	AEON Mall Nilai	383
8. Jualan Aidiladha	Koperasi Pengilang Produk F&B	AEON Mall Kota Bharu	11
9. Pahang Showcase	Kerajaan Negeri Pahang	AEON Mall Alpha Angle	24

These collaborations reinforce AEON's role as a retail ecosystem partner, bridging public sector initiatives with commercial market access to strengthen MSME resilience and inclusive economic participation.

Sustainable Economics

3. #AEONResponsible Suppliers Program

The #AEONResponsible Suppliers Program (#ARSP), launched in December 2024, is a strategic initiative to promote ESG principles within Malaysia's retail industry. The programme supports suppliers in building ESG capability, improving sustainability data transparency and progressively aligning with AEON's sustainability commitments and evolving regulatory expectations.

In 2025, AEON operationalised #ARSP through structured supplier engagements focused on practical ESG implementation and measurable progress. Four key engagements were conducted during the year, including two Breakfast Talk sessions, a virtual carbon management dialogue and the inaugural #AEONResponsible Suppliers Forum. These sessions addressed ESG governance fundamentals, GHG awareness, sustainability data readiness and responsible sourcing practices.

As part of the programme framework, participating suppliers were onboarded to Bursa Malaysia's Centralised Sustainability Intelligence platform, which serves as a standardised ESG maturity assessment and tracking tool. Capacity-building initiatives were designed to ensure ESG concepts are communicated in a clear and practical manner, supporting suppliers of varying sizes and maturity levels. In addition, sustainable financing pathways are made available through our partners provide suppliers with optional access to funding solutions for energy efficiency, renewable energy and other ESG-related investments.

Through #ARSP, AEON continues to strengthen supply chain governance, enhance data transparency and promote responsible business practices across its value chain. In FY2025, this programme engaged 49 suppliers. Moving forward, the programme will focus on increasing supplier participation in improving sustainability data disclosure and strengthening alignment with AEON's Supplier CoC and long-term sustainability targets.

BreakfastTalk #1: Your ESG Launchpad



Virtual Dialogue: Optimising the Value of Your Carbon Footprint



BreakfastTalk #2: GHG Excellence



#AEONResponsible Suppliers Forum



Sustainable Economics

4. Strengthening ESG Collaboration with Tenants

In 2025, AEON rolled out ESG-related operational and sustainability guidelines to tenants through the AEON Mall Tenant Management E-Handbook, accessible via the Tenant Portal. The handbook outlines expectations covering waste management, cleanliness, energy conservation and operational compliance. Implementation was supported by engagement led by mall management teams to raise awareness and encourage alignment with the guidelines. While formalised tracking against the 50% tenant ESG adherence target is still under development, tenant engagement and operational monitoring continue to support awareness and alignment.

ENHANCE PRODUCT QUALITY

MM1 GRI 416-1, 417-1



Commitment

- Prioritise the safety and well-being of our customers by delivering high-quality products
- Promote sustainable procurement through suppliers' adherence to AEON procurement principles

Why It Matters

Uphold consumer trust and provide peace of mind during consumption.

Risks

Potential backlash from consumers following incidents related to food safety and quality.

Opportunities

Enhance AEON's reputation as a brand that delivers safe and high-quality products.

Our Approach

- Ensure compliance with food safety, halal and regulatory standards
- Promote transparency and responsible marketing to support informed customer choices
- Strengthen ethical sourcing through clear policies and sustainable procurement principles

Policies

- AEON Food Safety and Quality Policy
- AEON Halal Policy
- AEON Customer Responsibility Policy
- AEON Responsible Sourcing
- AEON Animal Health and Welfare Policy

These policies can be viewed at <https://aeongroupmalaysia.com/sustainability-policies/>.

OUR INITIATIVES AND PERFORMANCE IN 2025

ADHERING TO SAFETY AND QUALITY STANDARDS

1. Hazard Analysis and Critical Control Point (HACCP) Certification



Since 2008, AEON has been the only supermarket in Malaysia to achieve and maintain HACCP Certification, reflecting our unwavering commitment to food safety. Our voluntary pursuit of this certification reinforces our dedication to upholding the highest safety and quality standards for our customers. To maintain our HACCP Certification, we conduct regular

internal and external audits across our stores, ensuring continuous compliance with food safety standards and evolving consumer needs. Our efforts are guided by Good Manufacturing Practice and Hazard Analysis Critical Control Points, reinforcing our commitment to excellence. As at end 2025, 34 AEON Stores are HACCP-certified, demonstrating our dedication to the highest food safety standards.

AEON Stores Certified

34

AEON Stores certified in 2025



Sustainable Economics

2. Halal Certification



Since 2010, AEON's Halal Policy has been integral to our operations, ensuring strict compliance with JAKIM's guidelines. Through the AEON Halal Assurance Scheme, we uphold Halal standards across our supply chain, requiring supplier adherence and reinforcing ethical business practices. To ensure compliance, our Quality Management Department conducts bi-annual internal Halal audits at all outlets. We also provide Halal awareness training, ensuring each outlet has at least one JAKIM-certified Halal officer. In 2025, we completed internal Halal audits across all 34 AEON Stores and conducted training to strengthen compliance. As at the end of December 2025, we maintained Halal certification for all our AEON Stores. AEON remains committed to maintaining the highest Halal standards, ensuring quality, trust, and compliance across our operations.

Certified Halal

130

2024: 117
2023: 130



As the demand for halal-certified products continues to grow, we remain committed to engage with stakeholders to raise awareness and explore market opportunities. In August 2025, AEON organised *RASA: AEON Food Safety & Halal Culture* to strengthen food safety standards and enhance product quality across our operations and supply chain. The 2-day programme brought together employees, suppliers and industry stakeholders for Halal awareness training, management review discussions and knowledge-sharing sessions on halal supply chain practices and regulatory expectations. Through closer collaboration and capability-building, the initiative reinforces consistent quality control, compliance with halal requirements, and greater supply chain integrity, supporting the delivery of safe, high quality products to our customers.



3. TOPVALU Supplier Compliance and Quality Assurance

To ensure product safety and quality, AEON mandates that suppliers producing and manufacturing under the TOPVALU brand to undergo the AEON Factory Audit for Food and Non-Food Products. Additionally, these suppliers are required to strictly adhere to and being audited against AEON Supplier CoC Standard which aligns with business values. These evaluations were crucial to ensure our suppliers continue to meet our stringent quality standards, ethical guidelines, and

policies. Factory Audit on Food Safety Management System and Quality Management System are conducted on a yearly basis. In 2025, we conducted the following audits:

Factory Audit

97

2024: 83
2023: 67



Sustainable Economics

ENCOURAGING INFORMED DECISION-MAKING

1. Nutrition Information

AEON values the diversity of our customers and remains committed to transparency in product information. In 2025, we continue to prioritise clear labelling for food products, providing customer with detailed information on ingredients, calorie count, and allergens. This allows consumers to make informed choices when selecting their products to mitigate potential health risks. The price card with allergen and calorie count is now available at AEON Delicatessen and La Boheme.



Detailed product information, including allergen details, is clearly stated at the selling area to inform and raise awareness among customers.

2. Responsible Marketing and Advertising

AEON remains committed to ethical and responsible marketing, ensuring that all communications provide accurate, transparent, and balanced information about our brands and products. As part of our commitment to empowering customers, AEON strictly adheres to Regulation 361 of the Food Regulation 1985, ensuring that alcoholic beverages are accurately labelled with alcohol content details and health warning statements. This reinforces our dedication to providing essential information that supports informed consumer choices.

BUILDING THE FOUNDATION FOR SUSTAINABLE PROCUREMENT

In 2025, AEON began developing a sustainable procurement guideline aligned with the broader sustainability direction of its headquarters in Japan, reinforcing its responsible sourcing approach. Activities during the year focused on internal alignment, benchmarking relevant practices and assessing applicability within the Malaysian regulatory and operating environment. This framework is intended to guide responsible sourcing decisions across the supply chain, beginning with Private Brand products. Since 2023, all TOPVALU paper products have transitioned to FSC-certified materials, reflecting adherence to recognised responsible forestry standards. In 2025, emphasis was placed on maintaining compliance with these standards while strengthening internal monitoring and supplier oversight processes to support consistency and traceability. During the year, AEON also reviewed opportunities to expand the use of responsibly sourced materials within selected product categories, considering commercial feasibility, supplier readiness and customer expectations. The Company will progressively refine its sustainable procurement approach as supplier engagement, data visibility and market conditions evolve.

Sustainable Economics

IMPROVE AGILITY TO MEET CUSTOMER NEEDS

MM3 GRI 2-6



Commitment

Attain self-checkout (SCO) counters utilisation at 50%

Why It Matters

Foster growth through innovation to cater to the evolving needs of AEON's wide range of customers.

Risks

Potential loss of competitiveness and market relevance as well as higher risk of product loss associated with increased self-checkout utilisation, including under-scanning errors or intentional misuse.

Opportunities

Improve operational efficiency while enhancing customers' experience.

Our Approach

- Leveraging digital tools and data analytics to improve operational efficiency and decision-making
- Enhancing customer engagement through personalised and data-driven services
- Strengthening business resilience by optimising both online and offline retail experiences, while reinforcing security measures to minimise misuse of self-checkout systems

OUR INITIATIVES IN 2025

DIGITALISATION EFFORTS

Self-Checkout Counters	E-Documentation (E-Contracts)	Smart Trolley
<p>Purpose Improve checkout efficiency and in-store flow.</p> <p>Key Impact Enhanced operational productivity, reduced queues, accelerated transactions, minimised physical touchpoints and improved overall customer convenience.</p> <p>Deployment Over 600 SCOs installed with 52% utilisation rate as at December 2025.</p>	<p>Purpose Digitalise supplier and tenant documentation.</p> <p>Key Impact Improved efficiency and reduced paper use.</p> <p>Deployment Over 5,000 suppliers and tenants onboarded.</p>	<p>Purpose Enhance shopping experience through digital integration.</p> <p>Key Impact AI-powered recommendations, real-time product information and faster checkout.</p> <p>Deployment Implemented in 12 stores.</p>
Electronic Shelf Labels	Smart Weighing Scale	E-Feedback Kiosk
<p>Purpose Enable real-time digital pricing updates.</p> <p>Key Impact Improved price accuracy, reduced manual processes, enhanced store efficiency and reduced paper usage.</p> <p>Deployment Pilot Phase in two stores.</p>	<p>Purpose Simplify fresh produce weighing and labelling.</p> <p>Key Impact Faster checkout, reduced pricing errors, improved store efficiency.</p> <p>Deployment Rolled out to all stores.</p>	<p>Purpose Capture real-time customer feedback.</p> <p>Key Impact Immediate service insights, reduced paper surveys, faster issue resolution.</p> <p>Deployment Implemented in 10 stores.</p>




Sustainable Economics



ENHANCING CUSTOMER LOYALTY AND EXPERIENCE

AEON Careline

As part of AEON's focus on business resilience, customer service quality and responsiveness are monitored as operational and reputational factors that may affect customer retention and brand trust. To monitor and manage these risks, AEON maintains a centralised customer feedback system, AEON Careline to capture, record, and manage customer feedback across four categories:

 ENQUIRIES	 COMPLAINTS
 COMPLIMENTS	 SUGGESTIONS

Customer feedback is received through multiple channels, including the AEON Careline hotline (1300-80-2366), email, social media platforms, live chat, and QR code forms at physical outlets. All feedback is logged into a central system for monitoring and follow-up.

In 2025, AEON recorded a total of 99,793 customer interactions across enquiries, complaints, compliments and suggestions. Enquiries constituted the largest category, reflecting continued reliance on AEON's service channels. Complaints are monitored to ensure timely resolution and effective service recovery. Customer feedback, including compliments and suggestions, continues to inform improvements in service standards, operational processes and product offerings.

Complaint Handling

All complaints received through AEON Careline are logged, tracked and assigned for follow-up in accordance with established internal procedures. Status updates are provided to customers until cases are resolved.

Customer Satisfaction Measurement

AEON measures customer satisfaction and loyalty through its Net Promoter Score (NPS) Programme, which was fully implemented across all business units in 2025. Feedback is collected via QR codes at malls and stores, as well as through email surveys. The table below sets out AEON's NPS performance over the past three years:



ENVIRONMENTALLY FOCUSED

Goal: Achieve Net-zero GHG Emissions by 2050



Aerial view of Firefly Habitat Restoration project site at Kuala Selangor.

The Environmentally Focused pillar sets out AEON's actions to manage its environmental impacts and deliver progress against its climate and environmental targets. This includes efforts to reduce GHG emissions, improve energy efficiency, manage water and waste responsibly, and enhance biodiversity outcomes across the Company's operations.

AEON's environmental initiatives are guided by its long-term ambition to achieve net-zero GHG emissions by 2050, supported by interim decarbonisation targets of achieving a 70% reduction in total Scope 1 and Scope 2 GHG emissions by 2035 (against base year 2019), which prioritise energy efficiency, renewable energy adoption and waste reduction across the Company.

Climate-related disclosures aligned with IFRS S2 are presented in the following sections, together with the initiatives supporting their implementation.

GOVERNANCE

Climate-related risks, opportunities and decarbonisation progress are overseen through AEON's sustainability governance structure described earlier. The Board and SRMC review climate-related matters as part of regular updates on sustainability performance, risk exposures and progress against climate targets.

Further details on overall governance roles and responsibilities are set out in the Corporate Governance Overview Statement on pages 133 to 146.

STRATEGY

Climate change presents evolving physical and transition risks across AEON's retail and property management services activities, as extreme weather events, regulatory developments and the shift toward a low-carbon economy reshape the business landscape. At the same time, these dynamics create opportunities to enhance operational efficiency, optimise energy use and strengthen alignment with stakeholder expectations. By identifying and assessing material climate-related risks and integrating mitigation and adaptation measures into its strategy, AEON enhances asset resilience and operational stability. The Company remains committed to reducing GHG emissions through renewable energy adoption and energy efficiency initiatives, positioning AEON to manage climate risks proactively while supporting long-term sustainable value creation.

Environmentally Focused

IDENTIFICATION OF CLIMATE-RELATED RISKS AND OPPORTUNITIES

AEON has conducted its climate-related risk and opportunity assessment across short, medium and long-term horizons, covering both physical risks, i.e. extreme weather and supply chain disruptions and transition risks, i.e. regulatory developments, energy transition and evolving consumer expectations. This forward-looking assessment considers the potential business implications across the Company's retail, property management services and supply chain activities. The outcomes support risk prioritisation, inform strategic and transition planning, and strengthen the resilience of AEON's business model in alignment with its net-zero 2050 ambition. Given the inherent uncertainty in climate pathways and the Company's current data maturity, outputs are assessed primarily on a qualitative basis and will be progressively enhanced as methodologies and data capabilities mature. Climate-related risks and opportunities are identified and assessed with reference to AEON's business model and value chain.

The following approach was taken to assess climate risks and opportunities relevant to AEON in alignment with IFRS S2 and the Company's ERM framework:

» **STEP 1**
Define scope and coverage for AEON's climate risk and opportunity assessment

Based on considerations of geographical distribution of retail outlets and malls, revenue concentration and key supply chain exposures, a total of six states i.e Selangor, Johor, Perak, Penang, Melaka and Kelantan have been identified covering AEON Malls which are more exposed to physical climate risks.

» **STEP 2**
Define climate scenarios relevant to AEON

Adopted the Network for Greening the Financial System (NGFS) due to their emphasis on financial impacts associated with climate risks and opportunities and evaluated its strategy against two distinct futures as below. This approach aligns with IFRS S2, Bursa Malaysia requirements, the 13th Malaysia Plan (13MP) and the National Energy Transition Roadmap. Key uncertainties include the timing and cost of carbon pricing, the pace of low-carbon technology development and the frequency and severity of extreme weather events.

Net-zero 2050 scenario <i>(aligned with the Paris Agreement's 1.5°C goal)</i>	Current Policies scenario <i>(Hot House World Scenario)</i>
<ul style="list-style-type: none"> Strong climate policies implementation Capital shifts towards low-carbon sectors Rapid renewable energy expansion Alignment with national decarbonisation targets Fast adoption of low-emission technologies 	<ul style="list-style-type: none"> No additional climate policies beyond those already implemented Emissions continue to rise or plateau at high levels Global temperature increases well above 2°C Physical risks intensify significantly Focus on adaptation, not emission reduction

» **STEP 3**
Establish list of relevant climate risks and opportunities

Identified and assessed potential transition and physical risks, as well as opportunities impacting AEON, based on global frameworks and studies, state and sector specific considerations, collaborative input from AEON stakeholders, and industry peer practices.

» **STEP 4**
Assess materiality of climate risks and opportunities for AEON

- Nine climate risks and 10 climate opportunities have been identified.
- Material assessment involved defining several considerations for classifying level of materiality such as likelihood of exposure and potential severity of impact as well as aligning materiality assessment rating scale with AEON's ERM framework.

» **STEP 5**
Develop impact pathways based on material climate risks and opportunities identified

Mapped out impact pathways of material climate risks and opportunities to determine qualitative impact to AEON.

Environmentally Focused

Following the identification of nine climate-related risks and 10 climate-related opportunities assessed as relevant to AEON, the Company further evaluated these items to determine which could reasonably be expected to affect its business model, financial performance, cash flows or asset values. This refinement process resulted in the identification of climate-related risks and opportunities (CROs) for disclosure under IFRS S2, focusing on those with potential enterprise value implications. These shortlisted IFRS CROs underpin AEON's climate strategy, transition planning and integration into the Company's risk management framework.

The CROs identified for IFRS S2 disclosure are summarised below, together with their associated time horizons, potential business impacts and qualitative financial implications.

🕒 TRANSITION RISKS (NET-ZERO 2050)

Climate-related Issue	Risk Description	Opportunities
Energy Transition	Increased capital expenditure for low-emissions assets, with potential risk of asset obsolescence and system upgrade costs.	Adoption of energy-efficient technologies, renewable energy solutions and green building certifications may reduce long-term operating costs and improve asset efficiency.

Potential Business Impacts (non-exhaustive)

- Upgrades and changes to assets and operations to meet low-emission technology requirements and evolving regulations.
- Adjustments to pricing strategies and customer value propositions in response to carbon-related cost pressures.
- Increased operational complexity, including supplier engagement, energy sourcing shifts and technology integration.

Qualitative Financial Implications

	🕒 Short Term	🕒 Medium Term	🕒 Long Term
Financial Position	Incremental capital expenditure for energy efficiency upgrades and low-emissions technologies.	Accelerated capital expenditure requirements and potential early retirement of carbon-intensive or inefficient assets.	Potential asset obsolescence or impairment of carbon-intensive assets if regulatory and market transition accelerates.
Financial Performance	Increased operating costs due to higher electricity consumption, compliance requirements and initial transition expenses.	Margin pressure from carbon pricing, higher energy costs and increased compliance expenses.	Sustained margin pressure from carbon-related costs and energy price increases if mitigation measures are insufficient.
Cash Flow	Capital outflows for renewable energy adoption and system upgrades.	Elevated capital and operating cash outflows to meet regulatory requirements and transition expectations.	Increased capital and operating cash outflows required to comply with evolving low-carbon standards and regulatory requirements.

Pillar Environmentally Focused	Material Matters MM4 Climate Change	Capital Natural	Key Business Risks Sustainability Risk	Value Chain Impact Upstream Own Operations
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Environmentally Focused

⑦ PHYSICAL RISKS (CURRENT POLICIES)

Climate-related Issue
Acute and Chronic Climate Hazards

Risk Description

Extreme weather events may disrupt retail and mall operations, increase maintenance, insurance and energy costs, and accelerate asset degradation.




Opportunities

Strengthening asset resilience through adaptive infrastructure and improved business continuity planning may reduce long-term disruption risks.

Potential Business Impacts (non-exhaustive)

- Increased frequency and severity of operational disruptions across malls and retail outlets in flood and heat-prone locations.
- Accelerated wear and tear of physical assets, including cooling and infrastructure systems.
- Elevated insurance risk exposure and potential constraints in coverage availability for high-risk locations.
- Reduced tenant demand, footfall and customer comfort in persistently affected areas.

Qualitative Financial Implications

	 Short Term	 Medium Term	 Long Term
Financial Position	Higher maintenance provisions and insurance premiums for exposed assets.	Incremental capital expenditure for retrofits and resilience upgrades.	Potential asset impairment or reduced asset values in persistently high-risk locations.
Financial Performance	Higher repair, utilities and operating expenses following extreme weather events.	Potential margin pressure from higher insurance, utilities and operating costs.	Sustained margin pressure from reduced rental income and footfall affecting revenue stability if physical risk intensify.
Cash Flow	Increased operating cash outflows for reactive repairs.	Capital outflows for resilience investments and adaptive infrastructure.	Volatility in operating cash flows due to recurring disruptions and higher lifecycle asset costs.



At this stage, financial impacts under individual scenarios have not been quantified. Potential business and financial implications are assessed qualitatively, taking into account data availability, methodological complexity and the inherent uncertainty of long-term climate projections. The insights from this analysis inform AEON's climate strategy, transition planning and capital allocation considerations. Analytical depth will be progressively enhanced as methodologies and internal capabilities mature.

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CLIMATE-RELATED EXPOSURE OF ASSETS AND OPERATIONS

AEON has assessed the exposure of its physical assets and business activities to climate-related risks, considering geographical concentration and operational criticality.

- A proportion of AEON Malls are located in states with higher historical flood exposure.
- Outlets which operate in areas with elevated physical climate risk face increasing their susceptibility to potential operational disruption exposure.

This early findings support asset management planning, business continuity considerations and risk prioritisation under the Company's ERM framework.







CLIMATE TRANSITION PLAN

In response to the identified CROs, AEON has established a climate transition plan aligned with its net-zero 2050

ambition and interim emissions reduction targets. The transition plan integrates mitigation and adaptation considerations into strategic planning, asset management and capital allocation decisions to strengthen long-term business resilience. AEON's transition approach prioritises emissions reduction within its own operations in the short term, followed by broader value chain engagement over the medium term. The management of residual emissions are considered only after internal emissions reduction opportunities have been maximised.

Transition Strategy and Key Levers

AEON's climate transition plan is structured around the following strategic levers, sequenced over short, medium and long-term horizons. The transition plan is anchored on prioritising operational decarbonisation, strengthening renewable adoption and progressively engaging the value chain to support long-term emissions reduction as shown in table below:

Strategic Lever	Transition Focus	Key Actions	Time Horizon
Operational Efficiency and Asset Optimisation	Reduce emissions intensity across owned and leased assets	Energy efficiency initiatives, energy management systems, asset upgrades and application of green building standards	 Short Term
Renewable Energy Transition	Increase adoption of low-emission and renewable energy sources	On-site solar PV deployment, participation in renewable energy programmes and evaluation of green energy procurement options	 Short Term  Medium Term
Value Chain Engagement	Extend decarbonisation efforts beyond own operations	Supplier and tenant engagement, responsible sourcing practices and integration of ESG expectations within the procurement processes	 Short Term  Medium Term
Residual Emissions Management	Address unavoidable emissions after internal reductions	Exploration of nature-based solutions and verified carbon instruments	 Long Term

Assumptions and Dependencies

Implementation of AEON's transition plan is subject to the availability of commercially viable low-emission technologies, supportive regulatory frameworks and renewable energy infrastructure as well as sustained value chain engagement. Transition-related investments are primarily incorporated within AEON's existing capital expenditure planning and asset enhancement programmes. Capital allocation decisions are guided by asset lifecycle considerations, cost-effectiveness and alignment with the Company's ERM framework.

At the current stage of maturity, financial implications of the transition plans are assessed qualitatively. The Company will progressively enhance its assessment methodologies and analytical capabilities as data availability, scenario modelling techniques and regulatory expectations evolve.

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RISK MANAGEMENT

Climate-related risks and opportunities are managed within AEON's ERM framework, consistent with the processes described in the Statement on Risk Management and Internal Control on pages 152 to 160. Climate exposures are assessed using the Company's established risk identification and evaluation criteria, including consideration of likelihood, severity and potential financial implications. Material climate-related risks are reviewed by RMC and reported to

the SRMC as part of regular risk reporting. Where relevant, climate considerations are reflected in asset management, capital planning and business continuity processes. The identified climate-related risks and opportunities inform the selection of climate metrics and targets disclosed in the following section, supporting ongoing monitoring and oversight.

METRICS AND TARGETS

AEON uses climate-related metrics and targets to monitor exposure to material climate-related risks and opportunities, and track progress towards its decarbonisation objectives. The primary indicators applied are GHG emissions and energy-related metrics, which reflect the Company's operational carbon intensity and exposure to transition risks.

approach is applied in defining the emissions boundary. The boundary covers AEON Malls, AEON Stores, AEON Food Processing Centre, Specialty outlets, and all business units under AEON's operational control that were in operation at any point during the reporting period. There were no significant changes to measurement methodologies or assumptions during the reporting period. Emission factors and global warming potentials are derived from the 2006 IPCC Guidelines for National GHG Inventories, IPCC Sixth Assessment Report, and Department for Energy Security and net-zero, supplemented by recognised international and national sources where appropriate.

GHG Emissions Measurement Approach

AEON calculates and reports its GHG emissions in accordance with the GHG Protocol Corporate Accounting and Reporting Standard to ensure consistency, comparability and transparency. The operational control

Scope 1: Direct Emissions

Mobile Combustion

Fuel consumption from company-controlled vehicles and equipments (i.e: forklifts) obtained from fuel card records, reimbursement claims and utility invoices.

AEON intends to progressively expand the scope of its emissions reporting, including the potential inclusion of fugitive emissions, subject to feasibility and data readiness.

Stationary Combustion

LPG consumption within retail and food processing operations obtained from utility invoices.

Scope 2: Indirect GHG Emissions (Purchased Energy)

Location-Based

The location-based method reflects the average emissions intensity of the Malaysian electricity grid, using the official Grid Emission Factor published by Suruhanjaya Tenaga, ensuring our baseline reflects the most accurate national energy mix.

Market-Based

The market-based method reflects AEON's procurement of renewable electricity, including subscriptions to the Green Electricity Tariff (GET) and on-site solar PV generation. GET allows us to claim the environmental attributes of renewable energy generated within the national system.

Estimations and Key Assumptions

For specialty formats (Supermarket, AEON Wellness, DAISO, and Petemo) located within third-party leased facilities where direct sub-metering is unavailable, a square-footage proxy is applied. Consumption is estimated by correlating the floor area of the store with the prepaid electricity payments made to landlords. This ensures that emissions from the Company's entire specialty store network are captured, even in the absence of direct utility billing.

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Scope 3: Other Indirect GHG Emissions

Prioritising primary data where available, AEON discloses six material Scope 3 categories. Where direct measurement is not feasible, AEON applies reasonable and supportable estimation techniques, including activity-based proxies, survey data and operational assumptions. AEON will continue to enhance Scope 3 data quality and coverage as systems and supplier engagement mature.

Category 3

Fuel & Energy Related Activities

Purchased LPG for retail operations and at food processing centre obtained from utility invoices.

Category 5

Waste

Waste generated from malls, stores and food processing centre obtained from utility invoices.

Category 6

Business Travel¹

Employee air and land travel for business purposes.

Category 7

Employee Commuting²

Employee travel to/from work.

Category 9

Downstream Transportation & Distribution³

myAEON2go and third party last mile deliveries from outlets to customers.

Category 13

Downstream Leased Assets

Tenant Electricity and LPG Consumption obtained from utility invoices.

Estimations & Assumptions

- ¹ Include mileage claims for land travels of personal vehicles only (fixed reimbursement rates per kilometer), flight logs and booking records (of airport origins and destinations).
- ² Based on annual employee survey data. Survey responses are treated as a representative sample and extrapolated to total company impact using transport mode distribution, average travel distance and an assumed working-day model.
- ³ Estimated using assumed average trip distances, derived from the established delivery coverage radius permitted by each AEON outlet to ensure the estimate is grounded in operational constraints, and representative fuel consumption rates for typical motorcycle specifications used by delivery partners.

AEON incorporates climate-related performance targets into its performance management framework. Selected climate KPIs form part of the annual performance evaluation process and are cascaded across the Company to drive collective accountability and reinforce progress towards decarbonisation objectives.

REDUCE CARBON FOOTPRINT

MIM4 GRI 302-1, 302-4, 305-1, 305-2, 305-3, 305-4



Commitment

- 70% reduction in Scope 1 & 2 GHG emissions compared to base year 2019 by 2035
- All new buildings completed from 2025 onwards to be green-building certified

Why It Matters

Retail operations are energy-intensive, making decarbonisation essential for long-term sustainability and alignment with national climate goals.

Risks

Exposure to rising energy costs, regulatory changes and physical climate impacts may increase operating and capital expenditures.

Opportunities

Improve energy efficiency and renewable adoption can lower long-term costs and strengthen operational resilience.

Our Approach

- Embed decarbonisation into long-term business strategy through a structured roadmap aligned to net-zero 2050
- Prioritise emissions reduction through renewable energy, efficiency improvements and low-carbon asset design
- Integrate emissions monitoring and governance oversight into enterprise risk management processes

Policies

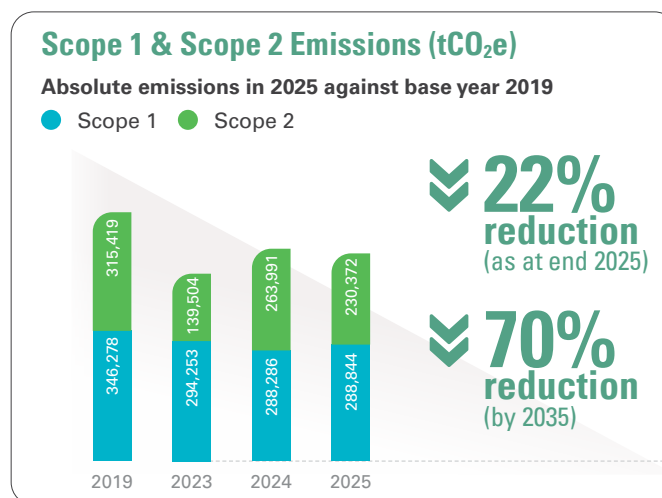
- AEON Sustainability and Climate Change Policy
- AEON Energy Policy
- AEON Green Building Policy

These policies can be viewed at <https://aeongroupmalaysia.com/sustainability-policies/>

Environmentally Focused

OUR INITIATIVES IN 2025

The following table details AEON's strategic roadmap and operational milestones for 2025, serving as the framework for the Company's interim commitment to achieve a 70% absolute reduction in Scope 1 and Scope 2 emissions by 2035 against base year 2019. AEON's decarbonisation strategy is structured across four primary approaches: Renewable Energy (RE), Energy Efficiency (EE), Energy Conservation, and Green Building Certifications, providing a measurable pathway towards our long-term climate targets.



Approach	Key Initiatives & Action Plans	Progress & 2025 Milestones	Mid-To Long-term Targets
Renewable Energy 	Solar PV installation across mall	12 malls energised with solar PV with two new installations completed in 2025	All AEON Malls to be energised with solar PV by 2035, subject to feasibility
	GET subscription	Subscribed to a full-year GET quota	Continued participation in market-based renewable energy mechanisms
Energy Efficiency 	Implementation of Energy Management System in compliance with Energy Efficiency and Conservation Act (EECA) 2024	Established an Energy Committee and initiated Energy Audits to establish baseline performance	Progressive reduction in overall energy consumption
	Chiller & Cooling Tower Optimisation	<ul style="list-style-type: none"> Replaced of ageing chillers Installed energy-saving systems in 17 malls Piloted chiller optimisation initiative at AEON Taman Maluri Shopping Centre 	Ongoing energy optimisation across the portfolio
	Installation of Smart Meters	Installed in four malls in 2025	Fully installed at all malls
	LED lighting retrofits	Completed at all malls and ongoing upgrades	Continuous improvements in upgrades, where relevant
Energy Conservation 	Operational controls and equipment scheduling	Optimised chiller, escalator, traveller and lighting operating schedules	Continuous refinement of operational parameters
Green Building Certification 	Adoption of recognised green building standards	Green Building Policy developed for all new building in 2025 onwards	100% of new buildings from 2025 onwards to be green-certified

Please refer to the GHG Measurement Measurement Approach section on pages 82 to 83 for details on the methodology applied in reporting Scope 1, Scope 2 and Scope 3 emissions.

Environmentally Focused

Detailed performance on AEON's energy consumption and Scope 1 and Scope 2 GHG emissions is presented below:

	Units	2023	2024	2025
Scope 1¹	tCO ₂ e	294,253	288,286	288,844²
Fuel				
LPG Consumption	m ³	190,755	185,419	187,277²
Diesel Consumption	Litre	-	53,119	58,942²
Petrol/Gasoline Consumption	Litre	227,720	142,738	144,504²
Scope 2¹	tCO ₂ e	139,504	263,991	230,372²
Location-based	tCO ₂ e	311,318	312,572	323,047²
Market-based	tCO ₂ e	139,504	263,991	230,372²
Electricity				
AEON Electricity Consumption	MWh	402,220	403,840	429,009²
Renewable Energy				
Solar PV generation	MWh	3,922	8,877	32,160²
Green Electricity Purchased via Green Electricity Tariff	MWh	290,230	57,913	87,576²
Total Energy Consumption	GJ	1,495,407	1,499,579	1,579,638²

Notes:

¹ Emissions are disclosed on a gross basis, without offsets, in tCO₂e.

² Independently assured.

AEON achieved a 22% reduction in total Scope 1 and Scope 2 GHG emissions compared to the base year 2019, reflecting continued progress towards its decarbonisation targets. The decrease was largely due to reduction in Scope 2 emissions, driven by expanded on-site solar PV generation and continued participation in the GET programme. The reduction in Scope 2 emissions reflects AEON's ongoing efforts to strengthen renewable energy adoption and improve energy sourcing across its retail and mall operations.

Addressing Value Chain Emissions

AEON recognises that a significant portion of its climate impact resides within its value chain. The Company is developing a long-term approach to address Scope 3 emissions, focusing on progressively improving data quality, strengthening supplier engagement and scaling emissions reduction initiatives over time in support of its net-zero ambition.

The Scope 3 categories disclosed by AEON are presented in the table below and have been identified with reference to the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard 2011:

	Unit	2023	2024	2025
Scope 3 Emissions	tCO ₂ e	1,055,447	1,211,979	1,298,039*
Category 3 : Fuel and Energy-related Activities	tCO ₂ e	6,779	6,930	7,337*
Category 5 : Waste Generated in Operations	tCO ₂ e	28,882	26,885	27,134*
Category 6 : Business Travel	tCO ₂ e	252	553	498*
Category 7 : Employee Commuting	tCO ₂ e	1,355	1,421	6,657*
Category 9 : Downstream Transportation & Distribution	tCO ₂ e	324	363	401*
Category 13 : Downstream Leased Asset	tCO ₂ e	1,017,853	1,175,828	1,256,109*

Note:

* Independently assured.

Environmentally Focused

Advancing Climate Awareness and Ecosystem Engagement

AEON's commitment to climate reduction extends beyond our internal operations to supporting climate awareness and low-carbon adoption across the broader retail ecosystem.



1 Low-Carbon Mobility and Community Action

We recognise our role as a community hub in supporting Malaysia's Low Carbon Mobility Blueprint. By enhancing our infrastructure, we provide the convenience necessary for our customers to adopt sustainable lifestyles.

Electric Vehicle Infrastructure:
64 EV charging bays installed across 18 malls nationwide, supporting Malaysia's low-carbon mobility agenda.

Earth Hour Participation:
Annual participation across all malls to promote public awareness on energy conservation and collective climate action.

2 Value Chain Engagement

#AEONResponsible Suppliers Program:
Launched in December 2024, the programme supports supplier capability-building on ESG practices, including energy efficiency and emissions management. For more information, refer to page 71.

Looking ahead, AEON will continue to strengthen its decarbonisation efforts by embedding emissions management into operational and asset-level decision-making, including the implementation of energy management systems in line with the EECA 2024. The Company will also continue to scale renewable energy adoption, enhance energy performance across its assets and engage suppliers on emissions reduction practices, supporting a resilient and low-carbon growth trajectory.

Collectively, these initiatives support the implementation of AEON's climate transition objectives and reinforce the role of decarbonisation as a driver of long-term operational resilience and sustainable growth, in support of the Company and Malaysia's net-zero 2050 aspiration.

Environmentally Focused

MINIMISE WATER CONSUMPTION

MM5 GRI 302-4, 303-5



Commitment

15% reduction of water consumption by 2030 compared to base year 2019

Why It Matters

Consistent access to high-quality water is critical for sanitation, cooling systems and food safety across AEON's mall and retail operations.

Risks

Water scarcity may lead to rising municipal costs and potential supply disruptions that affect operational continuity.

Opportunities

Optimise water consumption reduces operating costs and lowers energy consumption, contributing to reduced Scope 2 emissions.

Our Approach

- Manage water-related risks through operational efficiency and alternative sourcing
- Prioritise efficiency improvements across retail and mall operations
- Water withdrawn from municipal sources is of assured quality and is in compliance with the Drinking Water Quality Standards published by the Ministry of Health
- Regularly monitors the quality of raw and treated water at various sampling points through in-house laboratories which have been accredited with ISO 17025 (Laboratory Accreditation) Certification

Policies

- AEON Sustainability and Climate Change Policy

The policy can be viewed at <https://aeongroupmalaysia.com/sustainability-policies/>

OUR INITIATIVES IN 2025

In 2025, our efforts were centered on three key activities:

Conservation

Facility Retrofitting

We continued our phased upgrade of sanitary facilities. This year's focus involved retrofitting facilities with high-efficiency faucets and low-flush toilets. This is an ongoing initiative to ensure all high-traffic malls meet modern conservation standards.

Impact

Direct reduction in daily water leakage and consumer-end waste.

Optimisation

Cooling Tower Efficiency

Recognising that Heating, Ventilation and Air Conditioning (HVAC) systems in property management, we have completed the installation of scale removal and prevention systems in cooling towers at selected malls.

Impact

Optimised heat exchange efficiency, significantly reducing the need for water discharge and minimising water wastage.

Natural Harvesting

Spring Water Recovery

To reduce reliance on municipal treated water, we recover natural spring water at AEON Mall Alpha Angle, to be utilised for non-potable purposes, specifically for cleaning operations at the waste disposal area of the mall building.

Impact

Reduced reliance on municipal (third-party) water for cleaning and upkeep activities.

Environmentally Focused

In 2025, there were zero incidents of non-compliance with water quality/quantity permits, standards and regulations. The table below details our water-related metrics. The total water consumption in 2025 is as follows:

Water Metrics (Megalitres)	2023	2024	2025
Total Water Withdrawal ¹	-	4,932	5,013
Total Water Consumption ²	3,855	3,838	3,750 ³

¹ Water withdrawal comprises total municipal water supplied to AEON-operated premises, including tenant usage where water is supplied through a master meter under AEON's operational control.

² Water consumption refers to water used for AEON's own operational activities only, excluding tenant usage. In the absence of discharge metering, water consumption is assumed to be equivalent to AEON's operational water use.

³ This data has been independently assured. Please refer to the Independent Limited Assurance Report on pages 240 to 245.



We Achieved

9%

water consumption reduction in 2025 compared to 2019 baseline

As we progress toward the Company's 2030 target, AEON is committed to scaling the success of our alternative water sourcing initiatives across the broader portfolio. Building on the implementation of natural spring water recovery at AEON Mall Alpha Angle, we will explore other mall locations for their potential to integrate rainwater harvesting and groundwater systems, where feasible. By diversifying our water supply, AEON seeks to improve water security and manage exposure to regional water scarcity and potential tariff fluctuations.

Looking ahead, AEON will explore opportunities to strengthen water management through the use of data and digital solutions, including the potential application of metering and monitoring tools to improve visibility over water consumption. Such approaches are intended to support the identification of inefficiencies and potential leakages across common areas and tenant spaces, contributing to more efficient facility operations.

Recognising that a significant portion of our water footprint is influenced by tenant activities, we will continue to emphasise water conservation through collaborative engagement. We will expand awareness initiatives and practical guidance to encourage tenants to adopt water-efficient practices. Through these ongoing efforts, AEON aims to promote responsible water use across its value chain while maintaining flexibility to adapt as environmental conditions and operational priorities evolve.



Spring water recovery system at AEON Mall Alpha Angle, redirecting natural flow from the adjacent jungle and collected for non-potable cleaning operations.

Environmentally Focused

REDUCE WASTE

MM6 GRI 306-1, 306-2, 306-3, 306-4, 306-5



Commitment

- 15% of total waste diverted from landfill by 2030
- 50% reduction of food waste in AEON's operations by 2040
- Commit to 50% sustainable packaging by 2030 and eliminate single-used plastic across value chain by 2040, where feasible

Why It Matters

Waste management is a material priority of AEON's operations which generate significant waste that contributes to Scope 3 emissions.

Risks

Mismanagement of waste streams may result in legal non-compliance, financial penalties, reputational damage, and increased methane-related climate exposure.

Opportunities

Proactive waste reduction lowers value chain carbon intensity and supports AEON's net-zero 2050 ambition while improving operational efficiency.

Our Approach

- Adopt a five-stage waste hierarchy to prioritise reduction, reuse and recovery before disposal
- Maintain full compliance with the Environmental Quality Act 1974 and the Solid Waste and Public Cleansing Management Act 2007 (Act 672)
- Streamline waste processes to minimise waste generation and maximise resource recovery
- Apply resource efficiency principles across retail and property operations
- Monitor evolving regulatory requirements, including Extended Producer Responsibility (EPR)

Policies

- Waste Management Policy
- Environmental Quality Act 1974 and Act 672



The policy can be viewed at <https://aeongroupmalaysia.com/sustainability-policies/>.

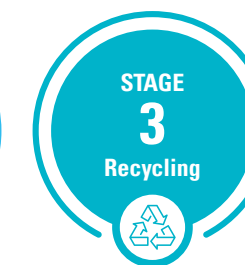
AEON's Five-Stage Waste Management Process



Source Elimination & Sustainable Packaging
Procurement optimisation and fostering a sustainable culture among employees, tenants, and customers.



Minimising Generation
Extending product lifecycles through reuse, repair, and refillable solutions.



Infrastructure & Material Recovery
Providing infrastructure for customers/tenants to recycle carton boxes, papers, plastics, and used beverage cartons.



Value Extraction & Innovation
Utilising on-site facilities and outsourcing to turn organic waste into value-added products like compost or biodiesel.



Regulatory Compliance
Compliant disposal through licensed contractors as a last resort in accordance with Act 672.

Environmentally Focused

OUR INITIATIVES IN 2025

STAGE 1 Prevention (Source Elimination & Sustainable Packaging)

AEON prioritised the total elimination of specific waste streams through smarter procurement and cultural change. AEON continues to implement practical solutions to reduce plastic dependency, including:

Downstream

- Nationwide elimination of single-use plastic carrier bags (except in bakery operations) and replace with FSC-certified paper bags.
- Transition to paper cups and straws, and wood utensils at selected AEON Delicatessen outlets.
- Promoting a "Say No to Single-use Plastics" approach among tenants and F&B outlets in our malls to encourage customers to bring their own shopping bags.
- Encouraging employees to bring their own containers for food and beverages, fostering a culture of sustainability within our operations.

Upstream

- AEON's Private Brand, TOPVALU, achieved 100% FSC-certification for all paper products, ensuring that packaging is sourced from responsibly managed forests.
- Conducting product category-level material reviews to establish a comprehensive baseline and measurable reduction targets.
- Through the #AEONResponsible Suppliers Program, AEON engaged with suppliers to promote responsible sourcing practices and encourage consideration of ESG factors before they enter AEON's value chain.

For more information on #AEONResponsible Suppliers Program, please refer to page 71.

STAGE 2 Reduce and Reuse (Minimising Generation)

We focused on extending product lifecycles and managing surplus inventory to prevent materials from entering the waste stream. AEON continued its initiatives to drive waste reduction, including:

- The "Reprice to Clear" strategy remained institutionalised across all retail operations, effectively reducing the volume of edible food that would otherwise be discarded.
- We maintained detergent refill stations at selected locations to encourage customers to reuse existing plastic containers.
- We optimise production planning in our bakery operations to minimise surplus and reduce food waste.
- Our mall operations reuse decorations for festive celebrations, ensuring that ornaments are refurbished and reused, where relevant rather than being treated as seasonal waste.



Environmentally Focused

STAGE 3 Recycling (Infrastructure & Material Recovery)

AEON achieved a 11.2% recycling rate in 2025. This progress was driven by a two-pronged strategy: (i) optimising internal mall operations, and (ii) expanding community-facing recovery programmes.

Recycling initiatives within AEON's operations

- The recycling of carton boxes remains a core daily practice and maintained as a primary diversion stream throughout 2025.
- Completion of the installation of 3R bins for tenants across all AEON Malls in 2025. This standardised infrastructure enables the daily collection of paper, plastic, and aluminium from mall tenants.
- A pilot initiative was undertaken at AEON Mall Ipoh Station 18 to explore the collection of Used Beverage Cartons (UBC) from F&B tenants. A total of 311.2kg of UBC was collected (equivalent to ~22,064 packs of UBC) in just 3 months of this pilot.
- Conducted trials in expanding material recovery initiatives at AEON Mall Metro Prima and AEON Mall Alpha Angle in 2025, covering a wider range of recyclables, including plastics, papers, aluminum cans, scrap metals, and selected e-waste items, utilising digital tracking to improve data accuracy.

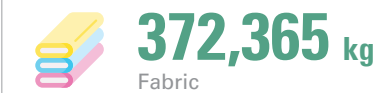
Recycling initiatives for the community

AEON leverages its high customer footfall to drive community-wide behavioral shifts through targeted external engagement programmes. In 2025, we continued to collaborate with various stakeholder groups to foster a collective commitment to environmental sustainability. Flagship community programmes in 2025 includes:

- Continued in collaboration with Coca-Cola, Trash4Cash, and Hiroyuki Industries, this programme utilises WiFi-enabled smart bins across 15 malls to reward customers for PET bottle recycling.



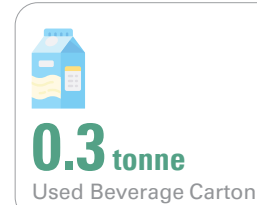
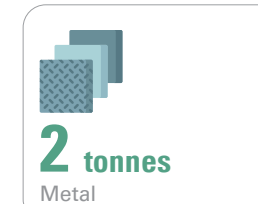
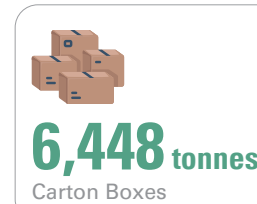
- The partnership with KLOTHCare remained operational across 17 malls, providing a critical avenue for textile diversion.



- Collaborated with Recircle on monthly collection drives at selected malls to recover mixed papers and household electronic waste.



- Partnered with KAO and Trash4Cash to operate a specialised reward programme for high-density polyethylene containers.



Environmentally Focused



Driving circularity through strategic partnerships at AEON Taman Maluri Shopping Centre (from left): PET bottle recycling with Trash4Cash and Coca-Cola, HDPE container recycling with KAO, and textile recovery with KLOTHCare.

STAGE 4 Recovery (Value Extraction & Innovation)

AEON's recovery strategy focuses on extracting high-value secondary resources from unavoidable organic waste streams that cannot be traditionally recycled including:

- Used Cooking Oil (UCO) recovery remains a daily practice across all AEON stores. We are exploring the feasibility of extending UCO collection services to F&B tenants within our malls to capture a broader volume of waste cooking oil.

85 tonnes
Used Cooking Oil

- On-site composting machine at AEON Mall Alpha Angle processes food waste into compost.

To achieve its 2040 target of a 50% reduction in operational food waste, AEON continues to explore alternative recovery solutions for organic waste. In 2025, the Company engaged with potential service providers to better understand available food waste recovery options and technologies. These exploratory efforts are intended to inform future initiatives to enhance food waste management practices across operations.

Environmentally Focused

STAGE 5 Disposal (Regulatory Compliance)

Disposal is treated as a last resort, managed through licensed contractors in strict accordance with the Solid Waste and Public Cleansing Management Act 2007 (Act 672). Our focus remains on the long-term target of reaching a 15% of total waste diverted from landfill by 2030 and a 50% reduction in food waste in AEON's operations by 2040, ensuring that the residual waste sent to landfills is minimised.

The results of our endeavours for the year in review are as follows:

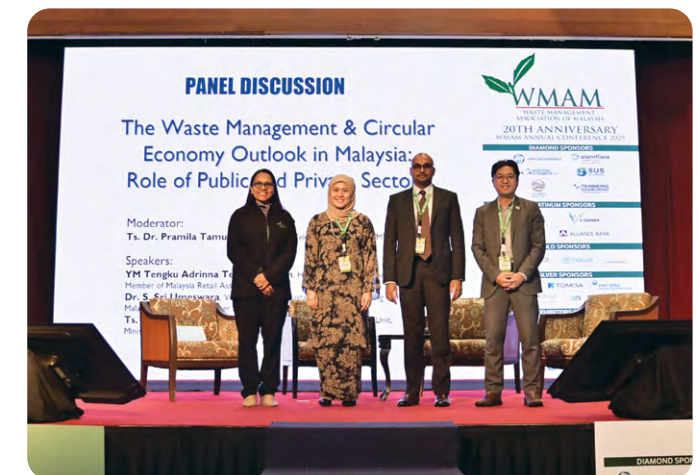
Waste	Units	2023	2024	2025
Total waste	Metric tonnes	62,260	58,023	58,668*
Waste directed to landfill	Metric tonnes	55,507	51,688	52,127*
Waste diverted from landfill	Metric tonnes	6,753	6,355	6,541*
Rate of waste diverted from landfill	%	10.8	11.0	11.2

Note:
* Independently assured.

Public Advocacy

AEON adopts a "whole-of-nation" approach, collaborating with government and industry to lead sustainable waste management in the retail sector. Industry engagement and advocacy activities includes:

- Knowledge Sharing:** Panelist at the Waste Management Association of Malaysia Conference 2025, discussing the role of the private sector in the national waste management outlook.
- National Circular Economic Council:** AEON has represented the Malaysia Retailers Association (MRA) as a Council Member since July 2023, influencing national circular economy policy.
- Plastic Circularity Clinics:** Participated in the 2025 clinic series organised by the Business Council for Sustainable Development Malaysia, WWF-Malaysia, and Climate Governance Malaysia to discuss industry-friendly Extended Producer Responsibility (EPR) models.
- Policy Leadership:** AEON signed a formal Pledge to 'Say No to Single-Use Plastics' with the Ministry of Housing and Local Government (KPKT).
- Hari Cuci Malaysia 2025:** AEON served as a Strategic Partner for this national cleanup event spearheaded by KPKT on 27 September 2025.



AEON's waste management performance in 2025 reflects a continued shift from site-based recycling practices towards more standardised and infrastructure-led waste management approaches. The Company's long-term waste reduction aspirations, including targets related to waste diversion, food waste reduction and the phase-out of single-use plastics remains the cornerstone of our environmental and operational resilience.

As regulatory expectations evolve, including the development of EPR requirements, the Company continues to enhance its waste management systems in a manner that supports Malaysia's broader transition towards a more circular and lower-carbon economy.

Environmentally Focused

ENHANCE BIODIVERSITY CONSERVATION

MM4 GRI 101-1, 101-2, 101-4, 101-7, 101-8, 306-2, 306-4



Commitment

Plant an additional 30,000 trees by 2027

Why It Matters

Biodiversity underpins supply chain stability, particularly for agricultural and forest-based products critical to retail operations.

Risks

Biodiversity loss poses a systemic threat to resource availability, supply chain resilience and long-term business continuity.

Opportunities

Conservation and ecosystem restoration strengthen supply security, meet eco-conscious customer expectations and support a circular economy business model.

Our Approach

- Integrate biodiversity conservation into business strategy
- Focus on long-term ecosystem restoration in partnership with Forest Research Institute Malaysia (FRIM) and local stakeholders to guide restoration efforts
- Engage local communities in restoration activities to strengthen environmental awareness and shared stewardship

Policies

- AEON Sustainability & Climate Change Policy

The policy can be viewed at <https://aeongroupmalaysia.com/sustainability-policies/>.

OUR INITIATIVES IN 2025

Planting Seeds of Growth

The Planting Seeds of Growth for the future programme, launched in late 2024 in conjunction with AEON's 40th Anniversary, has successfully transitioned from its planting phase to a dedicated maintenance phase in 2025. The initial planting phase took place in late 2024, involving the planting of more than 7,000 saplings across 28 schools surrounding AEON Malls nationwide. In 2025, our investments have shifted toward the maintenance and preservation of these school gardens. This ensures the long-term survival of the saplings and the continued viability of these sites as "green zones" for community education. By maintaining these established gardens, AEON continues to foster environmental responsibility among students while strengthening community development through nature-based educational platforms.

"Terang di Hujung Dahan": Firefly Habitat Restoration

Parallel to large-scale forest restoration, the Company is deeply engaged in the conservation of specialised ecosystems. The firefly populations of Kuala Selangor, particularly the *Pteroptyx tener* species, are iconic symbols of Malaysia's natural heritage but have faced a decline of approximately 22.7% due to habitat loss and riverbank erosion.

The "Terang di Hujung Dahan" initiative, carried out in collaboration with FRIM and the Selangor Water Management Authority, focuses on the restoration of critical riparian habitats along the Selangor River. This 12-month programme aims to support firefly population recovery while enhancing the eco-tourism potential of the region.

Environmentally Focused

This effort brings the cumulative total of saplings planted by AEON in Kuala Selangor to 98. The project is aligned with FRIM's *Action Plan on Conserving Fireflies of Selangor River (2022–2030)*, ensuring that corporate activities are integrated into broader national conservation strategies.

To ensure the long-term success of the Firefly Habitat Restoration, AEON and FRIM conducted a technical study visit to CRAUN Research in Sarawak. This visit focused on learning best practices in mangrove rehabilitation and the specialised management of sago (*Metroxylon sagu*) seedlings.

The knowledge gained from CRAUN Research an institution specialising in sago research and innovation is expected to significantly improve the survival rates of Rumbia seedlings planted in Kuala Selangor. This technical exchange reflects a shift in the Company's sustainability strategy toward high-impact, research-driven initiatives that build internal capabilities while contributing to ecological resilience.

From Bidor to Segamat: A New Chapter in Reforestation

The year 2025 witnessed the formal conclusion of the Malaysia-Japan Friendship Forest Programme (MJFFP) in Bidor, Perak, and the simultaneous unveiling of its successor: the Segamat Reforestation Project. The Bidor project, which ran from 2014 to 2024, stands as a premier example of how corporate responsibility can combine with scientific expertise to transform degraded industrial land, specifically a former tin mine into a thriving rainforest ecosystem. The rationale for this project extends beyond simple tree numbers. The Segamat site, located at the Stesen Penyelidikan FRIM (SPF), is strategically chosen to restore degraded forest areas and enhance regional biodiversity corridors.

MJFFP Bidor (2014-2024)		SPF Segamat Reforestation (2025-2027)	
Location Bidor, Perak	Status Completed	Location Segamat, Johor	Status Launched
Impact Metrics 30,000 trees across 22.75 hectares; now a research and seed production site.		Impact Metrics Target of 30,000 trees across 36 hectares; focus on restoring degraded forest reserves.	

As a symbolic gesture to mark the commencement of this new chapter, a tree-planting session was held at Padang 44, FRIM Kepong, featuring native rainforest species such as *meranti temak nipis*, *meranti tembaga*, and *sesenduk*. These species were selected for their ability to restore biodiversity and support the long-term ecological resilience of the Malaysian forest landscape.

Turtle Haven Series for the Turtle Conservation Society of Malaysia

Beyond tree planting and habitat restoration initiatives, AEON supported the Turtle Conservation Society of Malaysia through donations generated from its Private Brand, HÓME CÓORDY. In conjunction with the launch of the Turtle Haven Series, a nature-inspired and eco-friendly product line that promotes sea turtle conservation, HÓME CÓORDY contributed 3% of profits from the series, amounting to RM10,000 to the society. This initiative supports the protection of endangered marine species and strengthens environmental awareness among customers.





EMPOWERING PEOPLE

Goal: Foster an inclusive and future-ready workforce that uplifts society by 2030



At AEON, we recognise our people as a core pillar of our business. To better serve our employees, customers and the communities in which we operate, we are committed to fostering a diverse, equitable and inclusive workplace, while uplifting the livelihoods of local communities. Guided by the UN SDGs 3, 5, 8 and 10, we prioritise health, equality and decent work to ensure a safe, inclusive and professional working environment. To promote diversity and inclusion, we have a target to maintain at least 30% women representation on our Board and ALC, and to ensure that women make up at least 50% of our management team. We are also committed to achieving a 2% employment rate for persons with disabilities (PWD) by 2030.

We prioritise employee well-being through comprehensive health, safety and wellness programmes, supported by mental health initiatives and workplace enhancements. To equip our people with future-ready capabilities, we continue to invest in structured talent development initiatives across the Company. Beyond the workplace, we contribute to the well-being of the wider community through our CSR initiatives and the Malaysian AEON Foundation (MAF), with a focus on education, healthcare and social welfare.

PROMOTE DIVERSITY, EQUITY & INCLUSIVITY

MM9 GRI 2-7, 405-1



Commitment

- Maintain at least 30% women representation in AEON Board and ALC
- Maintain at least 50% women representation in Management
- 2% of AEON's workforce to include PWD by 2030

Why It Matters

A diverse and inclusive workplace enables AEON People to contribute at their best and strengthens overall organisational performance.

Risks

Biased or discriminatory practices may expose the Company to reputational risk and affect its ability to attract and retain talent.

Opportunities

A diverse and inclusive workforce enhances innovation, strengthens decision-making and improves organisational performance.

Our Approach

- Employment-related decisions are based strictly on merit and free from bias related to age, gender, ethnicity or other personal characteristics
- Zero-tolerance approach towards discrimination and disrespectful behaviour
- Commit to maintain a balanced gender representation and creates opportunities for persons with disabilities

Policies

- AEON Diversity Policy
- Recruitment Policy

The policy can be viewed at <https://aeongroupmalaysia.com/sustainability-policies/>.

Empowering People

OUR INITIATIVES IN 2025

ADVANCING DIVERSITY, EQUITY AND INCLUSION

In 2025, we achieved our targets to maintain at least 30% women representation across our Board and the ALC, with women comprising 40%¹ of the Board and 33%² of the ALC respectively. In addition, women represented 58% of our Management team.

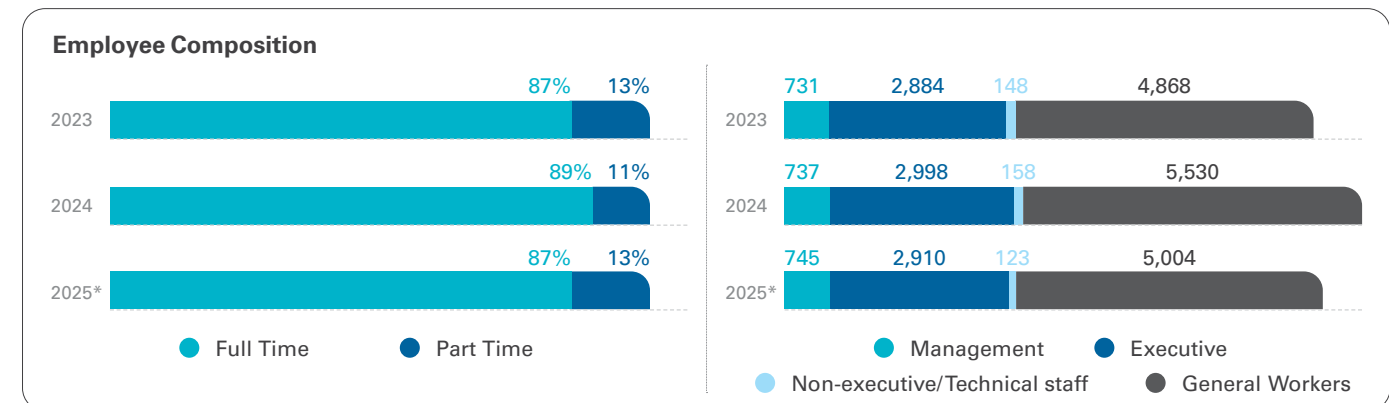
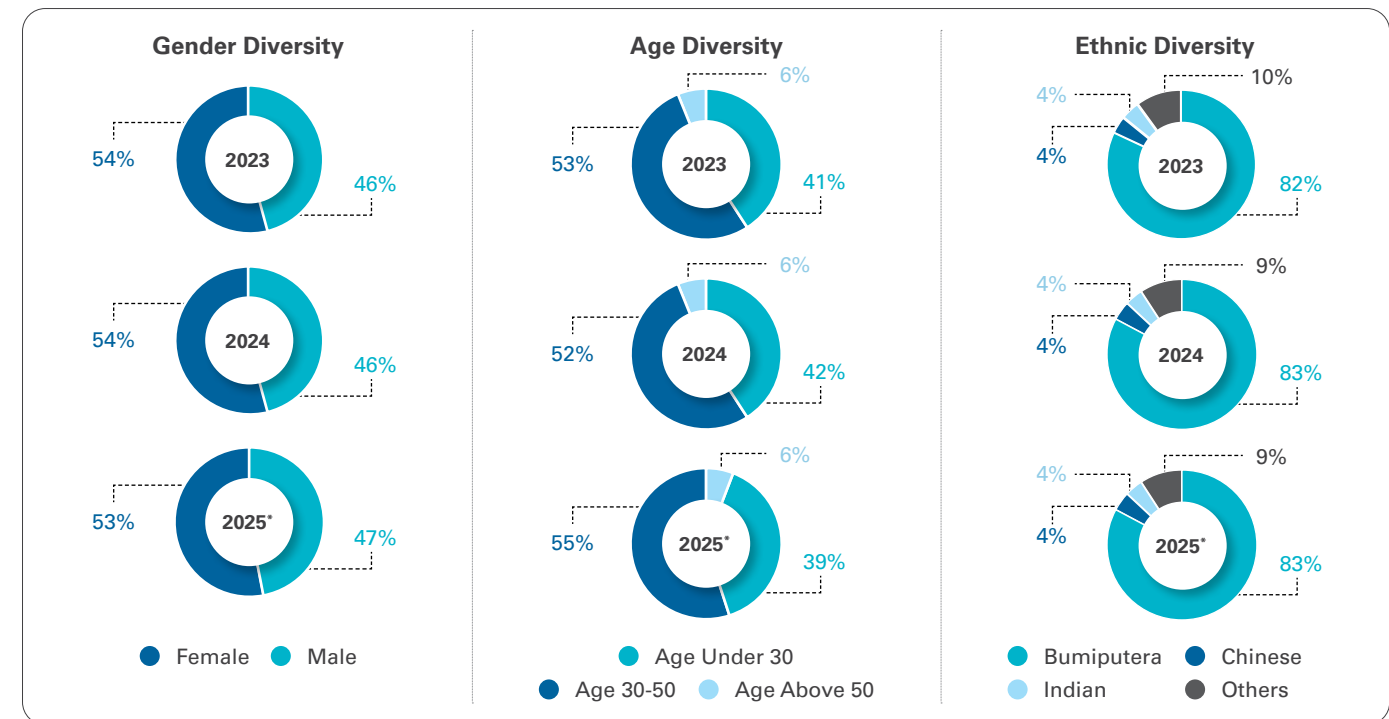
Notes:

- ¹ As at the Latest Practicable Date, women representation on the Board is 44%. Refer to page 120 for further details.
- ² As at the Latest Practicable Date, women representation at ALC is 37%. Refer to page 128 for further details.

The composition of our workforce is illustrated in the following charts. For a more detailed overview of the composition of the Board, please refer to page 120.

WORKFORCE PROFILE

This information below covers employees that are directly employed by AEON and does not include Indirect Employees which consist of casual workers, outsourced workers and interns.



* Independently assured.



Empowering People

To further support diversity and professional growth, AEON also actively promotes women’s empowerment and engagement within the workplace. During International Women’s Day 2025, we organised initiatives and activities that celebrated women employees and raised awareness of gender equality. Our commitment to supporting PWD remains strong, with an employment rate of 2%, reflecting our continued progress and commitment to maintaining this target by 2030, even as our workforce evolves.

	2023	2024	2025
Number of PWD employed	184	168	179
% against total workforce	2.1	1.8	2.0

Moving forward, AEON remains committed to building a sustainable and inclusive workplace through strong governance, clear diversity targets and continued investment in our people. By strengthening inclusion within the Company and supporting the communities we serve, we aim to create long-term value for our employees, stakeholders and society.

RESPECT HUMAN & LABOUR RIGHTS

MM8 GRI 2-7, 406-1, 407-1



Commitment

Conduct human rights due diligence and address identified gaps by 2030

Why It Matters

Respecting human and labour rights ensures fair treatment, safe working conditions and workforce stability, supporting sustained business performance.

Risks

Non-compliance with human and labour rights standards may result in legal penalties, operational disruption and reputational damage.

Opportunities

Strong labour practices enhance workforce engagement, strengthen stakeholder trust and support talent attraction and retention.

Our Approach

- Enforce fair labour standards to ensure fair remuneration, safe working conditions, and access to training and development
- Align employment practices with local legislation and international human rights and labour standards
- Uphold clear conduct standards through the AEON Code of Conduct and AEON Corporate Commitment
- Extend human rights and fair labour expectations to suppliers via the AEON Supplier Code of Conduct
- Provide accessible grievance mechanisms, including Compliance and Legal Attorney Hotlines, supported by strengthened whistleblowing channels
- Engage employee unions to support collective representation

Policies

- AEON Human & Labour Rights Policy
- AEON Supplier Code of Conduct
- AEON Code of Conduct
- AEON Corporate Commitment
- Minimum Retirement Age Act 2012
- Employment Act 1955
- Labour Ordinance of Sarawak (amendment) Act 2025
- United Nations Guiding Principles on Business and Human Rights

- United Nations Global Compact’s Ten Principles
- Universal Declaration of Human Rights
- ILO Declaration on Fundamental Principles and Rights at Work

The policies and guidelines can be viewed at <https://aeongroupmalaysia.com/sustainability-policies/>

Empowering People

OUR INITIATIVES IN 2025

ENSURING FAIR LABOUR PRACTICES

In line with the AEON Human and Labour Rights Policy and implementation framework, the Company continues to strengthen employment practices in 2026 by reinforcing compliance with applicable labour laws, including the National Minimum Wage Policy, the Minimum Retirement Act 2012, the Employment Act 1955, and the Labour Ordinance of Sarawak (amendment) Act 2025. To promote fairness, dignity and employee well-being, minimum working hours have been reduced from 48 to 45 hours and maternity leave extended from 60 days to 98 days; in line with regulatory requirements.

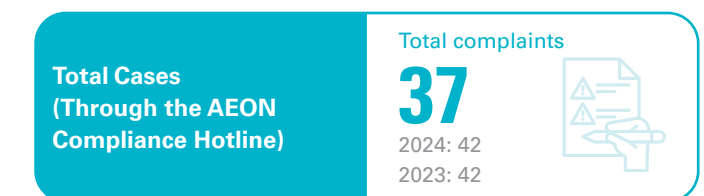
AEON upholds employees’ rights to union representation in accordance with applicable laws and our Human and Labour Rights Policy. As at December 2025, the Company increased union coverage from 21% to 37% of the total AEON workforce, with 63% more eligible to join. We maintain quarterly engagement with union representatives to support transparent dialogue and effective workforce management with plans to move towards more regular meetings. Through this collective agreement, the Company will ensure that the rights and interests of all workers are adequately represented, demonstrating empowerment. We strive to maintain zero cases of non-compliance against labour standards.

ZEROTOLERANCE FOR HUMAN RIGHTS VIOLATIONS

AEON continues to enforce our zero-tolerance policy for human rights violations, including harassment and misconduct, to foster a safe, respectful and inclusive workplace. Preventive measures, including training, briefings and awareness posters are implemented to promote awareness, accountability and ethical behaviour across all levels.

In 2025, 37 cases were reported through the AEON Compliance Hotline, of which four were substantiated as human rights violations. Each case underwent a thorough review and investigation, ensuring due process and accountability. Where necessary, appropriate disciplinary actions were taken, including official warning, suspension and/or dismissal. These actions reflect AEON’s proactive approach to addressing workplace concerns and maintaining a safe and ethical workplace for all employees.

Preventing sexual harassment cases is a key priority, with mandatory awareness sessions included in new staff orientation programmes. In 2025, sexual harassment cases (as determined according to the Anti-Sexual Harassment Act 2022) were reduced to four, compared to nine cases in 2024, supported by the display of "Zero-tolerance for Sexual Harassment" posters at all AEON sites and communication of relevant Penal Code provisions (507B–507G).



* Independently assured.

Conducting Human Rights Due Diligence (HRDD)

AEON continues to strengthen its HRDD framework, aligned with AEON CO., LTD, in Japan and guided by the Plan–Do–Check–Act (PDCA) approach to ensure systematic risk identification, mitigation and monitoring.

In 2025, the HRDD assessment identified three priority human rights risk areas:

1. Climate-related impacts on employee livelihood, particularly risks arising from extreme weather events.
2. Technology and AI-related human rights considerations, including responsible use and ethical implications.
3. Power harassment and favouritism risks within workplace practices.

To address these areas, AEON initiated targeted measures, including the development and review of an Emergency Response Plan (ERP) for flood management, reinforcement of the Social Media Policy to address online discriminatory conduct, and implementation of a structured promotion process incorporating training, assessments and interviews to promote fairness and transparency.

AEON will continue to refining its HRDD framework as it progresses towards fully implementing HRDD while strengthening human rights practices across its operations and activities.

Empowering People

ENHANCE HEALTH, SAFETY & WELL-BEING

MM10 GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10



Commitment

Commit to protecting AEON employees' health, safety and well-being

Why It Matters

A safe and healthy working environment supports business continuity, talent retention and long-term organisational sustainability.

Risks

Workplace incidents may result in operational disruption, increased costs and reduced productivity.

Opportunities

Strong safety management and well-being programmes enhance productivity, strengthen organisational resilience and improve long-term business performance.

Our Approach

- Anchor workplace safety standards under relevant policies
- Establish committees at each operation site to oversee safety performance, compliance and corrective actions
- Facilitate collaboration between employees and Management to identify hazards and mitigate risks
- Conduct regular health and safety audits through a dedicated in-house team
- Provide employees with clear manuals, procedures and work instructions to ensure adherence to safety standards

Policies

- AEON Health, Safety and Environment Policy

The policy can be viewed at <https://aeongroupmalaysia.com/sustainability-policies/>

OUR INITIATIVES IN 2025

ENSURING SAFE WORKPLACE

Each AEON operation site has its own Occupational Safety & Health (OSH) Committee, chaired by the respective mall or store management and reporting to the Deputy Managing Director ensuring senior level oversight of health and safety matters. These committees meet quarterly to review safety performance, monitor compliance, implement corrective actions and oversee training initiatives. To facilitate collaboration between employees and the Management to identify hazards and mitigate risks, the Committee is represented by the Company and union representatives at all stores in respect of health and safety. AEON is also supported by an in-house, dedicated health and safety team that conducts regular audits of stores and malls to assess compliance with internal health, safety and security requirements while all employees are provided with manuals, procedures and work instructions to ensure awareness and adherence to standard operating procedures.

AEON remains committed to maintaining zero workplace fatalities by strengthening its safety governance, risk management and reporting practices. The Company upholds a store ownership principle, where each business unit assumes responsibility for managing risks within its operations. OSH risk assessments are conducted for new and existing operations, supported by a zero-tolerance approach to activities lacking adequate preventive measures. All workplace incidents are investigated, with findings consolidated into an annual safety performance review to drive continuous improvement.



Empowering People

Key Initiative Implemented in FY2025

- Strengthened hazard communication through a structured digital reporting system to encourage early reporting of safety concerns and near-miss incidents.
- Introduction of safety dashboards across operational sites to provide real-time insights into incident trends and corrective actions.
- Implementation of a safety leadership engagement programme involving site visits and safety walkthroughs to reinforce compliance and employee participation.
- Annual health and safety training programmes to enhance awareness and adherence to safety standards.

The table below summarises the Health and Safety training programmes conducted in 2025 to strengthen employee awareness, regulatory compliance and operational safety standards:

Health & Safety Metrics	2023	2024	2025
No of staff trained of health and safety standards	850	933	521 ²
Lost Time Incident Rate (LTIR), including contractors ¹	1.23	1.64	1.46 ²
No of work-related fatalities for staff	0	0	0 ²
No of work-related fatalities for contractor	0	0	0 ²

Notes:

¹ LTIR is work-related injury or illness that causes an employee to miss at least one full shift or more of work following the day of the incident. It is based on the number of work-related injuries per 100 full-time workers over a one-year timeframe, based on the assumption that 1 full-time worker works 2,000 hours per year, against total case and total AEON employees. Non-employees (i.e. promoters, customers and other visitors) are excluded from LTIR as they are logged as visitors, limiting consistent headcount tracking across branches.

² Independently assured.

Crisis Management Training Sessions

Fire Safety Training Sessions

27

2024: 29
2023: 29

In-House Fire Drill

140

2024: 131
2023: 63

Health and Safety Training Sessions

Safety Training Sessions

18

2024: 20
2023: 16

First Aider Training Sessions

11

2024: 9
2023: 10

First Aiders Certified

582

2024: 587
2023: 460

SUPPORTING EMPLOYEE WELL-BEING

AEON recognises that its workforce is fundamental to business success. The Company supports employees' professional, mental, physical and social well-being through structured development programmes, health and safety initiatives, and wellness support.





Accessible whistleblowing channels are in place to provide a safe mechanism for employees to raise concerns by fostering a supportive and respectful environment, AEON strengthens workforce engagement, productivity and long-term business sustainability.

Empowering People



Employee Benefits

AEON prioritises the well-being and growth of its employees through a comprehensive benefits programme designed to support career development, health, and work-life balance:

 Health and Wellness	 Employee Support	 Career Mobility	 Benefits
<ul style="list-style-type: none"> • Outpatient and In-patient Medical Coverage • Health Screening • Dental Coverage • Optical Coverage 	<ul style="list-style-type: none"> • Marriage Leave and Token • Maternity and Paternity Leave • New Born Token • Compassionate Leave & Bereavement Cash Relief • Calamity Leave & Cash Relief 	<ul style="list-style-type: none"> • Individual Motivation Scheme • Leader Housing Allowance Scheme • Relocation Allowance • Movement Expenses 	<ul style="list-style-type: none"> • Employee Purchase Programme • Profit-sharing Bonus • Retirement Gratuity • Additional Company EPF contribution for Long Service Employees

Through these benefits, AEON aims to create a thriving and supportive work environment, empowering employees to excel both personally and professionally.

Empowering People

Health and Well-Being

Employee health and a positive work environment are regarded as essential to satisfaction and organisational performance. In 2025, the Company strengthened its focus on health and well-being through the following initiatives:

- Komuniti Sihat Pembina Negara (KOSPEN) Wellness of Workers (WoW) Programme**
 - Physical health screenings and professional mental health assessments
- Wellness Day in collaboration with the Ministry of Health, insurance providers and AEON Wellness**
 - Free in-store health screenings and wellness sessions
- Weight Loss Rally Programme**
 - Fitness activities, Zumba sessions, fitness and diet talks and 'Eat Clean' campaigns to promote healthier lifestyles
- Well-being Support**
 - Meet Staff Day engagements to gather employee feedback
 - Wellness Pulse Surveys to assess employees' mental well-being
 - Dedicated mental health support channels and careline services including awareness displayed during Morning Assembly including clear contact information and safe avenues for support.

To support work-life balance, AEON continues to offer flexible work arrangements for employees based at headquarters, helping employees manage both professional and personal commitments. These initiatives reinforce our commitment to a healthy and supportive workplace.



Zakat Wakalah

AEON encourages employees to contribute to Zakat through a salary deduction option, with funds administered under the Zakat Wakalah programme to provide financial assistance to eligible employees, reflecting the Company's continued efforts to support employees facing financial difficulties and promote a caring and supporting workplace.

In 2025, a total of 91 employees benefited from this programme with a total of RM165,461 was distributed to eligible beneficiaries, under four key categories:

-  **Zakat Perubatan**
Supporting employees in covering medical treatment costs
-  **Zakat Musibah**
Assisting employees affected by hardships such as natural disasters, personal accidents, theft, or robbery
-  **Zakat Pendidikan**
Easing the financial burden of employees in covering their children's education expenses at primary, secondary, and tertiary levels
-  **Zakat Kecemasan**
Providing immediate financial aid for urgent situations such as power outages, water disruptions, and home damages

Employee Engagement

AEON recognises the dedication and contributions of its employees through the AEON Long Service Awards. The Company takes pride in its tradition of acknowledging employees' efforts and reinforce the culture of appreciation. By celebrating career milestones, AEON supports employees throughout their professional journey, fostering a sense of belonging and shared purpose. In 2025, a total of 106 employees were recognised for their unwavering commitment through the AEON Long Service Awards.

AEON also engages senior employees through the Rasa Sayang Club, which comprises current and former employees aged 50 years and above. Members receive appreciation tokens, reflecting AEON's continued commitment to supporting employees beyond active service.

Empowering People



Long-Service Awards

106

employees awarded






Beyond tenure recognition, AEON celebrates top-performing individuals through the Best Employee 2025 Award based on business outcomes, KPIs, and competencies. In 2025, 25 employees were recipients for this award, and rewarded with cash incentives, certificates of recognition, an overseas study trip and included into AEON's career development programme.

To further enhance employee connection and workplace culture, AEON established the AEONation Club, a dedicated platform aimed at strengthening professional relationships, team spirit, and overall employee well-being.

AEONation Club's key pillars and programmes carried out in 2025 are as below:

AEONationClub *Jaringan Hati*

 <p>Employee Welfare</p> <p>Focuses on the success, happiness, well-being of employees</p> <div style="border: 1px solid #ccc; padding: 5px; margin-top: 5px;"> <p>Key Programmes</p> <ul style="list-style-type: none"> KOSPEN WoW Programme Employees Birthday Meet Staff Day </div>	 <p>Wellness and Sports</p> <p>Focuses on promoting fitness and wellness programmes among employees</p> <div style="border: 1px solid #ccc; padding: 5px; margin-top: 5px;"> <p>Key Programmes</p> <ul style="list-style-type: none"> Weight Loss Rally Programme Wellness Day Spot the Sports Day </div>	 <p>Engagement and Volunteerism</p> <p>Employee engagement and bonding activities</p> <div style="border: 1px solid #ccc; padding: 5px; margin-top: 5px;"> <p>Key Programmes</p> <ul style="list-style-type: none"> AEONation Merdeka Spirit Rewang Bersama Dinner International Women's Day </div>
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Looking ahead, AEON is committed to continuously enhancing its health, safety, and well-being practices, expanding skill development initiatives and strengthening workforce engagement. The Company remains focused on cultivating an environment that values its employees, promotes their well-being, and supports sustainable growth, contributing to long-term organisational success and a positive impact on the communities we serve

Empowering People

EMPOWER EMPLOYEE LEARNING & DEVELOPMENT

MM11 GRI 404-1, 404-2, 404-3



Commitment

Implement future-skills training aligned with market trends

Why It Matters

Workforce capability and leadership strength are critical to sustaining operational performance and long-term business resilience.

Risks

Failure to address skills gaps may weaken operational effectiveness and reduce competitiveness.

Opportunities

Investment in training and leadership development enhances performance, strengthens succession readiness and supports long-term growth.

Our Approach

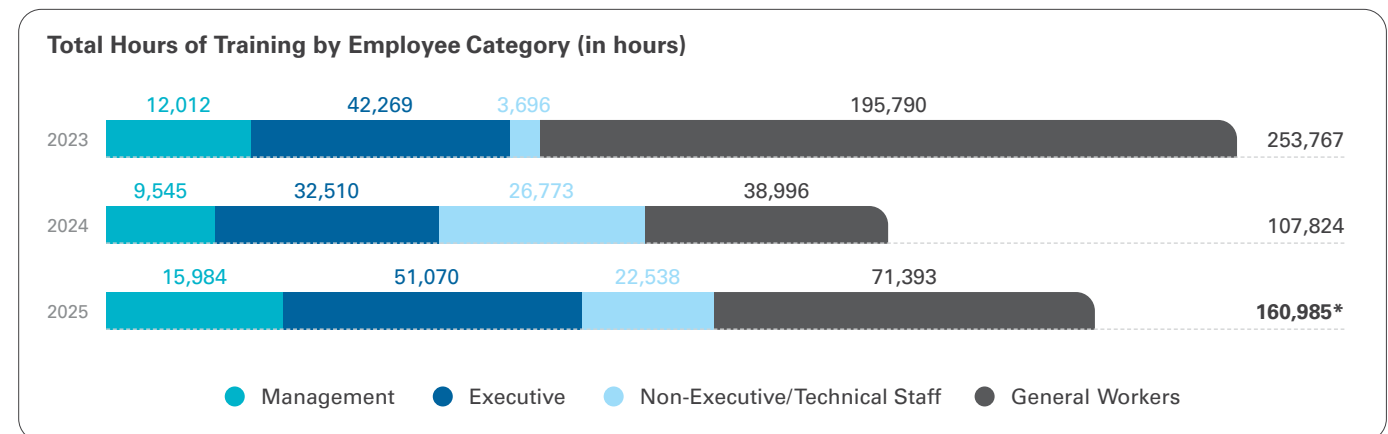
- Apply the 3H (Head, Hand and Heart) framework to support intellectual development, practical skills and employee engagement
- Provide employment and upskilling opportunities for individuals from diverse backgrounds, including those without tertiary education
- Strengthen future skills capabilities to enhance workforce readiness and overall organisational performance

OUR INITIATIVES IN 2025

In 2025, AEON invested a total of RM2.12 million in internal and external training programmes to enhance workforce skills and professional development.

In line with its target to establish and roll out future-skills training aligned with market trends by 2025, the Company launched 18 development training programmes and a total of 162 training programmes to address capability needs across the Company. AEON employees participated in these programmes, with an average of 17.39 training hours (equivalent to 2.48 days) per employee. These initiatives support the development of critical skills and strengthen workforce readiness for future business requirements.

The table below provides details on the training initiatives conducted throughout the year.



Note:
* Independently assured.

Empowering People

Beyond basic employee training, department-specific skills and development programmes were conducted for functions such as retail, mall operations, and merchandising. Leadership programmes were also implemented for new and existing management staff. In addition, AEON launched the AEON Culture Champion Programme (ACCP) for all employees to strengthen skills aligned with business needs.

In 2025, the Company emphasised on training and developing its employees, particularly at the management level. Programmes were increasingly tailored to individual development needs, supporting a more focused and impactful learning experience. The effectiveness of these initiatives is reflected in positive participant feedback, highlighting the relevance and value of the training provided.



EMPLOYEE RETENTION AND ATTRITION

AEON's Talent Management Framework forms an integral part of its strategy to support employee growth and shape a high-performing culture. Performance reviews are conducted semi-annually alongside learning and development programmes, with merit and reward outcomes assessed based on KPIs aligned to the Company's strategic priorities. Following a comprehensive talent review, 379 employees were promoted in 2025.

Performance Review	2023	2024	2025
Employees who are formally appraised (annually)	100%	100%	100%
One-on-one performance review for year-end-evaluation	100%	100%	100%

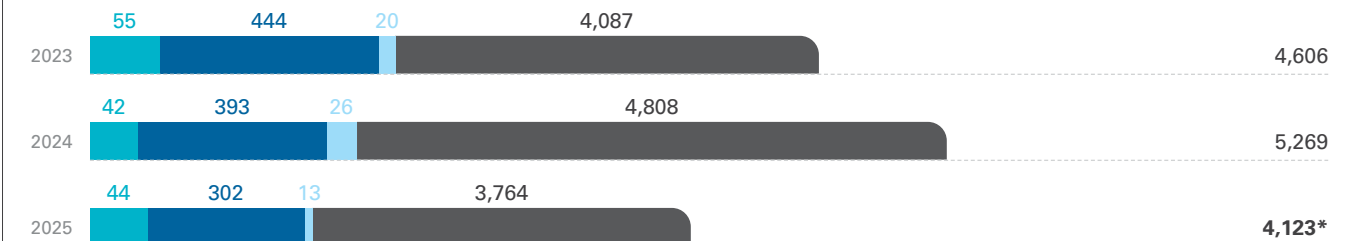
To strengthen succession planning, AEON enhanced its Talent Management Framework through tailored leadership programmes developed in collaboration with external experts for employees in critical roles. AEON also provided international exposure through initiatives such as the Japan Trainee Programme, where selected employees undergo structured management and process-focused training in Japan before returning to Malaysia to assume leadership roles.

To strengthen leadership development at all levels, the Young Leaders Programme has been implemented to continuously build a strong talent pipeline for critical positions. Of the six shortlisted candidates, three have successfully completed the programme in 2025 and have since been promoted to higher leadership roles, reflecting the effectiveness of our structured succession planning and talent development efforts.

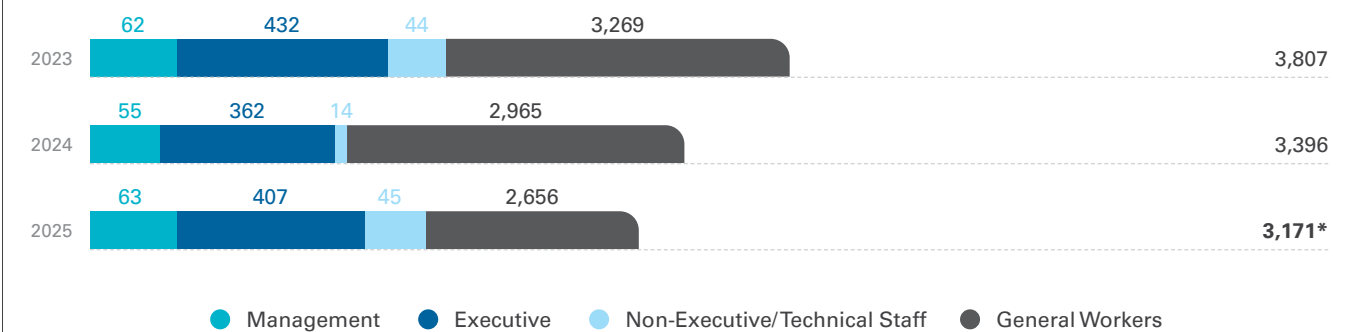
Empowering People

While prioritising job security, AEON continues to support business growth through responsible talent acquisition. In 2025, 4,123 new employees were hired, and the full-time employee turnover rate stood at 2.94%, reflecting AEON's ongoing efforts to strengthen employee engagement, retention, and workforce sustainability.

Total Number of New Hires by Employee Category



Total Number of Employee Turnover by Employee Category



Full-Time Employee Voluntary Turnover Rate (%)



Note:
* Independently assured.

Empowering People

COMMUNITY ENGAGEMENT & DEVELOPMENT

MM12 GRI 2-29, 203-1, 203-2, 413-1



Commitment

Contribute at least RM1 million annually to external beneficiaries

Why It Matters

Strong community engagement supports social impact, stakeholder trust and long-term business sustainability.

Risks

Misaligned or ineffective community programmes may reduce impact and weaken stakeholder trust.

Opportunities

Well-targeted CSR initiatives strengthen stakeholder trust, enhance reputation and create shared value for local communities.

Our Approach

- Commit a minimum of RM1 million annually to external CSR beneficiaries
- Deliver targeted, community-driven programmes through Corporate Communications and the Malaysian AEON Foundation (MAF)
- Engage directly with customers and local communities to ensure relevance and impact
- Encourage employee participation to promote a culture of volunteerism

OUR INITIATIVES IN 2025

NURTURING COMMUNITIES

In 2025, as a follow-up to the nationwide Creating Gardens in the Schools tree-planting initiative launched in 2024, AEON continued to maintain the planted trees through activities such as weeding, fertilising, and monitoring sapling growth. The Corporate Communications Department and all AEON Malls also collaborated with surrounding communities to prepare and distribute bubur lambuk during Ramadan. In addition, AEON conducted a Back-to-School Programme to support B40 children with school supplies, benefitting 3,333 students. Support was also extended to selected communities through various contributions and sponsorships.



EMPOWERING LIVES

MAF was established as the CSR arm of AEON group of companies in Malaysia. To date, MAF has contributed more than RM22 million through various sustainability programmes.

Empowering People

Mission



Care for All



Basic Needs for All



Opportunities for All

MAF Pillar Activities in 2025



Fundraising

RM1 million
Raised



Education

60
Students and Teachers

32
Youths



Community Support

79
Families

827
Beneficiaries



103
Beneficiaries

AEON KASIH

981
Families



General Donation

15
NGOs

558
Families

50
Beneficiaries



128
Beneficiaries

Community Investment	2023	2024	2025
Total amount invested where target beneficiaries are external to AEON (RM)	1,073,979	1,232,671	1,344,471*
Total number of beneficiaries of the investment in communities	21,489	41,987	46,610*

Note:

* Independently assured.



OUR INVESTMENT CASE

KEY MESSAGES

CREATING VALUE

CHAMPIONING SUSTAINABILITY

GOVERNANCE WITH INTEGRITY

FINANCIAL STATEMENTS

ADDITIONAL INFORMATION



EFFICIENCY & INTEGRITY

Goal: An ESG-aligned organisation by 2025



AEON remains committed to operational efficiency and strong governance, ensuring sustainable growth anchored in accountability and transparency. This pillar aligns with UN SDGs 9 and 16, supporting resilient infrastructure, responsible innovation, and strong institutions.

We continue to strengthen our governance framework in line with the Malaysian Code on Corporate Governance 2021, enhancing internal controls, risk oversight, and sustainability governance. We expanded external assurance to cover selected sustainability data points, reinforcing the reliability and credibility of our disclosures.

AEON progressed towards ISO 37001:2016 Anti-Bribery Management System (ABMS) certification and maintained zero substantiated data privacy breaches.

The following information pertains to the initiatives and performance of the Governance pillar in supporting the sustainability of our operations. For comprehensive details on our Governance Framework and practices, please refer to Corporate Governance Overview Statement on pages 133 to 146.

PROMOTE INTEGRITY & ANTI-CORRUPTION

MM13 GRI 2-23, 2-24, 2-25, 2-26, 205-2, 205-3



Commitment

- Zero cases related to bribery and corruption
- Achieve ISO37001 Certification

Why It Matters

Strong governance safeguards transparency and integrity, enabling AEON to operate responsibly and sustain stakeholder trust in an evolving regulatory landscape.

Risks

Exposure to fraud, regulatory non-compliance, and reputational damage arising from weak ethical controls or governance lapses.

Opportunities

Enhanced stakeholder confidence, competitive differentiation, and long-term sustainable growth driven by strong ethical and compliance practices.

Our Approach

- Embed ethical standards through the AEON Code of Ethics and AEON Code of Conduct, reinforced through continuous awareness and employee affirmations
- Ensure accessibility and daily accountability by prominently communicating ethical expectations across the organisation
- Strengthen prevention and reporting mechanisms through structured whistleblowing and anti-bribery frameworks aligned with regulatory requirements

Policies

- AEON Code of Ethics
- AEON Code of Conduct

The policy can be viewed at <https://aeongroupmalaysia.com/sustainability-policies/>

Efficiency & Integrity

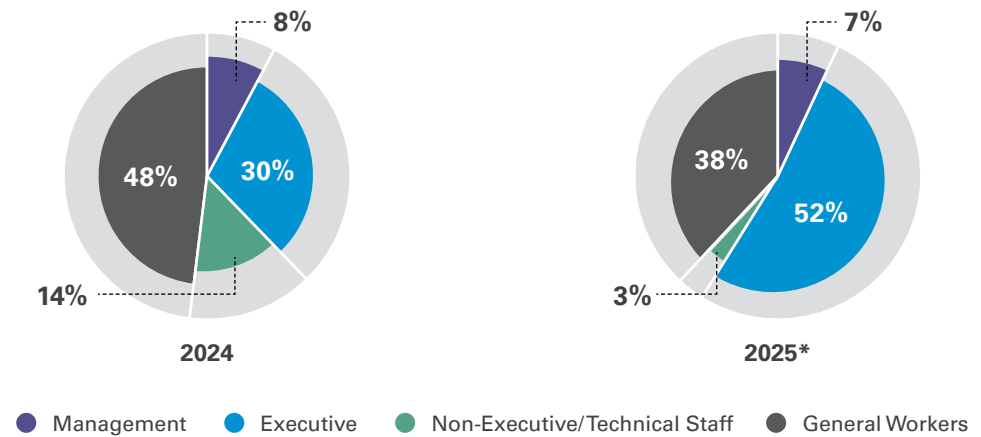
OUR INITIATIVES IN 2025

AEON embeds anti-bribery and anti-corruption principles across the organisation through structured training, robust risk assessments, and strengthened governance controls. These efforts support the implementation of our ABMS as part of our commitment towards ISO 37001:2016 certification, reinforcing internal controls and aligning our practices with internationally recognised standards of integrity. In addition, AEON continues to assess 100% of its operations for corruption-related risks, ensuring that potential vulnerabilities are identified and mitigated proactively.

Further details are available in the Statement on Risk Management and Internal Control within this IAR 2025.

During the reporting period, 3,567 employees (FY2024: 3,229) completed anti-corruption training, with participation monitored across employee categories, of which percentage of employees who received training on anti-corruption by employee category are as follows:

% of Employees who Received Training on Anti-Corruption



As at 31 December 2025, we maintained our zero-incident score in corruption-related incidents across AEON's business operations.



ZERO Corruption Incidents*
(2023-2025)

In 2025, AEON continued progressing towards ISO 37001:2016 Anti-Bribery Management Systems certification, with completion targeted for 2026.

Note:

* *Independently assured.*



OUR INVESTMENT CASE

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STRENGTHEN DATA GOVERNANCE & SECURITY

MM14 GRI 418-1



Commitment

Zero incident of privacy and/or data leaks

Why It Matters

To prevent breaches of customer privacy and losses of customer data as this will protect our customers and enable them to continue trusting us with their data.

Risks

Cyber threats including breach of customers' data may lead to loss of customers trust and reputational harm.

Opportunities

Robust cybersecurity and improved data management protect critical customer data and maintain AEON's reputation as a trustworthy organisation.

Our Approach

- Govern personal data through formal policies, security standards set by AEON CO., LTD., Japan
- Clear accountability structures to ensure compliance and protection of sensitive information

Policies

- Personal Data Protection Policy

The policy can be viewed at <https://aeongroupmalaysia.com/sustainability-policies/>

OUR INITIATIVES IN 2025

In 2025, AEON continued strengthening its cybersecurity and data privacy framework to address evolving regulatory expectations and emerging digital risks. Key initiatives included:

- Enhancing cybersecurity infrastructure through advanced threat detection and real-time monitoring capabilities.
- Strengthening access controls and accountability measures to prevent unauthorised data access.
- Expanding data privacy and cybersecurity awareness programmes to reinforce responsible data handling across all levels of the organisation.

AEON maintained zero substantiated complaints concerning breaches of customer privacy or data loss in 2025, reflecting the effectiveness of its governance and control environment.

ZERO

Substantiated complaints concerning breaches in customer privacy and data loss*

(2023-2025)

Note:

* Independently assured.

As digital capabilities evolve, including the increasing use of advanced data analytics and emerging AI applications, AEON remains attentive to associated risks relating to data privacy, cybersecurity, and responsible technology governance. Moving forward, AEON will continue enhancing its cybersecurity resilience, strengthening data governance practices, and promoting a culture of digital responsibility to safeguard stakeholder trust in an increasingly technology-driven landscape.

Sustainability Performance Data Table

As at 31 December 2025

Indicator	Measurement Unit	2023	2024	2025
Anti-Corruption				
Percentage of employees who have received training on anti-corruption by employee category				
Management	%	-	8%	7%
Executive	%	-	30%	52%
Non-executive/ technical staff	%	-	14%	3%
General workers	%	-	48%	38%
Percentage of operations assessed for corruption-related risk	%	0	100%	100%
Confirmed incidents of corruption and action taken	Number	0	0	0
Community Investment				
Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	1,073,979	1,232,671	1,344,371
Total number of beneficiaries of the investment in communities	Number	21,489	41,987	46,610
Diversity, Equity & Inclusion				
Percentage of employees by gender and age group, for each employee group				
Employee category by gender group				
Management (male)	%	42%	41%	42%
Management (female)	%	58%	59%	58%
Executive (male)	%	37%	38%	38%
Executive (female)	%	63%	62%	62%
Non-executive/ technical Staff (male)	%	100%	100%	100%
Non-executive/ technical Staff (female)	%	0%	0%	0%
General workers (male)	%	50%	50%	51%
General workers (female)	%	50%	50%	49%
Employee category by age group				
Management (under 30)	%	1%	1%	1%
Management (between 30-50)	%	86%	85%	83%
Management (above 50)	%	13%	14%	16%
Executive (under 30)	%	27%	25%	22%
Executive (between 30-50)	%	68%	70%	72%
Executive (above 50)	%	5%	5%	6%
Non-executive/ technical Staff (under 30)	%	12%	20%	18%
Non-executive/ technical Staff (between 30-50)	%	77%	70%	71%
Non-executive/ technical Staff (above 50)	%	11%	10%	11%
General workers (under 30)	%	56%	58%	55%
General workers (between 30-50)	%	39%	37%	40%
General workers (above 50)	%	5%	5%	5%
Percentage of Directors by gender and age group				
Directors (male)	%	60%	60%	60%
Directors (female)	%	40%	40%	40%
Directors (under 30)	%	0%	0%	0%
Directors (between 30-50)	%	10%	10%	10%
Directors (above 50)	%	90%	90%	90%
Energy Management				
Total energy consumption	GJ	1,495,407	1,499,579	1,579,638
Health & Safety				
Number of work fatalities	Number	0	0	0
Lost Time Incident Rate (LTIR)	per 200,000 hours worked	1.23	1.64	1.46
Number of employees trained on health & safety standards	Number	850	933	521
Employee Management				
Total hours of training by employee category				
Management	Hours	12,012	9,545	15,984
Executive	Hours	42,269	32,510	51,070
Non-executive/ technical staff	Hours	3,696	26,773	22,538
General workers	Hours	195,790	38,996	71,393
Percentage of employees that are contractors or temporary staff	%	13%	11%	13%
Total number of employee turnover by employee category				
Management	Number	62	55	63
Executive	Number	432	362	407
Non-executive/ technical staff	Number	44	14	45
General workers	Number	3,269	2,965	2,656
Number of substantiated complaints of human rights violation	Number	7	9	4
Supply Chain Management				
Proportion spending on local suppliers	%	99%	99%	99%
Data Privacy & Security				
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Water & Wastewater Management				
Total volume of water used	megalitres	3,855	3,838	3,750
Waste Management				
Total Waste Generated	metric tonnes	62,260	58,023	58,668
Total waste diverted from disposal	metric tonnes	6,753	6,355	6,541
Total waste directed to disposal	metric tonnes	55,507	51,668	52,127
Greenhouse Gas & Climate Change				
Scope 1 emissions	tCO ₂ e	294,253	288,286	288,844
Scope 2 emissions	tCO ₂ e	139,504	263,991	230,372
Scope 3 emissions	tCO ₂ e	1,055,447	1,211,979	1,298,039

External assurance



OUR INVESTMENT CASE

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Date & Time: 2026-03-30 17:01:33
FYE 31/12/2025

AEON CO (M) BHD
IFRS S1

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Waste Management	Rate of waste diverted from landfill	%	11.2	Increase rate of waste diverted from landfill to 15% by 2030	External (Limited)
Waste Management	Waste diverted from landfill	tonnes	6,541	-	External (Limited)
Waste Management	Waste directed to landfill	tonnes	52,127	-	External (Limited)
Sustainable Packaging	Percentage of sustainable packaging used for private brand products	%	Baseline assessment and category-level review of packaging materials in progress to support measurable reduction targets.	50% sustainable packaging by 2030	No assurance
Sustainable Packaging	Initiatives to eliminate single-used plastic across value chain by 2040	narrative	1. Nationwide elimination of single-use plastic carrier bags (except in bakery operations) and replace with FSC-certified paper bags. 2. Transition to paper cups and straws, and wood utensils at selected AEON Delicatessen outlets.	Eliminate single-used plastic across value chain by 2040	No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-03-30 17:01:33

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Bursa Malaysia Prescribed Table

Date & Time: 2026-03-30 17:01:33
FYE 31/12/2025

AEON CO (M) BHD
IFRS S2

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Climate Change	Scope 1	tCO2e	288,844	70% absolute reduction in Scope 1 and Scope 2 emissions by 2035, compared to the 2019 baseline.	External (Limited)
Climate Change	Scope 2 Location-based	tCO2e	323,047	70% absolute reduction in Scope 1 and Scope 2 emissions by 2035, compared to the 2019 baseline.	External (Limited)
Climate Change	Scope 2 Market-based	tCO2e	230,372	70% absolute reduction in Scope 1 and Scope 2 emissions by 2035, compared to the 2019 baseline.	External (Limited)
Climate Change	Total Scope 3	tCO2e	1,298,039	-	External (Limited)
Climate Change	Scope 3 Category 3: Fuel- and Energy-Related Activities	tCO2e	7,337	-	External (Limited)
Climate Change	Scope 3 Category 5: Waste Generated In Operations	tCO2e	27,134	-	External (Limited)
Climate Change	Scope 3 Category 6: Business Travel	tCO2e	498	-	External (Limited)
Climate Change	Scope 3 Category 7: Employee commuting	tCO2e	6,657	-	External (Limited)
Climate Change	Scope 3 Category 9: Downstream Transportation & Distribution	tCO2e	401	-	External (Limited)
Climate Change	Scope 3 Category 13: Downstream Leased Asset	tCO2e	1,256,109	-	External (Limited)

This report was generated on the Bursa Malaysia CSI Platform on 2026-03-30 17:01:33

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Governance with Integrity

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ENHANCING INTERACTIONS

Redefining the in-store experience, AEON introduces digital innovations, including smart avocado scanners, to enhance convenience, provide real-time guidance and make every shopping journey more seamless and satisfying.



OUR INVESTMENT CASE

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Board of Directors



1 **Datuk Iskandar Sarudin**
Non-Independent Non-Executive Chairman

2 **Mr. Tsugutoshi Seko**
Managing Director

3 **En. Hisham Zainal Mokhtar**
Senior Independent Non-Executive Director

4 **Pn. Zaida Khalida Shaari**
Independent Non-Executive Director

5 **Ms. Jenifer Thien Bit Leong**
Independent Non-Executive Director

6 **Dato' Merina Abu Tahir**
Independent Non-Executive Director

7 **En. Mohamad Abdul Naser Md Jaafar @ Yunus**
Independent Non-Executive Director

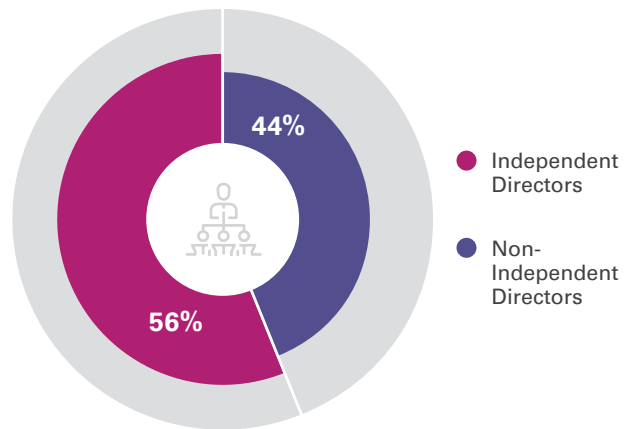
8 **Mr. Naoya Okada**
Non-Independent Non-Executive Director

9 **Ms. Chong Swee Ying**
Non-Independent Non-Executive Director

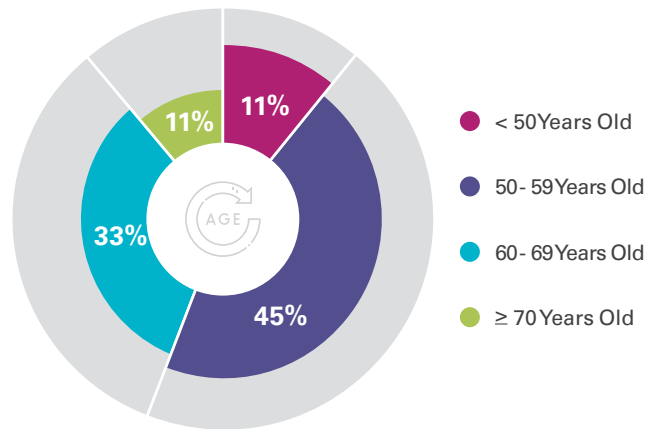
10 **Mr. Hidekazu Iwaoka**
Alternate Director to Mr. Tsugutoshi Seko

Board of Directors' Profile

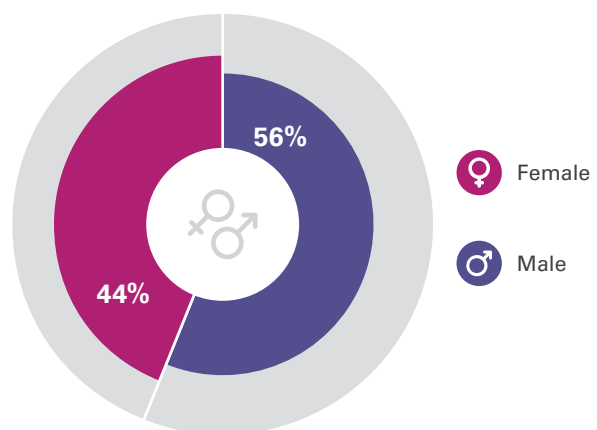
Board Balance



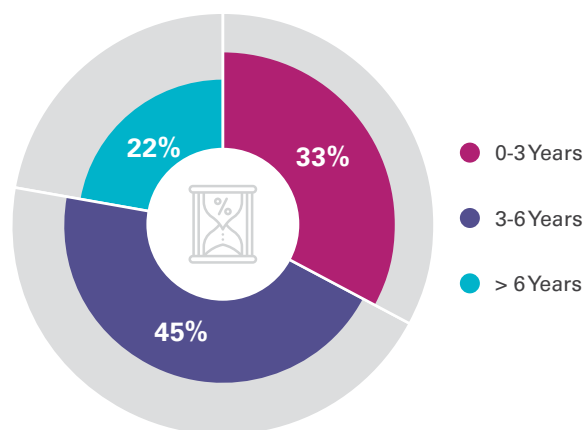
Age



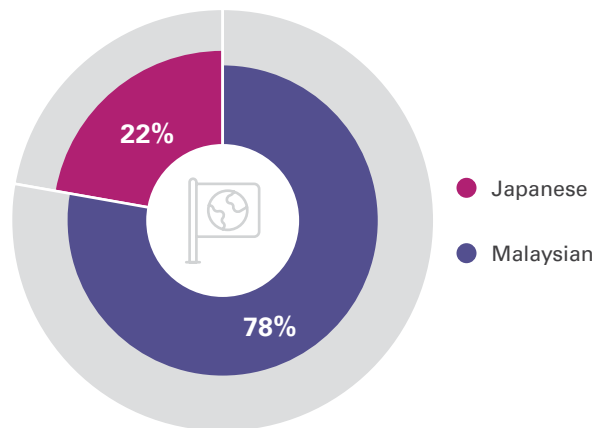
Gender Diversity



Tenure



Nationality



Note: Save as disclosed in this IAR 2025, all the Directors mentioned in pages 118 to 125 have no conflict of interest or potential conflict of interest, including interest in any competing business with AEON CO. (M) BHD. or any family relationship with any Director and/or major shareholder or any convictions for offenses within the past 5 years and any public sanctions or penalty imposed by the relevant regulatory bodies during the financial year, except for traffics summons, if any.

Board of Directors' Profile

DATUK ISKANDAR SARUDIN Non-Independent Non-Executive Chairman



70 **Date of Appointment**
27 February 2017

Board Committee:
• Nil

Directorship in other public/listed companies:
• Hextar Retail Berhad

Academic/Professional Qualification:
• B.A. (Hons) of Malay Studies, University of Malaya
• Diploma of Public Administration (INTAN)

Datuk Iskandar Sarudin joined the Administrative and Diplomatic Service of Malaysia in 1979, initially serving as Assistant Secretary at the Ministry of Foreign Affairs. He served in key diplomatic missions in Indonesia, Nigeria, the Republic of Chile and Bosnia and Herzegovina. He held senior roles in the Ministry, including Principal Assistant Secretary in the Organising Secretariat of CHOGM (Commonwealth Heads of Government Meeting), Under Secretary (ASEAN) and Deputy Secretary General (Management Affairs). Datuk Iskandar's ambassadorial appointments included Sri Lanka and the Republic of Maldives, the Republic of the Philippines, the People's Republic of China and Mongolia before retiring in 2015. Datuk Iskandar has been the President of Persatuan Muafakat One Belt One Road (PMOBOR) since 2016.

Board Committee:
• Nil

Directorship in other public/listed companies:
• Nil

Academic/Professional Qualification:
• Bachelor of Arts, Kansai University

Mr. Tsugutoshi Seko began his career with AEON CO., LTD., Japan, in 1993. In 2004, he became the Human Resource Manager for the Kanto Division and later transitioned to the Human Resource Planning Department where his expertise led to his appointment as Group Human Resource Department Manager. In 2015, he advanced to the role of General Manager of the Group Human Resource Department. In 2018, Mr. Seko took on an international role as Senior General Manager at AEON (CAMBODIA) Co., Ltd. and later as Chairman and Managing Director. He joined AEON CO. (M) BHD. as Deputy Managing Director in 1 July 2022 before his appointment to Managing Director on 1 March 2026. Prior to his appointment as the Managing Director of AEON CO. (M) BHD., he was also the Managing Director of AEON BiG (M) SDN. BHD.

MR. TSUGUTOSHI SEKO Managing Director



56 **Date of Appointment**
1 July 2022



Board of Directors' Profile

**EN. HISHAM ZAINAL MOKHTAR**

Senior Independent Non-Executive Director



63

**Date of Appointment**

1 July 2022

Board Committee:

- Chairman of Audit Committee
- Member of Sustainability and Risk Management Committee

Directorship in other public/listed companies:

- KPJ Healthcare Berhad
- Telekom Malaysia Berhad

Academic/Professional Qualification:

- Chartered Financial Analyst, CFA Institute, USA
- Master of Business Administration, Massachusetts Institute of Technology- Sloan School of Management
- Master of Science, Mathematics, Illinois State University
- Bachelor of Science, Mathematics, Illinois State University

En. Hisham Zainal Mokhtar has over three decades of experience in finance, investment, and business advisory. He began his career in 1987 at Universal Life and General Insurance and later transitioned to investment analysis with roles at Crosby Research (M) Sdn Bhd, Barings Research (Malaysia) Sdn Bhd, and UBS Research (Malaysia) Sdn Bhd. In 1998, he became a financial consultant at Sithe Pacific LLC and co-founded KE Malaysia Capital Partners Sdn Bhd, a boutique investment advisory firm. He joined Tricubes Berhad in 2001 and advanced to the Chief Financial Officer role before joining Khazanah Nasional Bhd in 2005. He was promoted to Director of the Investments Division in 2009 and served Khazanah until 2014. He later held leadership roles at Astro Overseas Ltd and MIDF Bhd. Since 2018, En. Hisham has been a Business Coach at the Asia School of Business.

Board Committee:

- Chairman of Nomination and Remuneration Committee
- Member of Audit Committee

Directorship in other public/listed companies:

- Credit Guarantee Corporation Malaysia Berhad
- MNRB Holdings Berhad
- Pelaburan Hartanah Nasional Berhad
- RHB Islamic Bank Berhad

Academic/Professional Qualification:

- MBA, University of Strathclyde
- Barrister-at-Law, Gray's Inn
- Bachelor of Laws - LLB, University of Warwick

Pn. Zaida Khalida Shaari began her career in 1991 as an Advocate & Solicitor at Zain & Co. In 1997, she transitioned to Permodalan Nasional Berhad (PNB) as a Senior Compliance Officer and rose through the ranks to become Head of Legal and Company Secretary. In 2007, she joined Khazanah Nasional Bhd as Senior Vice President, Investments and left in 2019 as the Executive Director, Investments. In 2020, she was appointed Chief Executive Officer of Yayasan AMIR, an education-focused not-for-profit organisation established by Khazanah, before becoming its Advisor in 2022. She also serves as an Advisor to MeReka, an alternative education platform dedicated to equipping youth with future-ready digital and other essential skills. Pn. Zaida is also a member of the Investment Panel of Kumpulan Wang Persaraan (Diperbadankan) (KWAP).

**PN. ZAIDA KHALIDA SHAARI**

Independent Non-Executive Director



58

**Date of Appointment**

1 July 2022



Board of Directors' Profile

**MS. JENIFER THIEN BIT LEONG**

Independent Non-Executive Director



58

**Date of Appointment**

18 May 2023

Board Committee:

- Chairman of Sustainability and Risk Management Committee
- Member of Nomination and Remuneration Committee

Directorship in other public/listed companies:

- UEM Edgenta Berhad
- Malaysian Pacific Industries Berhad
- SD Guthrie Berhad

Academic/Professional Qualification:

- Bachelor of Science - BS, Food Science and Technology, Universiti Putra Malaysia

Ms. Jenifer Thien Bit Leong brings over 30 years of international executive leadership experience in the consumer packaged goods industry, with deep expertise in global supply chains, procurement, and operational excellence. She currently serves on the boards of public companies and advises corporations on ESG strategy and enterprise transformation. During her long career with Mars, Incorporated, she held senior regional and global leadership roles across Asia and the United States, including Global Chief Procurement Officer. She has led large, multicultural teams and complex cross-border operations, driving business transformation, embedding sustainability into core business practices, and strengthening organisational capabilities at scale. Her experience across developed and emerging markets provides her with a broad enterprise perspective and strong stakeholder engagement capabilities in navigating complex organisations. Jenifer has completed executive programmes at Global Competent Boards, London Business School, Harvard Business School, INSEAD, and the Centre for Creative Leadership.

Board Committee:

- Member of Audit Committee
- Member of Sustainability and Risk Management Committee

Directorship in other public/listed companies:

- Tenaga Nasional Berhad
- S P Setia Berhad

Academic/Professional Qualification:

- Fellow, Association of Chartered Certified Accountants (FCCA)
- Member, Malaysian Institute of Accountants (MIA)
- Member, Malaysian Institute of Certified Public Accountants (MICPA)
- Member, ASEAN Chartered Professional Accountant
- Member, Institute of Internal Auditor Malaysia (IIAM)

Dato' Merina Abu Tahir brings over 30 years of experience in finance and accounting, locally and internationally. She has held pivotal roles, including Chief Financial Officer of Lembaga Tabung Haji and senior management positions at Malaysia Airlines Berhad/Malaysian Airline System Berhad, Amanah Capital Partners Berhad, and Sime Darby Berhad. Her expertise spans finance, business development, internal audit, governance, and ethics. Dato' Merina actively serves as a Council Member of ACCA, contributes to the ACCA Global Forum on Governance, Risk & Performance, and is a member of the MIA Professional Accountants in Business Committee and the MIA Sustainability Working Group. Dato' Merina has no conflicts of interest other than those that may arise from her Directorships at Tenaga Nasional Berhad and S P Setia Berhad.

**DATO' MERINA ABU TAHIR**

Independent Non-Executive Director



59

**Date of Appointment**

18 May 2023





Board of Directors' Profile

**EN. MOHAMAD ABDUL NASER MD JAAFAR @ YUNUS**

Independent Non-Executive Director



61

**Date of Appointment**
18 May 2023**Board Committee:**

- Member of Nomination and Remuneration Committee
- Member of Audit Committee

Directorship in other public/listed companies:

- Nil

Academic/Professional Qualification:

- Master of Business Administration (Finance), North Texas State University (NTSU)
- Bachelor of Business Administration (Finance), North Texas State University (NTSU)

En. Mohamad Abdul Naser Md Jaafar @ Yunus has built a distinguished career through roles in banking, education, innovation, venture capital, social activities, and sustainability sectors. He began his journey at Bank of America Malaysia. He then joined Deutsche Bank Malaysia Berhad for a few years before returning to Bank of America, holding regional position in Singapore and Jakarta before rising to become the Chief Executive Officer of Bank of America Malaysia. Following his tenure in banking, En. Naser transitioned to Agensi Inovasi Malaysia, where he served as Chief Operating Officer and later as Chief Executive Officer. In these roles, he played a pivotal role in shaping national innovation strategies.

Board Committee:

- Nil

Directorship in other public/listed companies:

- Nil

Academic/Professional Qualification:

- Master of International Public Policy and Management, University of Southern California, USA
- Bachelor of Laws, Keio University

Mr. Naoya Okada began his career at JP Morgan Securities Japan Co., Ltd. He spent seven years in the Investment Banking Division as an Analyst and Associate before joining AEON CO., LTD., Japan in 2015. Mr. Okada advanced through roles from Management Trainee to Store Manager, overseeing sales and operations planning. He later led a Project Team that established Bio C' Bon Japon CO., LTD., a joint venture specialising in organic supermarket business in Japan, where he served as Managing Director from 2019 to mid-2022. In July 2022, Mr. Okada joined AEON CO. (M) BHD. as Deputy Managing Director/Chief Operating Officer. He was appointed as the Managing Director on 1 March 2024 and served as the Managing Director until 28 February 2026. He was appointed to Non-Independent Non-Executive Director on 1 March 2026 and is currently serving as the Group Chief Human Resources Officer at AEON CO. LTD., Japan.

**MR. NAOYA OKADA**

Non-Independent Non-Executive Director



42

**Date of Appointment**
1 July 2022

Board of Directors' Profile

**MS. CHONG SWEE YING**

Non-Independent Non-Executive Director



61

**Date of Appointment**
23 August 2018**Board Committee:**

- Member of Sustainability and Risk Management Committee
- Member of Nomination and Remuneration Committee

Directorship in other public/listed companies:

- Kerjaya Prospek Group Berhad
- OGX Group Berhad

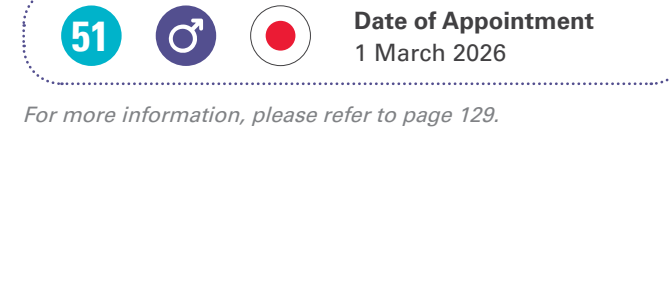
Academic/Professional Qualification:

- Tunku Abdul Rahman College, Kuala Lumpur

Ms. Chong Swee Ying began her career with AEON CO. (M) BHD. in 1985 as an Administration staff. In 1990, she was among the pioneer team selected for a-year-long on-job training programme in Japan. Over the next 17 years, she took on leadership roles across various departments, including Hardline Merchandising, Softline and Leasing. In 2003, she was appointed General Manager of Shopping Centre Management, New Business Development, Store Operations, and Marketing. In 2011, she became the Executive Director of AEON Fantasy (Malaysia) Sdn Bhd and was promoted to Managing Director a year later before retiring in July 2018. Post-retirement, Ms. Chong served as Advisor to AEON Fantasy (Malaysia) Sdn Bhd for over three years. With over three decades of experience spanning retail, property management, and business development, she has earned multiple accolades, including Executive of the Year awards.

**MR. HIDEKAZU IWAOKA**

Alternate Director to Mr. Tsugutoshi Seko



51

**Date of Appointment**
1 March 2026

For more information, please refer to page 129.



AEON Leadership Council

GUIDED WITH WISDOM

The AEON Leadership Council comprises eight seasoned leaders whose collective experience and depth of expertise provide strong oversight and guidance, supporting effective governance, the sound operation of the Company, and the successful rollout of our strategic priorities in serving our customers.

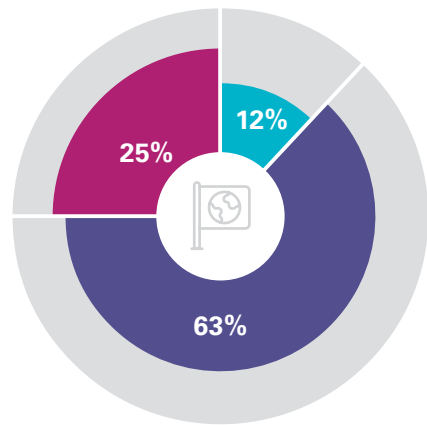


AEON Leadership Council

- 1 **Ms. Tan Ai Lee**
Chief Financial Officer
- 2 **Mr. Hidekazu Iwaoka**
*Deputy Managing Director/
Chief Merchandising Officer*
- 3 **Mr. Lee Beng Beng**
Chief Property Officer
- 4 **Pn. Munirah Azmi**
Co-Chief Operating Officer Mall
- 5 **Ms. Audrey Lim Suan Imm**
Co-Chief Operating Officer Retail
- 6 **Mr. Tsugutoshi Seko**
Managing Director
- 7 **En. Nik Mohd Fahmee Nik Hussin**
Acting Chief Human Resources Officer
- 8 **Mr. Djoni Herlambang**
Chief Technology Officer

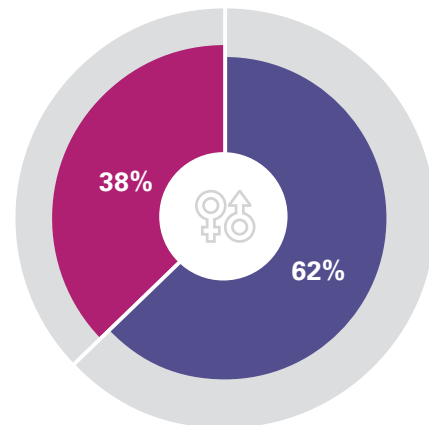
AEON Leadership Council's Profile

Nationality



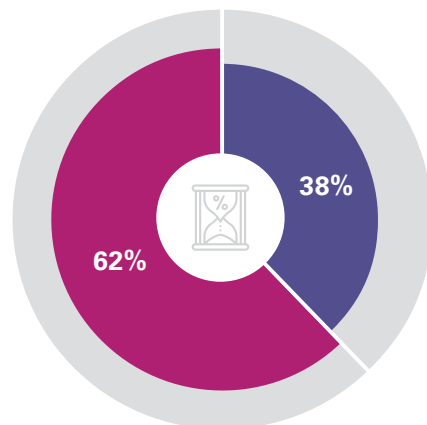
● Japanese ● Malaysian ● Indonesian

Gender Diversity



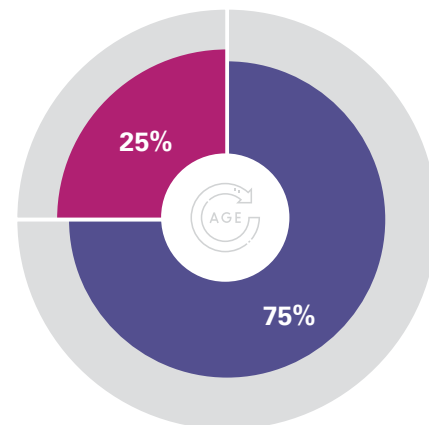
♀ Female ♂ Male

Tenure



● 0-3 Years ● > 3 Years

Age



● < 50 Years Old ● 50-59 Years Old

Note: Save as disclosed in this IAR 2025, all members of the AEON Leadership Council mentioned in pages 126 to 132 have no conflict of interest or potential conflict of interest, including interest in any competing business with AEON CO. (M) BHD. or any family relationship with any Director and/or major shareholder or any convictions for offences within the past 5 years and any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, except for traffic summons, if any.

AEON Leadership Council's Profile



MR. TSUGUTOSHI SEKO
Managing Director

56 ♂ **Date of Appointment**
1 March 2026

For more information, please refer to page 121.

Directorship in other public/listed companies:

- Nil

Responsibilities:

- Oversee the overall management of merchandising strategy, planning, promotions, and the implementation of the annual merchandising policy
- Supervise and manage product assortment and category lineup from sourcing to purchasing, importing, and logistics operations
- Drive the development and promotion of Private Brand products to enhance differentiation and maximise profitability
- Explore and cultivate new product categories to capture emerging opportunities and develop new commercial markets
- Lead the coordination and management of cross-functional matters across merchandising departments to optimise operational efficiency, minimise cost duplication, and drive greater organisational synergies

Academic/Professional Qualification:

- Diploma of General Course, Aki Fuchu High School, Hiroshima, Japan

Experience:

- Chief Strategy Officer, AEON CO. (M) BHD.
- General Manager, Corporate Planning Department, MaxValu Nishinohon Co., Ltd.
- Director of Merchandising, AEON Orange Co., Ltd.
- Senior Manager, Myanmar Business Project, AEON CO., LTD.
- General Manager, Project of Operational Improvement, MaxValu Nishinohon Co., Ltd.
- General Manager, Store Development Planning Department, MaxValu Nishinohon Co., Ltd.

MR. HIDEKAZU IWAOKA
Deputy Managing Director/
Chief Merchandising Officer



51 ♂ **Date of Appointment**
1 March 2026

AEON Leadership Council's Profile

MS. AUDREY LIM SUAN IMM

Co-Chief Operating Officer Retail



55



Date of Appointment
1 September 2024

Directorship in other public/listed companies:

- Nil

Responsibilities:

- Oversee the overall management and operations of AEON Retail Business comprising Supermarket and General Merchandise Store, AEON MaxValu, AEON STYLE Supermarket, AEON Wellness, DAISO and myAEON2go platform
- Responsible for the operational capability and strategy across Retail business

Academic/Professional Qualification:

- Executive Master of Business Administration (Retail Management), Open University Malaysia

Experience:

- Division Head, GMS Operations, AEON CO. (M) BHD.
- Head, New Business, AEON CO. (M) BHD.
- Head, GMS Operations, Merchandising, Human Resources and Marketing, AEON CO. (M) BHD.

Directorship in other public/listed companies:

- Nil

Responsibilities:

- Oversee and lead the overall strategy and management of AEON Mall Operations, Leasing, Marketing, Credit Control, Tenancy Administration, Security & Safety
- Oversee operational capability and commercial strategy across Mall business

Academic/Professional Qualification:

- Degree of International Business, Universiti Utara Malaysia

Experience:

- Head, Mall Operations, Leasing & Marketing, AEON CO. (M) BHD.
- General Manager, Mall Operations, AEON CO. (M) BHD.
- Assistant General Manager, Human Resources Division, AEON CO. (M) BHD.
- Senior Manager, Mall Operations & Credit Control, AEON CO. (M) BHD.

PN. MUNIRAH AZMI

Co-Chief Operating Officer Mall



47



Date of Appointment
1 September 2024

Directorship in other public/listed companies:

- Nil

Responsibilities:

- Oversee and lead the overall strategy, planning and management of the Property division and its related businesses
- Develop strategy, planning and setting directions for property and related scopes including business development, retail planning, concept and design and project management
- Oversee property management, planning, maintenance and operations of facilities of the properties

Academic/Professional Qualification:

- Diploma in Business and Management
- Registered Property Manager (PM0352) with the Malaysian Board of Valuers, Appraisers, Estate Agents and Property Managers (BOVAEP / LPEPH)
- Certified Mall Manager (CMM) with Persatuan Pengurusan Kompleks Malaysia (PPKM)

Experience:

- Committee Member of Persatuan Pengurusan Kompleks Malaysia (PPKM)
- Director of Retail at Malaysia Land Properties Group, Malaysia
- Director of Retail at OSK Property Bhd Malaysia
- Head of Retail and Commercial at Belview Group Malaysia
- Various senior management positions with property development companies and shopping centres throughout Malaysia

AEON Leadership Council's Profile

MS. TAN AI LEE

Chief Financial Officer



42



Date of Appointment
21 January 2024

Directorship in other public/listed companies:

- Nil

Responsibilities:

- Oversee the strategic execution of business plans to deliver on our operating and financial goals to create long-term value for our shareholders
- Lead finance functions that encompasses planning, accounting, finance business partners, taxation, treasury, investment, investor relations
- Lead AEON's sustainability efforts, focusing on ESG initiatives

Academic/Professional Qualification:

- Fellow Member of the Association of Chartered Certified Accountants (FCCA)
- Member of the Malaysian Institute of Accountants (MIA)

Experience:

- Head of Business Finance, AEON CO. (M) BHD.
- Vice President, Silverlake Symmetri Malaysia
- Head of Management Reporting and Corporate Planning, Astro Malaysia Holdings Berhad
- Assistant Vice President, Finance Business Partner, Astro Malaysia Holdings Berhad
- Transaction Services Manager, PricewaterhouseCoopers Malaysia

MR. LEE BENG BENG

Chief Property Officer



56



Date of Appointment
12 March 2020

Directorship in other public/listed companies:

- Nil

Responsibilities:

- Oversee and lead the overall strategy, planning and management of the Property division and its related businesses
- Develop strategy, planning and setting directions for property and related scopes including business development, retail planning, concept and design and project management
- Oversee property management, planning, maintenance and operations of facilities of the properties

Academic/Professional Qualification:

- Diploma in Business and Management
- Registered Property Manager (PM0352) with the Malaysian Board of Valuers, Appraisers, Estate Agents and Property Managers (BOVAEP / LPEPH)
- Certified Mall Manager (CMM) with Persatuan Pengurusan Kompleks Malaysia (PPKM)

Experience:

- Committee Member of Persatuan Pengurusan Kompleks Malaysia (PPKM)
- Director of Retail at Malaysia Land Properties Group, Malaysia
- Director of Retail at OSK Property Bhd Malaysia
- Head of Retail and Commercial at Belview Group Malaysia
- Various senior management positions with property development companies and shopping centres throughout Malaysia

AEON Leadership Council's Profile

EN. NIK MOHD FAHMEE NIK HUSSIN Acting Chief Human Resources Officer



53



Date of Appointment
16 October 2025

Directorship in other public/listed companies:

- Nil

Responsibilities:

- Overall management and operations of Human Resources, Corporate Communications, Corporate Services, Governance and Integrity as well as Non-Trade Procurement department
- Set, execute, and operationalise AEON's people, business, and branding strategies
- Drive Governance and Integrity initiatives, ensuring compliance, implementing governance frameworks, managing risks, and promoting transparency and accountability
- Manage the Non-Trade Procurement division, optimising sourcing, supplier relationships, cost efficiency, compliance, and ethical sourcing practices
- Halal Chairman for AEON CO. (M) BHD.

Academic/Professional Qualification:

- Degree of Information Technology (Hons), Universiti Utara Malaysia
- Certified Birkman Consultant
- Certified LEAD Leadership Consultant

Experience:

- Managing Director and Co-Founder, arise ASIA Sdn. Bhd.
- Programme Director, Yayasan AMIR
- Senior Consultant, Advisory Services – Tarmizi Tun Dr. Ismail & Partners
- Executive Director, Malaysian AIDS Council
- Analyst, Multimedia Development Corporation

Directorship in other public/listed companies:

- Nil

Responsibilities:

- Oversee digital transformation initiative
- Oversee the set-up of AEON IT Department as a profit centric business unit
- Advise the best suitable technology for the Company
- Overall management of the design and deployment of several customised technological systems and platforms to improve customer experience
- Analyse the costs, value and risks of technology to advise management and suggest actions

Academic/Professional Qualification:

- Master's degree in Information System

Experience:

- More than 35 years of experience in the retail industry, specialising in digital transformation
- Held various senior management positions leading the IT Divisions in several major retail organisations throughout Asia

MR. DJONI HERLABANG Chief Technology Officer



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Date of Appointment
15 April 2020

Directorship in other public/listed companies:

- Nil

Responsibilities:

- Overall management and operations of Human Resources, Corporate Communications, Corporate Services, Governance and Integrity as well as Non-Trade Procurement department
- Set, execute, and operationalise AEON's people, business, and branding strategies
- Drive Governance and Integrity initiatives, ensuring compliance, implementing governance frameworks, managing risks, and promoting transparency and accountability
- Manage the Non-Trade Procurement division, optimising sourcing, supplier relationships, cost efficiency, compliance, and ethical sourcing practices
- Halal Chairman for AEON CO. (M) BHD.

Academic/Professional Qualification:

- Degree of Information Technology (Hons), Universiti Utara Malaysia
- Certified Birkman Consultant
- Certified LEAD Leadership Consultant

Experience:

- Managing Director and Co-Founder, arise ASIA Sdn. Bhd.
- Programme Director, Yayasan AMIR
- Senior Consultant, Advisory Services – Tarmizi Tun Dr. Ismail & Partners
- Executive Director, Malaysian AIDS Council
- Analyst, Multimedia Development Corporation

Corporate Governance Overview Statement

The Board of Directors (the Board) of AEON CO. (M) BHD. (AEON or the Company) remains firmly committed to upholding strong corporate governance (CG) practices as the foundation of integrity, accountability and transparency within the organisation. Robust governance is essential not only in ensuring effective oversight and compliance with relevant regulatory requirements, including the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad and the Companies Act 2016 but also in strengthening investor confidence and supporting sustainable value creation for shareholders.

Principle A

Board Leadership & Effectiveness

Principle B

Effective Audit & Risk Management

Principle C

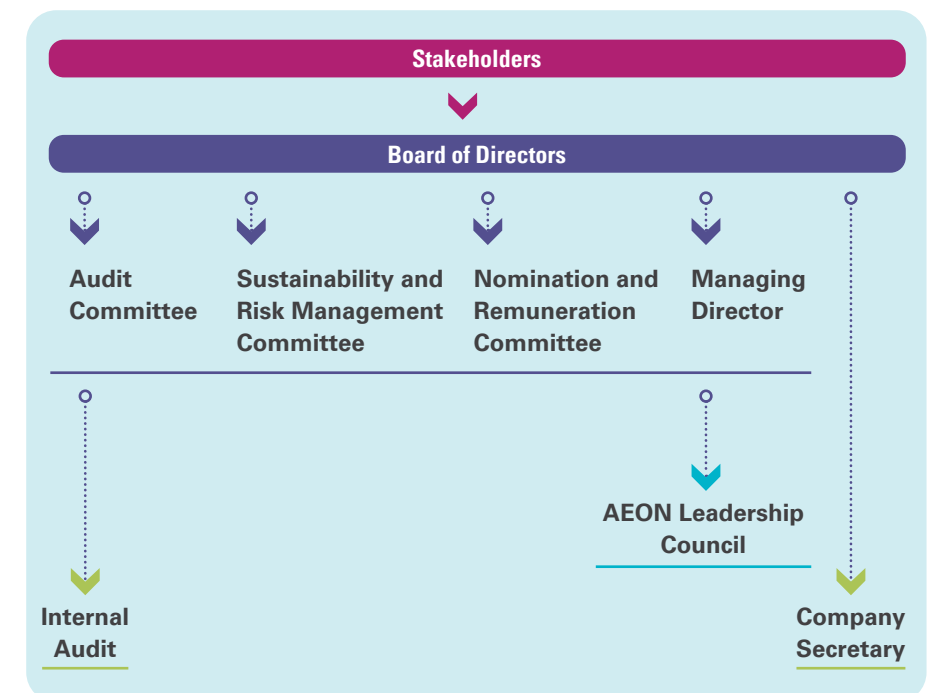
Integrity in Corporate Reporting & Meaningful Relationship with Stakeholders

This Statement should be read together with the detailed Corporate Governance Report for FY2025, prepared in accordance with Paragraph 15.25 of the MMLR, which is available on AEON's corporate website at www.aeongroupmalaysia.com and via an announcement on Bursa Malaysia's website. It should also be considered alongside the Statement on Risk Management and Internal Control (SORMIC), the Audit Committee (AC) Report, and other relevant sections of this IAR 2025 to provide a holistic view of AEON's governance practices.

CG FRAMEWORK

AEON has established a comprehensive CG framework that undergoes annual review to ensure its continued relevance, robustness, and alignment with prevailing regulatory requirements and best practices. The Board exercises effective oversight through three Board Committees, each entrusted with clearly defined roles and responsibilities to support the Board in fulfilling its fiduciary duties.

Together with the Managing Director, who oversees the Company's daily operations, these committees and governance functions, as illustrated in the diagram below, operate in a coordinated and interdependent manner to uphold high standards of governance throughout the organisation.



In line with this commitment, AEON continues to align its CG framework against the Malaysian Code on Corporate Governance 2021 (MCCG) and the FTSE Russell ESG rating criteria, enabling us to align with evolving expectations and standards both locally and globally.

This Corporate Governance Overview Statement outlines the key governance activities undertaken throughout FY2025 and up to the date of publication of this IAR 2025. It serves to keep stakeholders informed of AEON's continued adherence to good governance practices, guided by the three core principles of the MCCG:

Corporate Governance Overview Statement

PRINCIPLE A

Board Leadership and Effectiveness

The Board upholds the principles of stewardship and is ultimately responsible for the overall performance, strategic direction, and long-term sustainability of AEON. In discharging its duties, the Board ensures that the Company's operations and affairs are conducted in accordance with the Board Charter and in alignment with AEON's commitment to responsible growth. The Board provides leadership, oversees management, sets corporate objectives, and monitors the strategies implemented to achieve them. In fulfilling these responsibilities, the Board considers the interests of all stakeholders while remaining accountable to shareholders as a company listed on the Main Market of Bursa Malaysia.

The Board Charter outlines the roles and responsibilities of Directors, the composition, processes and division of duties, as well as matters reserved exclusively for the Board and its committee. The Board Charter is subject to periodic review to ensure its continued relevance and alignment with evolving regulatory and governance expectations.

Beyond the collective responsibilities of the Board, each Director is bound by fiduciary duties under the Companies Act 2016 to act in good faith, in the best interests of the Company, and with due care, skill, and diligence. These principles guide the Board in ensuring AEON's commitment to integrity, accountability, and strong corporate governance.

The latest version of the Board Charter is available on the Company's website at <https://ir2.chartnexus.com/aeon/corporate-governance.php>

I. BOARD ROLES AND RESPONSIBILITIES

CHAIRMAN

Ensures the effective functioning of the Board and provides the leadership necessary for the Board to fulfil its governance responsibilities.

The profile of the Chairman is set out in page 121 of this IAR 2025.

MANAGING DIRECTOR

Leads the Company's operations in accordance with the framework established by the Board and is responsible for executing strategic initiatives approved by the Board.

The profile of the Managing Director is set out in page 121 of this IAR 2025.

DIRECTORS

Protect the interests of all stakeholders, including minority shareholders, and oversee the execution of strategy as well as business performance.

The profiles of the Directors are set out in pages 121 to 125 of this IAR 2025.

COMPANY SECRETARIES

Advise the Board on matters relating to the Company's Constitution, Board policies and procedures, and compliance with applicable regulatory and statutory requirements. The Company Secretaries also provide guidance on corporate governance best practices in line with the MCCG. In addition, they ensure that deliberations of the Board and Board Committees are accurately recorded and that matters arising from the Board and Board Committees meetings are communicated to Management for timely and appropriate action.

AEON's Company Secretaries, Ms. Tai Yit Chan and Ms. Tan Ai Ning from Boardroom Corporate Services Sdn. Bhd., are Fellows of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA), each bringing over 20 years of professional experience to their roles.

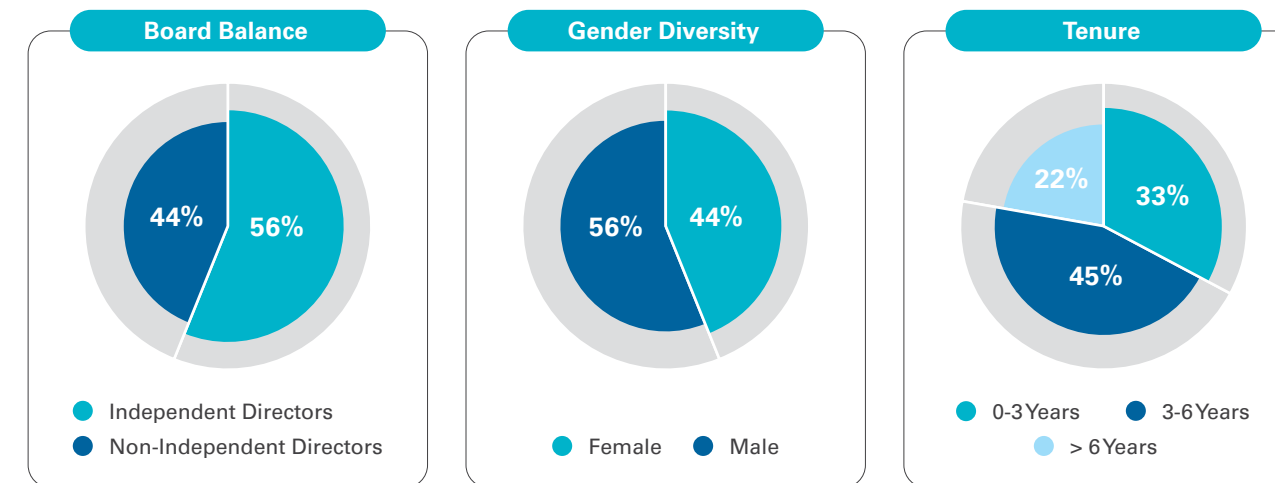
Corporate Governance Overview Statement

II. BOARD COMPOSITION

1. Board Composition and Balance

As at the Latest Practicable Date of this IAR 2025, the Board comprises nine (9) Directors including a Non-Independent Non-Executive Chairman, who has been redesignated from Independent Non-Executive Chairman on 26 February 2026. On 1 March 2026, Mr. Hiroaki Egawa resigned as Non-Independent Non-Executive Director, Mr. Naoya Okada was redesignated to Non-Independent Non-Executive Director, Mr. Tsugutoshi Seko was appointed as the Managing Director and Mr. Hidekazu Iwaoka was appointed as Alternate Director to Mr. Tsugutoshi Seko. The Board composition complies with Paragraph 15.02 of the MMLR, which stipulates that at least two Directors or one-third of the Board, whichever is higher, must be Independent Directors, and that the Board must include at least one woman Director.

The Company's Board currently has more than half of its members serving as Independent Directors, which the Board considers adequate to ensure effective oversight of Management and to uphold strong corporate governance practices.



2. Board Independence

The Board places a strong emphasis on independence and objectivity in its decision-making, in line with the principles set out in the MCCG and as part of its ongoing commitment to exemplary corporate governance.

The Board delegates the execution of the Company's strategic priorities, policies, and decisions to the Managing Director, who is supported by the AEON Leadership Council (ALC). This delegation ensures the effective delivery of long-term value to stakeholders through excellent customer service and the adoption of sustainable, best-in-industry business practices.

Independent Directors are free from management or business relationships that could compromise or materially affect their ability to exercise impartial judgment. In discharging their duties, they consider the interests of the Company, shareholders, employees, customers, business partners, and the wider community. The Board, through the Nomination and Remuneration Committee, conducts an annual evaluation of each Director's independence to ensure ongoing compliance.

Directors are required to promptly disclose any actual or potential conflicts of interest, material personal interests, or relationships that could reasonably influence their decision-making. In such instances, the Director concerned must abstain from any discussion or voting on the matter.



Corporate Governance Overview Statement

The Board is mindful of the MCGG recommendation limiting the tenure of Independent Directors to nine years and the requirements under the MMLR limiting the tenure of Independent Directors to twelve years. Independent Directors who have served for nine years may continue to serve as Director but will be re-designated as Non-Independent Directors. If the Board proposes to retain an Independent Director beyond nine years but less than twelve years, such retention must be justified and approved by shareholders at a general meeting. Upon reaching a cumulative twelve-year tenure, the Director will either be re-designated as a Non-Independent Director or retire from the Board.

During the financial year under review, none of the Independent Directors had served as an Independent Director for more than nine years. On 26 February 2026, Datuk Iskandar Sarudin had served as an Independent Director for more than nine years and had been re-designated as Non-Independent Non-Executive Chairman.

3. Directors' Commitment

The Board endeavours to convene at least four (4) times annually, with meetings scheduled quarterly and planned well in advance of the preceding financial year to facilitate scheduling and planning among Directors. The Board is satisfied with the level of commitment and dedication exuded by the Directors towards fulfilling their roles and responsibilities. All key matters discussed, along with the decisions and conclusions reached during Board meetings, are documented by the Company Secretaries. During the financial year under review, the Board met six (6) times. Details of Directors' attendance are outlined below:

Datuk Iskandar Sarudin <i>(Independent Non-Executive Chairman)</i> <i>(Redesignated as Non-Independent Non-Executive Chairman on 26 February 2026)</i>	6/6 100%	Ms. Jenifer Thien Bit Leong <i>(Independent Non-Executive Director)</i>	6/6 100%
Mr. Tsugutoshi Seko <i>(Deputy Managing Director)</i> <i>(Appointed as Managing Director on 1 March 2026)</i>	6/6 100%	En. Mohamad Abdul Naser Md Jaafar @ Yunus <i>(Independent Non-Executive Director)</i>	6/6 100%
En. Hisham Zainal Mokhtar <i>(Senior Independent Non-Executive Director)</i>	6/6 100%	Mr. Naoya Okada <i>(Managing Director)</i> <i>(Redesignated as Non-Independent Non-Executive Director on 1 March 2026)</i>	6/6 100%
Pn. Zaida Khalida Shaari <i>(Independent Non-Executive Director)</i>	6/6 100%	Ms. Chong Swee Ying <i>(Non-Independent Non-Executive Director)</i>	6/6 100%
Dato' Merina Abu Tahir <i>(Independent Non-Executive Director)</i>	6/6 100%	Mr. Hiroaki Egawa <i>(Non-Independent Non-Executive Director)</i> <i>(Resigned on 1 March 2026)</i>	5/6 83%

The Board has established a policy requiring Directors to notify the Chairman before accepting any new directorships, notwithstanding the MMLR which permit a Director to serve on up to five (5) listed companies.

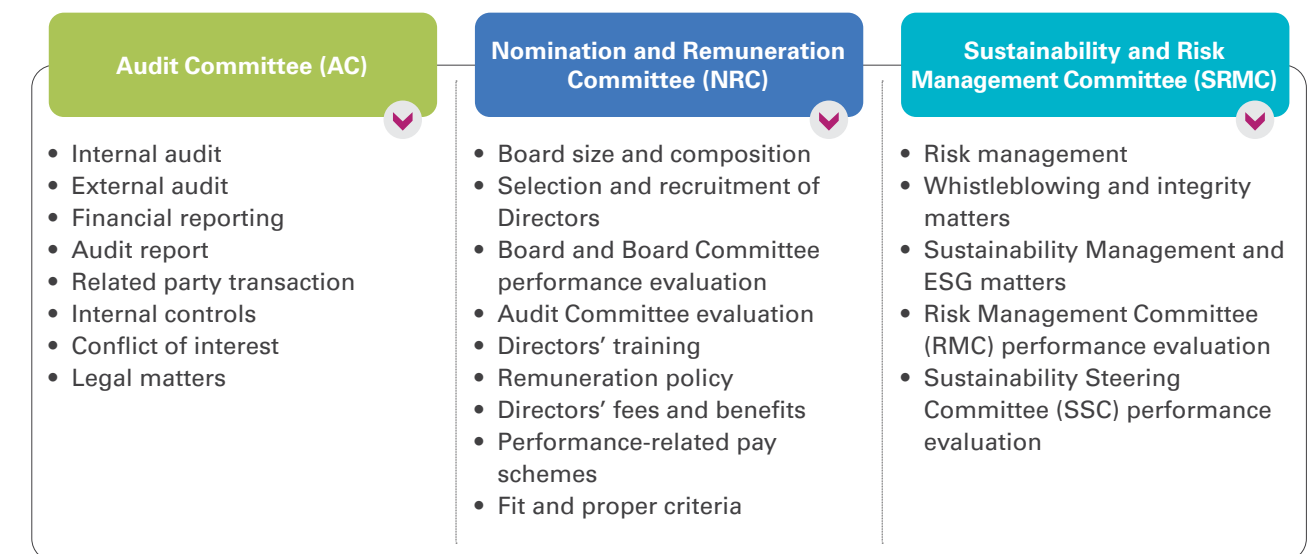
Corporate Governance Overview Statement

To ensure Directors remain well-informed and actively contribute to Board deliberations, they are encouraged to participate in continuous professional development, including education programmes and training sessions. In FY2025, the Directors dedicated sufficient time to attend a range of training initiatives, enhancing their knowledge and skills. A summary of Board of Directors' training is provided on page 142 of this Statement.

Furthermore, Directors undertake site visits to existing stores, new locations, and business outlets as required. These visits provide first-hand insights into the Company's operations and strategic initiatives, supporting informed decision-making and effective governance.

4. Board Committees and Delegation

The Board delegates the implementation of the Company's strategies to the Company's Management while maintaining the ultimate accountability for corporate governance and the affairs of the Company. While the Board retains full oversight and responsibility for guiding and monitoring the Company in discharging its responsibilities, the Board has established three Board Committees to assist in specific functions and provide guidance and advice. These Board Committees and their respective responsibilities are detailed below:



Each Committee operates in accordance with the written Terms of Reference approved by the Board. The Board reviews the Terms of Reference of each Committee periodically. The terms of office and performance of the AC is reviewed annually by the NRC. The Board also reviews the performance of AC, NRC and SRMC annually. The Board approves the appointment of the members and the Chairman of each Committee.



The terms of Reference of each of the Board Committee are published on the Company's website at <http://ir2.chartnexus.com/aeon/corporate-governance.php>

Corporate Governance Overview Statement

5. Sustainability Governance

Sustainability governance at AEON is integrated within the Company's overall corporate governance framework. The Board of Directors has ultimate responsibility for the oversight of sustainability and climate-related risks and opportunities, strategy as well as performance against approved targets, in accordance with the Board Charter.

The Board is supported by the SRMC, which provides focused oversight to ensure sustainability and climate-related considerations are effectively integrated into AEON's business strategy, risk management, and operational processes.

The SRMC, chaired by Ms. Jenifer Thien Bit Leong, is responsible for aligning sustainability and climate risk strategies with AEON's broader business objectives. The Committee is supported by the SSC, which oversees the execution and monitoring of sustainability strategies and performance across the Company. Operational delivery is further driven by the Sustainability Task Force (STF), which implements ESG initiatives and tracks performance against established targets.

AEON's Sustainability Governance Structure and Key Responsibilities

BOD

- Headed by Board Chairman

- Oversees the management of sustainability and climate-related risks and opportunities.
- Reviews and approves the Company's sustainability disclosures and strategic direction.
- Identifies key ESG and climate-related risks affecting AEON and ensures the implementation of robust internal controls and mitigation measures.
- Holds accountability for AEON's overall sustainability strategy and performance.

SRMC

- Headed by SRMC Chairman and members
- Consists of current SRMC composition

- Oversees the strategy to manage sustainability and climate-related risks and opportunities.
- Develops high-level sustainability and climate risk strategies aligned with AEON's strategic business objectives.
- Establishes robust processes to identify, manage, and monitor critical sustainability and climate risks and opportunities, including ensuring adequate policies and procedures are in place.
- Oversees their implementation and ensures continuous improvement in response to evolving business environments.
- Supervises the organisation's overall conduct and reviews company-wide risk assessments, including the identification and reporting of critical sustainability and climate-related risks.
- Advises the Board on risk strategies and coordinates the activities of various standing Board committees to ensure effective oversight of sustainability and climate risks.

SSC

- Headed by Deputy Managing Director*
- Consist of ALC members

- Oversees the execution and performance of the Company's sustainability strategy.
- Reviews, deliberates and recommends the Company's sustainability strategic direction for Board approval.
- Provides quarterly updates to the SRMC on the progress and performance of sustainability initiatives.

* Who was appointed as the Managing Director effective 1 March 2026

Corporate Governance Overview Statement

STF

- Co-headed by Chief Financial Officer and Head of Sustainability
- Consists of functional heads

- Manages overall sustainability performance, drives key initiatives, and monitors target achievements.
- Serves as the central point of contact for all sustainability-related matters, providing regular updates during SSC meetings.
- Establishes, implements, and monitors sustainability initiatives, including data collection and tracking.

The Board reviews and updates the Company's overall business strategy annually to ensure sustainability and climate-related risks and opportunities are effectively managed and opportunities are captured.

The Board maintains a strong focus on the skills, competencies and experience required to support effective oversight in relation to AEON's sustainability strategy. The chairperson of the SRMC has over 30 years of international executive experience and had successfully led complex business transformation and sustainability programmes through her deep understanding of supply chains and change management.

Additionally, an annual review is conducted to assess the Board's collective competencies and some of the Directors participated in sustainability-focused training programmes to remain informed of emerging development. For details of Board members' training, please refer to Practice 5.5 of the Corporate Governance Report.

The SRMC and AC support the Board in fulfilling its responsibilities of overseeing the sustainability-related matters, each with a distinct role and mandate. The committees help prepare the Board for decision-making on sustainability-related matters. Although the committees play an important role, the Board retains overall responsibility for their activities.

For further details on the roles of SRMC and AC, please refer to pages 143 to 144 of this IAR 2025.

Dedicated support departments underpin this governance structure:

- Sustainability Department: Supports the implementation of sustainability strategy, monitors performance and prepares sustainability disclosures.
- Governance and Integrity Department: Supports the enterprise risk management framework, including the identification and monitoring of sustainability and climate-related risks and opportunities.
- Internal Audit Department: Evaluates the effectiveness of controls and processes for managing sustainability and climate-related risks and opportunities and reports independently to the AC.
- Relevant Business Units and Departments: Support the implementation of sustainability initiatives at the operational and asset levels.



Corporate Governance Overview Statement

6. Nomination and Remuneration Committee (NRC)

Board Nomination and Appointment of Directors

The NRC comprises exclusively of Non-Executive Directors, a majority of whom are independent and comprises four (4) members in total. During the year under review, five (5) NRC meetings were held and the attendance at such meetings is indicated below:

Name	Directorship	Meeting Attendance	
1. Pn. Zaida Khalida Shaari (Chairman)	Independent Non-Executive Director	5/5	100%
2. Ms. Jenifer Thien Bit Leong (Member)	Independent Non-Executive Director	5/5	100%
3. En. Mohamad Abdul Naser Md Jaafar @ Yunus (Member)	Independent Non-Executive Director	5/5	100%
4. Ms. Chong Swee Ying (Member)	Non-Independent Non-Executive Director	5/5	100%

The NRC is responsible for recommending the optimal size and composition of the Board to ensure its continued effectiveness. This includes identifying the requisite competencies, experience, and attributes of Board members, as well as implementing initiatives to promote Board diversity. To fulfil its mandate, the NRC has established clear criteria for both the recruitment of new Directors and the annual performance assessment of the Board, the Board Committees, and individual Directors. When evaluating potential candidates, the NRC considers the following factors:

- Skills, knowledge, expertise, and experience;
- Professionalism and integrity;
- Commitment, including time availability and contributions;
- Background, character, and competence;
- Fit and proper criteria;
- Boardroom diversity; and
- For candidates for Independent Non-Executive Director roles, the ability to exercise independent judgment and fulfil the responsibilities expected of such a position.



The detailed criteria are outlined in the NRC's Terms of Reference, accessible on the Company's website at <http://ir2.chartnexus.com/aeon/corporate-governance.php>.

The appointment of new Directors follows a structured selection process initiated by the NRC, which evaluates and recommends suitable candidates for the Board's approval. In accordance with the Company's Articles of Association, any Director appointed during the year is subject to re-election at the next Annual General Meeting (AGM).

In identifying qualified candidates, the Board draws on a range of independent sources, as well as recommendations from Directors, Management, and shareholders. Where necessary, external search firms may also be engaged to access broader talent pools and specialised Directors' registries. The NRC then assesses the suitability of shortlisted candidates based on the established criteria before making its recommendation to the Board.

For newly appointed Directors, the NRC facilitates a comprehensive induction programme designed to familiarise them with the Company's operations, governance processes, and strategic priorities. This includes site visits to key business locations and engagements with members of the ALC, ensuring new Directors are well-equipped to contribute effectively from the outset.



Corporate Governance Overview Statement

7. Board Assessment and Annual Evaluation

The NRC conducts an annual review of the Board's composition, skills, and overall effectiveness. This process includes assessing succession planning, diversity considerations (including gender, age, ethnicity, and professional background), training and development needs, as well as the core competencies required of Directors.

The Board effectiveness evaluation process for FY2025 was conducted by engaging an independent consultant. The assessment findings and comments were summarised, deliberated at NRC meetings, and subsequently presented to the Board by the NRC Chairman. All evaluation records are documented and maintained accordingly.

The NRC meets at least once a year, with additional meetings convened as necessary. During the financial year under review, the NRC undertook the following key activities:

- Reviewed and assessed the mix of skills, expertise, size, and composition of the Board, including the competencies of Executive and Non-Executive Directors.
- Assessed the individual performance and contributions of all Directors, including the Managing Director and Deputy Managing Director.
- Evaluated the effectiveness of the Board and the Board Committees.
- Assessed the fit and properness of Directors retiring pursuant to the Company's Articles of Association and seeking re-election at the AGM.
- Reviewed and recommended the Directors' fees and benefits payable to the Directors including meeting allowance to the Board for shareholders' approval.
- Reviewed and recommended bonus proposals for the Managing Director and Deputy Managing Director to the Board for approval.
- Reviewed and recommended revisions to the Terms of Reference of the NRC to the Board for approval.
- Reviewed and recommended revisions to the Fit & Proper Policy to the Board for approval.
- Reviewed and recommended the change in organisation structure the Board for approval.
- Reviewed the succession planning framework for the Board and AEON Leadership Council.
- Reviewed and recommended the redesignation of Datuk Iskandar Sarudin as Non-Independent Non-Executive Chairman to the Board for approval.



Details of the Terms of Reference for Board Committees and Fit and Proper Policy are available on the Company's website at <http://ir2.chartnexus.com/aeon/corporate-governance.php>.

8. Re-election to the Board

The NRC reviewed the re-election of Directors in accordance with the Company's Articles of Association, which provide that all Directors shall retire at the AGM every year. The NRC assessed the suitability, performance, and contribution of the Directors before recommending the re-election of Directors to the Board for recommendation of the shareholders at the AGM.

9. Directors' Training

The Board, through the NRC, continues to identify and recommend relevant training programmes, seminars, and briefings to ensure that Directors remain well-informed of legislative, regulatory, and industry developments affecting the Company. All Directors have completed the Mandatory Accreditation Programme (MAP) Part I and Part II within the stipulated timeframe required by Bursa Malaysia Securities Berhad.

Directors also proactively pursue continuous learning to enhance their skills and competencies in discharging their fiduciary duties. They receive regular updates from the Company Secretaries on statutory and regulatory matters, including amendments to the MMLR, the MCCG, and the Companies Act 2016.



Corporate Governance Overview Statement

During the financial year under review, Board members attended various briefings, conferences, forums, seminars, and training programmes across different focus areas, summarised as follows:

Summary of Board of Directors Training in FY2025

1. Datuk Iskandar Sarudin	✓ ✓
2. Mr. Naoya Okada	✓ ✓ ✓ ✓ ✓
3. Mr. Tsugutoshi Seko	✓ ✓
4. En. Hisham Zainal Mokhtar	✓ ✓ ✓ ✓
5. Pn. Zaida Khalida Shaari	✓ ✓ ✓ ✓ ✓
6. Dato' Merina Abu Tahir	✓ ✓ ✓ ✓ ✓ ✓
7. Ms. Jenifer Thien Bit Leong	✓ ✓ ✓ ✓ ✓ ✓
8. En. Mohamad Abdul Naser Md Jaafar @Yunus	✓ ✓ ✓ ✓ ✓
9. Ms. Chong Swee Ying	✓ ✓ ✓
10. Mr. Hiroaki Egawa	✓ ✓ ✓ ✓

Legend:

- ✓ Governance & Compliance (Anti-Bribery / COI / Ethics)
- ✓ Financial /Tax / Remuneration Related
- ✓ Retail Industry
- ✓ Bursa Malaysia Related Trainings
- ✓ ESG
- ✓ AI /Technology / Cyber Security

For the full list of briefings, conferences, forums, seminars and trainings programmes attended by the Board, please refer to Practice 5.5 of the accompanying Corporate Governance Report 2025.

Corporate Governance Overview Statement

III. DIRECTOR'S REMUNERATION

The NRC is responsible for establishing policies and frameworks governing Directors' remuneration to ensure alignment with the Company's strategy, performance outcomes, and long-term objectives. These frameworks are designed to attract, retain, and motivate qualified individuals while upholding the principles of fairness, transparency, and good governance.

For the Managing Director and Deputy Managing Director, the NRC adopts the remuneration structure of the ultimate holding company's employee compensation plan, ensuring that rewards are linked to both corporate and individual performance. For Non-Executive Directors, remuneration is determined based on their experience, expertise, and the scope of responsibilities assumed.

Remuneration proposals are determined collectively by the Board. Executive Directors do not participate in discussions or decisions relating to their own remuneration, although they may attend NRC meetings at the invitation of the Chairman when their presence is required.

To preserve objectivity, no Director is involved in determining his or her own remuneration.

PRINCIPLE B

Effective Audit and Risk Management

I. AUDIT COMMITTEE (AC)

The AC plays a vital role in safeguarding the integrity of the Company's financial reporting and supports the Board in fulfilling its statutory and fiduciary responsibilities. Its core responsibilities include oversight of the internal and external audit functions, monitoring of compliance systems and practices, and reviewing financial statements, accounting policies, internal control systems, as well as matters that may materially affect the financial position or operations of the Company. The AC is responsible for ensuring that the Company's financial statements are prepared in accordance with the applicable financial reporting standards in Malaysia.

The AC comprises four Independent Non-Executive Directors, with Encik Hisham Zainal Mokhtar serving as its Chairman. Further details including the AC's composition, roles and responsibilities, meeting frequency and attendance, as well as key activities of both the AC and the Internal Audit function during the financial year under review are provided in the Audit Committee Report on 147 to 151 of this IAR 2025.

In addition, the AC's Terms of Reference stipulate that any former key audit partner must observe a minimum cooling-off period of three years before being eligible for appointment to the AC.

II. SUSTAINABILITY AND RISK MANAGEMENT COMMITTEE (SRMC)

The SRMC oversees the governance, risk management and internal control systems of the Company, as well as AEON's overall sustainability journey and strategic direction.

The SRMC operates in accordance with its Terms of Reference, which have been approved by the Board and are published on AEON's corporate website. The establishment of the SRMC is aligned with Practices 10.1 and 10.2 of the MCCG, thereby ensuring the adequacy and effectiveness of the Company's risk management and internal control frameworks.



Corporate Governance Overview Statement

AEON's risk management framework is guided by the principles of ISO 31000:2018, covering the processes of risk identification, assessment, prioritisation, mitigation and monitoring. In carrying out its responsibilities, the SRMC works closely with the RMC, chaired by the Deputy Managing Director (who was appointed as the Managing Director effective 1 March 2026), to oversee and periodically review the risk management framework.

The SRMC receives regular briefings on key business risks, corresponding mitigation measures and the progress of sustainability initiatives. During the year, the Deputy Managing Director (who was appointed as the Managing Director effective 1 March 2026), Chief Financial Officer, Acting Chief Human Resources Officer and Head of Sustainability were invited to attend SRMC meetings to provide insights and clarifications on risk and sustainability matters. The Company Secretary served as the Secretary to the Committee.

During the financial year under review, the SRMC convened four meetings. The attendance record of the members is as follows:

Name	Directorship	Meeting Attendance	
1. Ms. Jenifer Thien Bit Leong <i>(Chairman)</i>	Independent Non-Executive Director	4/4	100%
2. Dato' Merina Abu Tahir <i>(Member)</i>	Independent Non-Executive Director	4/4	100%
3. En. Hisham Zainal Mokhtar <i>(Member)</i>	Independent Non-Executive Director	4/4	100%
4. Ms. Chong Swee Ying <i>(Member)</i>	Non-Independent Non-Executive Director	4/4	100%

The summary of activities that the SRMC carried out during the financial year under review are described below:

Risk Management

- Reviewed the adequacy and effectiveness of the Company's risk management framework.
- Monitored principal risks and evaluated mitigation measures.
- Reviewed whistleblowing reports and ensured the effective implementation of whistleblowing practices, including appropriate resources and systems.

Details on risk management are available under the Statement on Risk Management and Internal Control on pages 152 to 160 of this IAR 2025.

Sustainability

- Reviewed procedures for identifying, assessing, monitoring, and managing ESG and sustainability and climate-related risks and opportunities.
- Assessed the integration of ESG policies, practices, and goals into the Company's business strategy and decision-making.
- Monitored actions and measures to address ESG risks and opportunities, ensuring alignment with corporate objectives.

Additional information on AEON's sustainability progress is detailed in the Sustainability Section on pages 56 to 115 of this IAR 2025.



Corporate Governance Overview Statement

**PRINCIPLE C****Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders**

AEON remains committed to ensuring the fair, timely, and equitable dissemination of both financial and non-financial information, enabling stakeholders to form an objective and informed assessment of the Company's performance. To further enhance the quality of our corporate reporting, we have strengthened our narrative disclosures in accordance with the IFRS S1 and S2, aligned with Bursa Malaysia Sustainability Reporting Framework. Key enhancements include expanded climate-related disclosures, clearer articulation of governance structures, and improvements in data management and quality controls. Since FY2023, AEON has undertaken limited assurance on selected sustainability indicators as part of our phased roadmap toward mandatory assurance beginning FY2027 under Bursa Malaysia's enhanced Sustainability Reporting Framework.

The Board recognises that meaningful stakeholder engagement is a cornerstone of sound corporate governance. Such engagement fosters open, transparent, and constructive relationships with stakeholders including institutional investors, individual shareholders, regulators, business partners, and the wider public. The Board is committed to ensuring equitable treatment of all shareholders by providing timely, accurate, and consistent access to material information and disclosures, aligned with the requirements of chapter 9 and 10 of the MMLR.

The Chairman, supported by Management, oversees effective two-way communication to ensure that stakeholder concerns and perspectives are appropriately considered in the Company's decision-making processes. The Head of Investor Relations, which reports to the Chief Financial Officer, acts as the central liaison with the investment community. Engagements are conducted through regular physical and virtual meetings, briefings, as well as mall and store visits, providing stakeholders with continuous updates on the Company's operations, strategic direction, financial performance, and sustainability initiatives.

In support of transparent communication, AEON maintains a comprehensive corporate information platform on its website, where announcements, quarterly results, annual reports, share price data, and other relevant disclosures are readily accessible. Contact details for IR and corporate enquiries are also made available to facilitate communication. Throughout the year, engagement channels with both local and foreign investors remained active, with the Head of Investor Relations leading all interactions to ensure consistency, credibility, and alignment of key messages with corporate objectives.

I. PROACTIVE ENGAGEMENT WITH THE INVESTMENT COMMUNITY

AEON remains committed to high levels of corporate disclosure and transparency in compliance with the MMLR, including the enhanced sustainability reporting requirements effective from FY2025. The Company continues to prioritise timely dissemination of financial, operational and strategic developments to ensure fair and equal access to information for all stakeholders.

The Head of Investor Relations, together with the Chief Financial Officer, actively engages with the investment community through both in-person and virtual interactions. In FY2025, 127 group and one-on-one engagements, briefings and teleconferences were conducted, providing institutional investors and analysts with insights into AEON's business developments, financial performance, strategic outlook and prospects. Sustainability matters are also discussed in these meetings, enabling the investment community to understand more on AEON's ESG progress, including climate-related disclosures, energy transition efforts and governance practices.

Quarterly analyst briefings were conducted following the release of each set of financial results. Our Managing Director, Chief Financial Officer, Head of Sustainability, and Head of Investor Relations participated in these video earnings calls to provide updates on financial performance and key developments, facilitating robust discussions and timely clarifications. All results announcements and presentation decks were also made available on AEON's website under the Investor Relations section.

In addition, public and media relations were supported through regular updates on the Company's website, social media platforms, press releases, and media engagements to keep stakeholders informed of the latest developments.





Corporate Governance Overview Statement

II. DIVIDEND

AEON's continued financial resilience has enabled the Board to propose a final dividend of 4.5 sen per share, subject to shareholders' approval at the upcoming 41st AGM. This represents a dividend yield of 4.2%, reflecting our ongoing commitment to delivering sustainable returns to our shareholders.

	FY2023	FY2024	FY2025
Dividend declared per share (sen)	4.0	4.5	4.5*

* Subject to shareholders' approval at the upcoming 41st AGM.

Dividends are paid within 30 days from the date of shareholders' approval for the dividends.

III. ANNUAL GENERAL MEETING

The AGM remains an important platform for the Board and Management to engage directly with shareholders. At each AGM, the Company provides a comprehensive overview of its performance and highlights the key initiatives undertaken during the financial year under review. Shareholders are encouraged to raise questions, provide feedback and participate in discussions prior to casting their votes on the proposed resolutions via poll.

In line with the Securities Commission's directive to transition to either a physical or hybrid AGM with effect from 1 March 2025, and pursuant to Section 327 of the Companies Act 2016, the Company convened its 40th AGM on 22 May 2025 in a hybrid format, conducted physically at the InterContinental Kuala Lumpur and simultaneously broadcast via live streaming to facilitate broader shareholder participation.

In compliance to Section 316(2) of the Companies Act 2016 and Paragraph 7.15 of the MMLR, the notice of the 40th AGM was issued at least 28 days prior to the meeting. The Notice of AGM was published in a national newspaper and announced via Bursa Malaysia Securities Berhad to provide shareholders sufficient time to review the Integrated Annual Report and accompanying documents. Notifications with QR Code and links to download the Integrated Annual Report 2024, Circular to Shareholders, Notice of AGM, Proxy Form and Administrative Guide were disseminated via email and, where shareholders could not be reached electronically, via post. These documents were also uploaded to the Company's website to ensure equitable access for all stakeholders.

The AGM was chaired by the Chairman of the Board, with all Directors in attendance. During the meeting, the Managing Director presented an overview of the operating environment, financial performance, key strategies and business priorities.

The Chairman, Managing Director, Deputy Managing Director and Chief Financial Officer addressed all questions raised by shareholders during the proceedings, while the Deputy Managing Director and Chief Financial Officer also responded to queries submitted by the Minority Shareholders Watch Group. In line with good governance practices, the minutes of the AGM were published on the Company's website under the Investor Relations section within 30 business days.

This Corporate Governance Overview Statement was approved by the Board on 26 February 2026.



Audit Committee Report

The AC supports the Board in fulfilling its oversight responsibilities, particularly in relation to the integrity of the financial reporting process, the effectiveness of internal controls, and the Company's compliance with applicable legal and regulatory requirements.

In carrying out its duties, the AC is guided by its Terms of Reference, which are reviewed periodically to ensure alignment with evolving governance expectations and regulatory developments. During the year, the AC conducted a review of its Terms of Reference to update the meeting proceedings of the AC. The revised Terms of Reference of the AC was approved by the Board on 20 May 2025 and is available on the Company's website at <https://aeongroupmalaysia.com>.

The Board is pleased to present the AC Report for the financial year ended 31 December 2025, outlining the key activities undertaken in support of AEON's commitment to transparency, accountability, and good corporate governance.

COMPOSITION

The AC comprises the following members:

Name	Directorship	Appointment Date
En. Hisham Zainal Mokhtar (Chairman)	Senior Independent Non-Executive Director	1 July 2022
Dato' Merina Abu Tahir (Member)	Independent Non-Executive Director	18 May 2023
En. Mohamad Abdul Naser Md Jaafar @ Yunus (Member)	Independent Non-Executive Director	18 May 2023
Pn. Zaida Khalida Shaari (Member)	Independent Non-Executive Director	18 May 2023

The AC comprises four members, all of whom, including the Chairman, are Independent Non-Executive Directors. This reflects the Company's commitment to robust governance practices and aligns with Step-Up Practice 9.4 of the MCCG, which recommends the AC to compose solely of Independent Directors to enhance oversight objectivity.

The composition of the AC also fully complies with Paragraphs 15.09 and 15.10 of the MMLR, which stipulate that:

- the AC must consist of at least three Non-Executive Directors, with a majority being Independent Directors; and
- at least one member meets the professional qualification criteria.

In this regard, Dato' Merina Abu Tahir meets the qualification requirements, being a member of the Malaysian Institute of Accountants, a Fellow Member of the Association of Chartered Certified Accountants, and a member of the Malaysian Institute of Certified Public Accountants. The AC's composition further adheres to Practice 9.2 of the MCCG, which prescribes a three-year cooling-off period before a former key audit partner can serve as a member of the AC. Currently, none of the AC members are former key audit partners of AEON.

To ensure that the AC members have carried out their duties in accordance with the AC's Terms of Reference, the NRC conducts an annual assessment of the AC's performance, including a review of the terms of office and performance of the AC and each of its members. This process ensures that the AC continues to discharge its responsibilities in accordance with its Terms of Reference.

In addition, the AC observes the enhanced provisions set out in its Terms of Reference, which further strengthen its independence and effectiveness. These include the requirements that:

- All AC members must be financially literate and possess the ability to understand matters within the AC's scope, including the financial reporting process; and
- The Chairman of the Board must not serve as the Chairman or is a member of the AC, ensuring a clear separation of roles and promoting robust oversight.





Audit Committee Report

MEETINGS AND ATTENDANCE

A total of five (5) meetings were held during FY2025, details of which are set out below:

Name	Meeting Attendance	
En. Hisham Zainal Mokhtar (<i>Chairman</i>)	5/5	100%
Dato' Merina Abu Tahir (<i>Member</i>)	5/5	100%
En. Mohamad Abdul Naser Md Jaafar @ Yunus (<i>Member</i>)	5/5	100%
Pn. Zaida Khalida Shaari (<i>Member</i>)	5/5	100%

In FY2025, the Deputy Managing Director (who was appointed as the Managing Director effective 1 March 2026), Chief Financial Officer, Head of Internal Audit and Head of Legal attended the AC meetings by invitation to provide insights and clarification on matters within their respective areas. As required, other members of Management were also invited to address specific control gaps, issues raised in internal audit reports, and other operational matters requiring AC deliberation.

The external auditor, KPMG PLT, attended two (2) meetings during the financial year ended 31 December 2025 to present their audit-related updates and review findings. The Company Secretary, as Secretary to the AC attended all meetings held during the year.

SUMMARY OF KEY ACTIVITIES

The AC discharged its responsibilities in accordance with its Terms of Reference. The key activities undertaken are summarised as follows:

Financial Reporting

- Reviewed the Company's compliance with the IFRS Accounting Standards, MFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia, including updates to accounting policies and the adoption of new standards.
- Reviewed and recommended the quarterly financial reports and the audited financial statements for FY2025 to the Board for approval.

External Audit

- Reviewed and recommended the terms of appointment of the external auditors, considering their competency, capacity, objectivity, and independence.
- Reviewed the annual external auditor performance and recommended their re-appointment to the Board.
- Reviewed the audit plan and scope of work for FY2025.
- Reviewed the external auditors' Terms of Reference and their audit and non-audit fee proposals for FY2025.
- Deliberated on the external auditors' key findings arising from their review and audit of the year-end financial statements, including key audit matters and internal control observations.
- Held two (2) private sessions with the external auditors on 18 February 2025 and 18 November 2025, without Management's present, to discuss audit matters and observations independently.



Audit Committee Report

Internal Audit

- Reviewed and approved the annual Internal Audit Plan for FY2025, ensuring adequate risk-based coverage and alignment with the Company's strategic priorities.
- Reviewed internal audit reports, recommendations, and Management's responses. Significant findings were deliberated in detail with the relevant Management personnel to ensure appropriate action plans were developed.
- Monitored Management's progress in implementing corrective and improvement actions on outstanding issues on a quarterly basis to ensure key risks and control weaknesses were rectified in a timely manner.
- Conducted two private sessions with the Head of Internal Audit on 18 February 2025 and 18 November 2025, without Management's present, to discuss key audit issues and departmental matters.
- Assessed the adequacy of resources, competencies, and professionalism within the Internal Audit Department to ensure that it remained effective in carrying out its responsibilities.

Related Party Transaction (RPT) and Recurrent Related Party Transactions (RRPT)

- Reviewed RPTs and RRPTs on a quarterly basis to ensure compliance with the Companies Act 2016, MMLR and MFRS Accounting Standards. From the approved RRPT mandate, the AC is satisfied that appropriate controls were in place to monitor the amounts transacted.
- Reviewed RPTs entered into by the Company to ensure that:
 - transactions were conducted at arm's length and on normal commercial terms, and were not prejudicial to the interests of minority shareholders;
 - disclosures relating to RPTs complied with the requirements of the MMLR; and
 - actual RRPT transaction values remained within the shareholders' mandate approved by the shareholders.
- Reviewed the estimated RRPT mandate for the ensuing year, together with the Circular to Shareholders for renewal mandates, prior to recommending the Circular to the Board for approval.

Conflict of Interest (COI)

- Reviewed and monitored all actual and potential conflict of interest situations within the Company to ensure adherence to MMLR, regulatory requirements and internal governance policies.
- Reviewed COI disclosures submitted by Directors and AEON Leadership Council in accordance with internal disclosure protocols.
- Assessed potential COI situations, including transactions, processes, or conduct that could give rise to concerns on management integrity. The AC also reviewed the measures undertaken to resolve, eliminate, or mitigate such conflicts and reported its findings and recommendations to the Board.

Governance and Regulatory Compliance

- Monitored compliance with regulatory requirements set by Bursa Malaysia, Securities Commission, the Malaysian Accounting Standards Board, and other relevant legal and regulatory bodies.
- Reviewed the Japanese Sarbanes-Oxley (J-SOX) Compliance Assessment Progress Report for the Company.
- Reviewed legal matters pertaining to the Company and reported significant issues to the Board.
- Reviewed the solvency test conducted by Management, was satisfied with the result of the solvency test, and recommended the proposed final dividend for FY2025 to the Board to recommend to the shareholder for approval.

Integrated Annual Report

- Reviewed and endorsed the Audit Committee Report for the Board's approval and inclusion in the Integrated Annual Report.
- Reviewed and endorsed the Statement on Risk Management and Internal Control for the Board's approval and inclusion in the Integrated Annual Report.
- Reviewed and endorsed the Corporate Governance Overview Statement and Corporate Governance Report for the Board's approval and inclusion in the Integrated Annual Report.
- Reviewed the audited financial statements for FY2025.





Audit Committee Report

Other Activities

- Reported to the Board on AC activities, including significant findings and the results of recommendations from both the External and Internal Auditors.
- Reviewed the revision to the Terms of Reference of the AC and recommend the revision to the Board for approval.

KEY MATTERS CONSIDERED

At each meeting, the AC is briefed on significant governance and audit matters, as well as key operational and financial issues across the Company. The AC reviews and reports to the Board on significant matters, including the integrity of financial reporting, Management's significant judgments, and any unusual or material transactions. The AC ensures that these matters are appropriately addressed, and that the Board is kept fully informed to facilitate sound decision-making.

INTERNAL AUDIT FUNCTION

The Internal Audit Department was established by the Board to provide independent and objective assurance on the adequacy and effectiveness of the Company's governance, risk management, anti-corruption, whistle-blowing, and internal control processes. Operating independently from Management, the Internal Audit Department delivers assurance and advisory services designed to add value and strengthen AEON's overall control environment.

The Internal Audit function is led by Cik Nur Suriya Selasiya Mohamad Omar, who holds a Bachelor of Mathematics and Management with Honours, is a Certified Internal Auditor, and a Professional Member of the Institute of Internal Auditors Malaysia (IIAM). She reports functionally to the AC and administratively to the Managing Director, a structure that safeguards audit independence and ensures freedom from operational influence. Consistent with this, the Internal Audit Department does not assume any operational responsibilities or authority over the areas it reviews.

The Internal Audit function is guided by the Internal Audit Charter, which defines its purpose, authority, responsibilities, and reporting framework. Its scope includes:

- Evaluating the adequacy, integrity, and effectiveness of the Company's system of internal controls, risk management, and governance;
- Reviewing RPTs and RRPTs to ensure compliance with Bursa Malaysia Securities Berhad's MMLR;
- Overseeing compliance with J-SOX requirements;
- Monitoring and evaluating governance processes in line with the MCCG; and
- Investigating and reporting any suspected fraud cases.

The AC reviews and approves the annual Internal Audit Plan, with periodic assessments performed throughout the year to ensure alignment with business priorities, adequate risk-based coverage, and the application of robust audit methodologies.

The Internal Audit process follows a systematic methodology as depicted below:



Audit Committee Report

Audit reviews were carried out in accordance with the risk-based Internal Audit Plan for FY2025, which is aligned with the Company's strategic and operational priorities and reassessed quarterly to reflect emerging risks. The Internal Audit Department adopts the International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors (IIA), including full adherence to the International Standards for the Professional Practice of Internal Auditing (ISPPA) and the IIA's Code of Ethics. The Internal Audit Charter and Internal Audit Manual set out the mandate, responsibilities, and detailed risk-based audit methodologies that guide the execution of audit work.

Audit reports set out the audit objectives, scope, key findings, management responses, and overall conclusions. These reports are shared with the relevant departments for action, while key issues and remediation progress are summarised and presented to the AC on a quarterly basis for oversight.

During FY2025, the Internal Audit Department completed 187 audit engagements covering thematic, compliance, and operational areas across both head office functions and operational locations. All findings were addressed by the respective Management teams, with corrective actions implemented within the stipulated timelines.

The Internal Audit Department consists of nine auditors with varied competencies. Throughout the year, team members attended external training programmes to enhance technical capabilities and strengthen adherence to governance standards, including refresher sessions on AEON's Code of Conduct. The Head of Internal Audit also submitted the annual Conflict of Interest Declaration to reaffirm compliance with the Company's Code of Conduct.

The total cost incurred for the Internal Audit function in FY2025 amounted to RM887,000 (FY2024: RM 773,000).

The Audit Committee Report was approved by the Board on 26 February 2026.





Statement on Risk Management and Internal Control

INTRODUCTION

The Board is pleased to present the Statement on Risk Management and Internal Control (SORMIC or This Statement), which outlines the nature of risk management and internal controls within the Company for the financial year ended 31 December 2025.

This Statement is prepared pursuant to paragraph 15.26(b) of the MMLR and guided by the 'Statement on Risk Management and Internal Control 2025 – Guidelines for Directors of Listed Companies' issued by Bursa Malaysia Securities Berhad. Risk management and internal controls are embedded in all business activities within the Company.

RESPONSIBILITIES AND ACCOUNTABILITIES

BOARD OF DIRECTORS' RESPONSIBILITIES

The Company is led by the Board of Directors (the Board). The Board has delegated the governance and risk management responsibilities to the AC and SRMC, which ensures independent oversight of internal controls and risk management. Notwithstanding the delegated responsibilities, the Board affirms its responsibility for overseeing and ensuring a sound system of risk management and internal control for the Company. Such a system covers not only controls on the financial aspects, but also matters relating to operational, investment, risk management, and compliance with applicable laws, regulations and guidelines. Effective risk management helps the Company to achieve its optimal performance and profitability targets by incorporating risk information for decision-making. The Board has an established process for identifying, evaluating, prioritising and managing the significant risks faced by the Company. The Board, through the AC and SRMC, reviews this process every quarter. The Board is cognisant of the importance of having in place an integrated approach to manage key risks in achieving the Company's business objectives. The Board also recognises the fact that internal control systems are designed to manage and minimise rather than eliminate and avoid the occurrence of material misstatements, unforeseeable circumstances, fraud or losses.

Audit Committee

The key responsibility of the AC is to assist the Board in fulfilling the Board's statutory and fiduciary responsibilities of monitoring the Company's management of financial risk processes and quality of the Company's accounting function, financial reporting and the internal control systems. The AC reviews the Company's financial statements to enable a true and fair view of our financial position and compliance with applicable financial reporting standards.

The responsibilities of the AC are detailed on page 143 of this IAR 2025.

Sustainability and Risk Management Committee

The key responsibility of the SRMC is to assist the Board in fulfilling the Board's fiduciary responsibilities in governance, risk management and its related internal control systems and AEON's overall sustainability strategy and climate risks and opportunities. This involves the implementation of an effective ethics programme, monitoring compliance with established policies and procedures, develops high-level sustainability and climate risk strategies aligned with AEON's strategic business objectives as well as establishing robust processes to identify, manage, and monitor critical sustainability and climate risks and opportunities.

The SRMC also assists the Board in providing oversight, direction and counsel on the overall risk management process; establishing and reviewing the risk management framework, processes and responsibilities, as well as assessing whether they provide reasonable assurance that risks are managed within tolerable ranges. The SRMC is also entrusted to set the tone and culture towards effective risk management and control within the Company.



Statement on Risk Management and Internal Control

The Board has received assurance from the Managing Director and Deputy Managing Director that the Company's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Company during the financial year under review and up to the date of This Statement. In discharging its duties, the SRMC is supported and assisted by the SSC and the RMC.

The responsibilities of the SRMC are detailed on pages 143 to 144 of this IAR 2025.

MANAGEMENT'S RESPONSIBILITIES

The Management, through the RMC, recognises its responsibility to identify, evaluate, prioritise, mitigate, and continuously monitor the risks associated with the Company's system of internal controls. The RMC is tasked with implementing Board-approved frameworks, policies, and procedures related to risk management and internal controls. Additionally, the RMC is accountable for identifying, assessing, and monitoring risks that may hinder the achievement of the Company's goals and objectives.

The RMC's responsibilities include but are not limited to:

- To ensure the conduct of at least four meetings during the financial year to review existing risk profiles, continuously embed the risk management process to identify emerging risks, and propose actions for mitigation and subsequent monitoring;
- To conduct an annual review of the ERM Manual, including its framework, processes, risk appetite statement, and policies;
- Identify and determine ERM risks to maximise opportunity based on AEON's risk appetite statement;
- To ensure adequate controls and management action plans are in place and aligned to achieve the Company's Key Performance Indicators;
- Periodical review on major and serious workplace incidents and/or accidents to deliberate on additional preventive measures;
- Periodical updates on disciplinary, code of conduct and integrity-related cases (if any).

Risk Governance Structure

The company's risk governance structure sets out clear roles and responsibilities of the Board, the SRMC and the risk owners involved in assurance functions to support effective risk oversight and risk-based decision making. The Board retains ultimate responsibility for the Company's risk management and internal control system, with oversight delegated to the SRMC and AC in accordance with their respective Terms of Reference.

The Company adopts the Institute of Internal Auditor's (IIA) Three Lines Model. Business units and operational management act as the first line of defense, owning and managing risks and implementing management action plans. The Governance and Integrity Department serves as the second line of defense by facilitating the ERM framework, monitoring consistency of risk assessments and providing independent oversight. The Internal Audit Department functions as the third line of defense, providing independent assurance on the adequacy and effectiveness of the risk management and internal control system.

In addition, the risk governance framework is supported by risk monitoring indicators, including risk rating matrices, incident reporting, compliance indicators and management action plan tracking. These indicators enable risk trend analysis and are progressively enhanced to strengthen oversight of alignment with the approved risk appetite and tolerances.





Statement on Risk Management and Internal Control

Risk Appetite

The Company's risk appetite defines the level of risk that the Company is prepared to accept to achieve its objectives. The risk appetite statement serves as a guide for the Company in formulating and planning the risk-taking activities in line with the Company's mission and strategy.

AEON's Risk Appetite Statement includes measurable guidelines demonstrating AEON's risk tolerance levels. Risk tolerance is the boundary of risk-taking; outside of which, AEON is not prepared to accept. Any critical breach of risk tolerance limits will be reported immediately to the Board directly by the Chairman of the SRMC. Any breach will warrant one of the following:

- Review the effectiveness of internal control/mitigation action; or
- Recalibrate appetite or limits if they no longer reflect AEON's actual risk appetite

Key Risk	Risk Appetite Statement	Impact on Policy and Procedures
1 Product Quality	AEON does not tolerate any sub-standard/defective products which are sold by its business or its tenants which may cause any harm to its users or those who come in contact with it.	Policy on sourcing criteria, evaluation of product and suppliers. Dedicated subject matter expert in-house resources in monitoring requirements on critical areas such as food safety and hygiene and product compliance for Private Brand.
2 Health and Safety	AEON regards health and safety as a core indicator of its business success. AEON does not tolerate any activities where adequate measures in preventing foreseeable death/debilitating injuries was not deployed effectively.	Defines AEON's tolerance concerning health and safety risk. Reinforces the significance of AEON's Safety and Security, especially in terms of clarifying overall direction about Health and Safety standards.
3 People	AEON does not tolerate any labour exploitation within its business and among its suppliers and tenants. AEON commits itself to adhering to international standards on ethical labour standards, which are at a minimum guided by local laws and regulations.	Reinforces communication and monitoring of compliance with AEON's standards on ethical labour practices within the Company.
4 Integrity	AEON does not tolerate any bribery, fraud or other acts of corruption by its employees, agents, vendors and tenants when acting for or on behalf of AEON.	Reinforces the significance of AEON's MACC Integrity Pledge, which was undertaken by top management in the Company. Defines the stance undertaken and communicated to its stakeholders via the AEON Employee Handbook and Supplier Code of Conduct. AEON Industrial Relations Manual Guideline that stipulates the categories of misconduct, the internal process and procedures in managing employee misconduct.



Statement on Risk Management and Internal Control

Key Risk	Risk Appetite Statement	Impact on Policy and Procedures
5 Regulatory	AEON endeavours to comply with all relevant legislation and does not tolerate any significant non-compliance that leads to the loss of trust/reputation and/or imprisonment of officials in relation to their duty in/for AEON.	Various policies and procedures provide clarification and guidance in preventing any significant non-compliance, and where applicable, reference to provisions of laws deemed significant.
6 Natural Environment	AEON does not tolerate significant non-compliance practices that pollute the environment or endanger any wildlife contrary to environmental and conservation standards prescribed by local laws and/or which may cause public outrage.	Defines AEON's tolerance with regard to the impact of its operations and practices which may harm the environment.
7 Technology Disruption	AEON will seek to minimise the risk of technological disruption by continuously exploring synergetic opportunities with technological partners or other means in order to innovate its product offering as part of its digitalisation strategy.	Defines AEON's tolerance towards technology disruption arising from failure in embracing digitalisation.
8 Data Security	AEON does not tolerate any leakages of confidential information and/or illegal manipulation of legal information (e.g. customer and employees' personal data).	Defines AEON's tolerance to data leakages and/or illegal manipulation of information such as accounting records, personal data, etc. Clarifies AEON's mandate and direction in adopting best practices in strengthening cybersecurity.
9 Sustainability	AEON does not tolerate any practices that contradict our sustainability commitments, including environmental non-compliance, human rights violations, or governance failures. Sustainability is embedded in our risk management framework to ensure responsible and resilient business operations.	AEON's sustainability-related policies align with the ASC, which includes stringent ESG risk controls, sustainable procurement standards, ethical business practices, and continuous monitoring. Policies will be regularly reviewed to ensure adherence to evolving regulations, stakeholder expectations, and industry best practices.

Governance & Integrity Department (GID)

During FY2025, the Head of GID reported directly to the then Chief Human Resources Officer and was appointed as the Secretary of the RMC. On 16 October 2025, the Head of GID assumed the role of Acting Chief Human Resources Officer and continues to oversee the GID function.



Statement on Risk Management and Internal Control

Risk Management Policy

AEON Risk Management Policy governs the implementation of ERM as defined in the ERM Manual. The ERM framework is aligned with the principles and guidelines of ISO 31000: 2018 Risk Management and is embedded across the Company's business activities. The policy covers four key areas as follows:

- General Risk Policies – covering the relevance of the ERM framework, compliance with the ERM framework, awareness and capabilities, risk culture, application of risk management, ERM processes, consultation and communication, as well as the confidentiality and use of risk information.
- Risk Identification – includes triggers for risk identification and review, frequency of risk identification and review, approval of new risks and changes, and the appointment of risk owners.
- Risk Analysis and Assessment – encompasses risk analysis, review of risk analysis, risk assessment, aggregation of company-level risks, ensuring objectivity and robustness in risk analysis and assessment, as well as the approval of the risk register, risk treatment action plans, and key risk indicators.
- Risk Monitoring and Reporting – includes processes for risk monitoring and risk reporting.

Key Activities of FY2025

Some of the key activities of GID for FY2025 includes but are not limited to:

- Risk Engagements**
Engage with the Risk Champion Committee, comprising middle management representatives from each business unit, to lead robust discussions on risk identification, mitigation, and controls. This includes reviewing the Management Action Plan and conducting in-depth analyses of matters recorded in the risk registers.
- Operation Support**
Provide risk-related advice and guidance to operational leaders on matters related to risk management and the business continuity plan.
- Project Management**
 - Lead, plan, coordinate, and maintain continuous communication with Management, business units, and operational leaders to ensure that anti-bribery and integrity matters are well understood and effectively addressed.
 - Facilitate communication and promote anti-bribery and integrity practices among AEON employees. This includes disseminating the integrity video via email, incorporating it into the New Employee Orientation programme, and making it accessible on the iAEON app for convenient reference by all employees.

Risk Management Process



The above section sets out the Company's risk management process, encompassing an understanding of the business and operating environment, the establishment of risk ownership, identification of risks with potential adverse impact on the Company's objectives, root cause analysis, development of appropriate risk treatments, and ongoing quarterly monitoring and reporting.

Statement on Risk Management and Internal Control

The Company adopts the Risk and Control Self-Assessment (RCSA) methodology to support its risk management process at both the corporate and operational levels. Through the implementation of risk profiles, respective business units, including individual stores and shopping malls, identify and prioritise risks, implement appropriate mitigation strategies, and plan, evaluate, and continuously monitor controls.

CONTROL STRUCTURE AND ENVIRONMENT

THE INTERNAL CONTROL PROCESSES

The main key aspects of internal control processes are:

- The Company's management structure clearly defines lines of responsibility and delegation of authority across all aspects of its operations. Senior management and business unit managers submit and present operational performance reviews, business plans, and strategic initiatives to the ALC.
- The Board approves the annual budget, reviews key business indicators, and monitors the Company's performance on a quarterly basis.
- The Company's authorisation limits and approval thresholds form part of its internal control framework. These limits and thresholds are reviewed by Management periodically to reflect changes in business risks and operational requirements.
- The AC supports the Board in evaluating the effectiveness of the Company's internal control systems and overseeing the financial reporting process. In this regard, the AC reviews the adequacy and integrity of the internal control and management information systems, including compliance with applicable Malaysian laws, regulations, directives, and guidelines, primarily through the Internal Audit Department (IAD).
- The IAD conducts risk-based audits to assess the effectiveness of key internal controls and compliance with Company policies. The Head of IAD reports quarterly to the Audit Committee on significant internal control issues and the status of management's corrective actions.
- The AC reviews the statutory annual financial statements, as well as the quarterly financial reports, and recommends the same to the Board for approval prior to their announcement to Bursa Malaysia Securities Berhad.
- Project teams are established, as and when required, to address business and operational matters in support of the Company's objectives and operational requirements.

The Company has established an internal control structure and is committed to continuously evaluating, enhancing and maintaining the structure to ensure effective control over the Company's business operations as well as to safeguard the value and security of the Company's assets. There is a clearly defined operating structure with lines of responsibility and delegated authority to assist the Board in maintaining proper control. The key elements that support the control structure and environment are described as follows:

1. INTERNAL AUDIT

The IAD is an integral component of the Company's governance framework and reports functionally to the AC. The IAD provides independent and objective assurance on the adequacy and effectiveness of the Company's risk management, internal control, and governance processes through a systematic, disciplined, and risk-based approach.

The annual internal audit plan is developed based on key risk areas and is reviewed and approved by the AC.

The performance and conduct of the IAD are guided by the International Standards for the Professional Practice of Internal Auditing (the Standards) and the International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors (IIA). The IPPF serves as the conceptual framework that organises the authoritative guidance promulgated by the IIA. The IAD also aligns its practices with the MCCG.

Further details on the governance, independence, resources and competency of the Internal Audit function are disclosed in the Audit Committee Report of this IAR 2025.



Statement on Risk Management and Internal Control

2. DOCUMENTED INTERNAL POLICIES AND PROCEDURES

The Company periodically reviews, updates and establishes the internal policies and standard operating procedures for improvement and to reflect the changes in the business structure and processes as and when necessary. The main policies and procedures are as follows:

2.1 Whistleblowing Policy and Guidelines

As part of the Company's ongoing commitment to good corporate governance practices, the Company has established a Whistleblowing Policy and Procedures, which provide avenues for AEON People and members of the public to report any improper conduct or irregularities within the Company. The policy ensures that whistleblowers are protected against any form of reprisal or victimisation.

The Company is committed to upholding the highest standards of integrity, openness, and accountability in the conduct of its business and operations, and aspires to conduct its affairs in an ethical, responsible, and transparent manner.

The Whistleblowing Policy and Procedures can be viewed on the Company's website at: aeongroupmalaysia.com/sustainability-policies/

2.2 Anti-Bribery and Corruption Policy

Pursuant to the amendments to the MMLR of Bursa Malaysia Securities Berhad in relation to anti-corruption measures, the Company has established an Anti-Bribery and Corruption (ABC) Policy in accordance with the new Section 17A of the Malaysian Anti-Corruption Commission (MACC) (Amendment) Act 2018 on corporate liability for corruption with effect from 1 June 2020. The development of the ABC policy and procedures, at a minimum, is guided by the Adequate Procedures issued pursuant to Section 17A (5) of the MACC (Amendment) Act 2018. The Company is committed towards implementing the necessary actions to meet the requirements of the Adequate Procedures and will continuously enhance and promote measures for better governance and ethical culture at the workplace.

The ABC can be viewed on the Company's website at: aeongroupmalaysia.com/sustainability-policies/

2.3 AEON Code of Conduct (ACOC)

ACOC, which was established by AEON CO., LTD., Japan, has been adopted by the Board to support the Company's objectives, vision and values. The basic principles have been carried out by having appropriate regard to the interests of the Company's customers, shareholders, AEON people, business partners and the broader community in which the Company operates. All employees are briefed and provided with a copy of the ACOC on the commencement of their employment. The principles of ACOC are constantly made aware to employees through citations in employee assemblies. The Board recognises the importance of adherence to the ACOC by all personnel of the Company and has put in place the citation process to ensure its compliance. The Company further encourages its employees to provide feedback on any concerns regarding illegal or unethical conduct via its existing Code of Conduct Hotline.

Details of ACOC can be viewed on the Company's website at: aeongroupmalaysia.com/corporate-profile-governance/

2.4 Procurement Policy (Non-Trade)

Procurement procedures were reviewed in FY2025, with ongoing enhancements to the digital procurement platform (non-trade portal) to strengthen efficiency, transparency, and governance.



Statement on Risk Management and Internal Control

2.5 Sustainability and Climate Change Policy

To strengthen AEON's commitment to responsible and sustainable business practices, the Sustainability Policy and Climate Change Policy were established in 2022 to embed sustainability across the organisation and guide its sustainability agenda. In 2024, the policies were reviewed to ensure continued alignment with evolving sustainability trends, regulatory requirements, and stakeholder expectations.

The Sustainability and Climate Change Policy can be found on the Company's website at aeongroupmalaysia.com/sustainability-policies/

2.6 Disaster Recovery Plan

The Company has an established Disaster Recovery Plan (DRP) to strengthen IT security, safeguard systems, and support effective business continuity management. As part of its internal control monitoring, the Company engages its service providers to ensure that annual DRP exercises are conducted and that appropriate controls are in place

3. MONITORING AND REVIEW

The processes adopted to monitor and review the effectiveness of the internal control system include the following:

- All business units submit monthly Management Reports to their respective members of the ALC. These reports include reviews of actual performance against the preceding year and the approved budget, with significant variances explained and appropriate remedial actions identified and implemented.
- Quarterly risk reports are tabled and deliberated at the SRMC meetings before being escalated to the Board for further deliberation.
- Quarterly financial performance reports prepared by Management are tabled to the AC for review and, thereafter, recommended to the Board for approval.
- The AC meets at least once every quarter to review internal audit findings and to ensure that identified weaknesses in internal controls are appropriately addressed by Management. AC meetings are supported by the IAD in the following areas:
 - Audit issues are discussed with auditees and the respective ALCs, with recommendations provided to address identified control weaknesses;
 - Quarterly internal audit reports are submitted to the AC, highlighting audit findings, areas for improvement, management responses, and corrective actions relating to significant risks and internal control deficiencies; and
 - The Terms of Reference of the AC and the SRMC are reviewed periodically to ensure continued relevance and alignment with the prevailing business environment and applicable regulatory requirements, including the Malaysian Institute of Accountants' By-Laws.

Continuous efforts are undertaken to ensure the standardisation, timeliness, and comprehensiveness of key internal control procedures. The system of internal controls is supported by clear management oversight, including the involvement of the Board, and is designed to address the risks to which the Company is exposed.

4. ASSOCIATES

The disclosures in this Statement excludes the risk management and internal controls practices of the Company's associates.





Statement on Risk Management and Internal Control

5. REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide (AAPG) 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants (MIA) for inclusion in the annual report of the Company for the year ended 31 December 2025, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Company, in all material respects:

- has not been prepared in accordance with the disclosures required by Section 7 of the SORMIC Guide 2025, or
- is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Company's risk management and internal control system, including the assessment and opinion by the Board of Directors and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

6. CONCLUSION

For FY2025, the Board has monitored and reviewed the Company's risk management practices and the effectiveness of its internal control structure, in line with the adopted ERM framework. This framework encompasses processes for identifying, evaluating, and managing significant risks faced by the Company. As part of an ongoing process, the Board ensures continuous enhancement of key internal controls to adapt to changes in the business environment.

The Management supports the Board by implementing policies and procedures related to risk and control, including identifying and applying risk control measures to address relevant and significant risks impacting the Company. Where weaknesses are identified, corrective actions have been taken to address them effectively.

Based on assurances provided by the Managing Director and Deputy Managing Director, as well as the implementation of the risk management framework and internal control system, the Board is confident that the Company's risk management and internal control systems for the year under review, up to the date of issuance of the Company's financial statements, are adequate and effective in safeguarding shareholders' investments and the interests of all stakeholders.



Statement of Directors' Responsibility

Pursuant to paragraph 15.26(a) of the Main Market of Bursa Malaysia Securities Berhad

The Board of Directors is responsible for ensuring that the annual audited financial statements of the Company are prepared with reasonable accuracy from the accounting records so as to give a true and fair view of the financial position of the Company as at 31 December 2025, and of their performance and cash flows for the year then ended.

The Board is also responsible for ensuring that the annual audited financial statements of the Company are drawn up in accordance with the requirements of the approved Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board the requirements of the Companies Act 2016, the Listing Requirements of Bursa Malaysia Securities Berhad and other regulatory bodies.

In preparing the annual audited financial statements, the Directors have ascertained that the relevant accounting policies and reasonable prudent judgement and estimates have been consistently applied. The Directors also have a general responsibility for taking reasonable steps to safeguard the assets of the Company to prevent and detect fraud and other irregularities.



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BRINGING OUR BUSINESS VIRTUAL

At AEON, we are continuously adapting to fit our customers need. myAEON2go platform allows our customers to shop from the comfort of their own home. It's the same high-quality service and products, just made more convenient.



OUR INVESTMENT CASE

KEY MESSAGES

CREATING VALUE

CHAMPIONING SUSTAINABILITY

GOVERNANCE WITH INTEGRITY

FINANCIAL STATEMENTS

ADDITIONAL INFORMATION

Directors' Report

for the year ended 31 December 2025

The Directors have pleasure in submitting their report and the audited financial statements of the Company for the financial year ended 31 December 2025.

Principal activities

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

Ultimate holding company

The Company is a subsidiary of AEON CO., LTD., of which is incorporated in Japan and regarded by the Directors as the Company's ultimate holding company, during the financial year and until the date of this report.

Results

	RM'000
Profit for the year	133,781

Reserves and provisions

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

Dividend

Since the end of the previous financial year, a final dividend of 4.50 sen per ordinary share totalling RM63,180,000 has been paid by the Company in respect of the financial year ended 31 December 2024 as reported in the Directors' Report of that year on 19 June 2025.

A final dividend recommended by the Directors in respect of the financial year ended 31 December 2025 is 4.50 sen per ordinary share totalling RM63,180,000 subject to the approval of the members at the forthcoming Annual General Meeting of the Company.

Directors of the company

Directors who served during the financial year until the date of this report are:

Datuk Iskandar bin Sarudin
Chong Swee Ying
Dato' Merina binti Abu Tahir
Hisham bin Zainal Mokhtar
Jenifer Thien Bit Leong
Mohamad Abdul Naser bin Md Jaafar @ Yunus
Naoya Okada
Tsugutoshi Seko
Zaida Khalida binti Shaari
Hidekazu Iwaoka (Alternate Director to Tsugutoshi Seko) (Appointed on 1 March 2026)
Hiroaki Egawa (Resigned on 1 March 2026)

Directors' Report

for the year ended 31 December 2025

Directors' interests in shares

The interests and deemed interests in the ordinary shares and options over shares of the Company and of its related corporations of those who were Directors at financial year end (including the interests of the spouse or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares				At 31.12.2025
	At 1.1.2025	Bought	Share split	Sold	
Shareholdings in which Directors have direct interests					
Interest of Chong Swee Ying in:					
AEON CO. (M) BHD.	42,600	-	-	-	42,600
AEON Credit Service (M) Berhad	26,880	-	-	-	26,880
Interest of Naoya Okada in:					
AEON CO., LTD.	219,983	-	439,966	-	659,949
Interest of Hiroaki Egawa in:					
AEON CO., LTD.	300	200	1,000	-	1,500
Shareholdings in which a Director has deemed/ indirect interests					
Interest of Chong Swee Ying in*:					
AEON CO. (M) BHD.	11,000	-	-	-	11,000
AEON Credit Service (M) Berhad	6,440	-	-	-	6,440

* Deemed interest through her spouse's shareholdings pursuant to Section 59(11)(c) of the Companies Act 2016 in Malaysia.

None of the other Directors holding office at 31 December 2025 had any interest in the ordinary shares of the Company and 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 those shown below or the fixed salary of a full time employee of the Company or of related corporations) 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.



Directors' Report

for the year ended 31 December 2025

Directors' benefits (continued)

The Directors' benefits received or receivable by Directors in respect of the financial year ended 31 December 2025 are as follows:

	RM'000
Directors of the Company:	
Fees	1,070
Remuneration	1,075
Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	150
	2,295

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 and debentures

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

Indemnity and insurance costs

The Directors and officers of the Company are covered by Directors and Officers Liability Insurance ("D&O Insurance") for any liability incurred in the discharge of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The total amount of D&O insurance effected for the Directors and officers of the Company was RM11,000,000. The total amount of premium paid for D&O insurance effected for the Directors and officers of the Company was RM27,550. There were no indemnity given to/insurance effected for the auditors of the Company during the year.

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) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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 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

Directors' Report

for the year ended 31 December 2025

Other statutory information (continued)

- 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 financial performance of the Company for the financial year ended 31 December 2025 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, KPMG PLT, have indicated their willingness to accept re-appointment.

During the year, total fees for statutory audit services provided by the auditors amounted to RM330,000, while total fees for non-audit services amounted to RM165,000.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

.....
Datuk Iskandar bin Sarudin
Director

.....
Tsugutoshi Seko
Director

Kuala Lumpur

Date: 13 March 2026



Statement of Financial Position

as at 31 December 2025

	Note	2025 RM'000	2024 RM'000
Assets			
Property, plant and equipment	3	3,287,524	3,102,247
Right-of-use assets	4	1,107,967	1,163,129
Intangible assets	5	16,976	28,649
Investment in associates	6	25,764	2,017
Other investments	7	54,313	58,143
Other assets	8	17,039	26,003
Deferred tax assets	9	198,253	187,229
Total non-current assets		4,707,836	4,567,417
Inventories	10	658,606	614,143
Contract assets	11	19,204	18,456
Receivables, deposits and prepayments	12	60,222	60,222
Tax recoverable		-	3,166
Cash and cash equivalents	13	353,524	371,355
Total current assets		1,091,556	1,067,342
Total assets		5,799,392	5,634,759
Equity			
Share capital	14	702,000	702,000
Fair value reserve	14	52,283	57,113
Retained earnings		1,248,781	1,178,180
Equity attributable to equity holders of the Company		2,003,064	1,937,293
Liabilities			
Borrowings	15	560,000	590,000
Lease liabilities		1,423,503	1,494,058
Other liabilities	17	78,491	77,823
Total non-current liabilities		2,061,994	2,161,881
Borrowings	15	230,000	30,000
Lease liabilities		200,903	192,679
Payables and accruals	16	1,216,336	1,228,452
Contract liabilities	11	86,883	84,454
Current tax liability		212	-
Total current liabilities		1,734,334	1,535,585
Total liabilities		3,796,328	3,697,466
Total equity and liabilities		5,799,392	5,634,759

The notes on pages 174 to 224 are an integral part of these financial statements.

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2025

	Note	2025 RM'000	2024 RM'000
Revenue	18	4,288,866	4,261,525
Other operating income		32,477	32,516
Changes in inventories		44,463	60,768
Net purchases		(2,484,226)	(2,493,180)
Staff costs		(440,089)	(424,726)
Depreciation of property, plant and equipment	3	(250,400)	(247,708)
Depreciation of right-of-use assets	4	(173,341)	(157,328)
Amortisation of intangible assets	5	(14,867)	(15,079)
Net (impairment)/reversal of trade receivables	30.4	(5,644)	638
Operating expenses		(694,733)	(722,846)
Profit from operations	19	302,506	294,580
Finance income	20	11,757	7,732
Finance costs	20	(102,915)	(95,635)
Share of (loss)/profit of equity-accounted associates, net of tax	6	(753)	1,104
Profit before tax		210,595	207,781
Tax expense	22	(76,814)	(79,749)
Profit for the year		133,781	128,032
Other comprehensive income, net of tax			
Item that will not be reclassified subsequently to profit or loss			
Net change in fair value of equity investments designated at fair value through other comprehensive income ("FVOCI")	23	(4,830)	6,409
Total comprehensive income for the year		128,951	134,441
Basic earnings per ordinary share (sen)	24	9.53	9.12

The notes on pages 174 to 224 are an integral part of these financial statements.



Statement of Changes In Equity

for the year ended 31 December 2025

	Note	← Attributable to equity holders of the Company →			Total equity RM'000
		← Non-distributable →		Distributable	
		Share capital RM'000	Fair value reserve RM'000	Retained earnings RM'000	
At 1 January 2024		702,000	50,704	1,106,308	1,859,012
Net change in fair value of equity investments designated at FVOCI	23	-	6,409	-	6,409
Profit for the year		-	-	128,032	128,032
Total comprehensive income for the year		-	6,409	128,032	134,441
Final dividend in respect of the financial year ended 31 December 2023	25	-	-	(56,160)	(56,160)
At 31 December 2024/At 1 January 2025		702,000	57,113	1,178,180	1,937,293
Net change in fair value of equity investments designated at FVOCI	23	-	(4,830)	-	(4,830)
Profit for the year		-	-	133,781	133,781
Total comprehensive (expense)/income for the year		-	(4,830)	133,781	128,951
Final dividend in respect of the financial year ended 31 December 2024	25	-	-	(63,180)	(63,180)
At 31 December 2025		702,000	52,283	1,248,781	2,003,064
		Note 14	Note 14		

The notes on pages 174 to 224 are an integral part of these financial statements.

Statement of Cash Flows

for the year ended 31 December 2025

	Note	2025 RM'000	2024 RM'000
Cash flows from operating activities			
Profit before tax		210,595	207,781
<i>Adjustments for:</i>			
Amortisation of intangible assets	5	14,867	15,079
Depreciation of property, plant and equipment	3	250,400	247,708
Depreciation of right-of-use assets	4	173,341	157,328
Dividend income	7	(2,554)	(2,624)
Impairment of property, plant and equipment	3	1,046	6,182
Reversal on impairment of property, plant and equipment	3	(5,257)	(3,144)
Impairment of right-of-use assets	4	15,754	10,880
Reversal on impairment of intangible assets	5	-	(18)
Net impairment/(reversal) of trade receivables		5,644	(638)
Bad debts written off		73	19
Net loss/(gain) on lease derecognition		302	(6,990)
Net loss/(gain) on disposal of property, plant and equipment		3	(564)
Finance costs	20	102,915	95,635
Finance income	20	(11,757)	(7,732)
Net unrealised foreign exchange (gain)/loss		(175)	18
Property, plant and equipment written off		3,887	2,227
Intangible assets written off		-	25
Share of loss/(profit) of equity-accounted associates		753	(1,104)
Operating profit before changes in working capital		759,837	720,068
Changes in working capital:			
Inventories		(44,463)	(60,768)
Receivables, deposits and prepayments and other assets		6,358	41,053
Payables and accruals and other liabilities		(22,310)	34,345
Contract assets		(748)	(2,066)
Contract liabilities		2,429	2,803
Cash generated from operations		701,103	735,435
Tax paid		(84,460)	(85,467)
Net cash from operating activities		616,643	649,968
Cash flows from investing activities			
Acquisition of:			
- Property, plant and equipment		(431,667)	(238,230)
- Intangible assets	5	(2,671)	(4,404)
Deposits paid for land acquisition		-	(10,289)
Investment in other investments	7	(1,000)	-
Investment in associate	6	(24,500)	-
Proceeds from disposal of property, plant and equipment		12	1,867
Dividend received		2,554	2,624
Interest received		11,580	7,329
Net cash used in investing activities		(445,692)	(241,103)



Statement of Cash Flows

for the year ended 31 December 2025

	Note	2025 RM'000	2024 RM'000
Cash flows from financing activities			
Proceeds from borrowings		210,000	310,000
Repayment of borrowings		(40,000)	(109,995)
Dividend paid to owners of the Company		(63,180)	(56,352)
Payment of lease liabilities		(196,566)	(190,406)
Interest paid		(99,036)	(90,586)
Net cash used in financing activities		(188,782)	(137,339)
Net (decrease)/increase in cash and cash equivalents		(17,831)	271,526
Cash and cash equivalents at beginning of year		371,355	99,829
Cash and cash equivalents at end of year	13	353,524	371,355

Cash outflows for leases as a lessee

	2025 RM'000	2024 RM'000
Included in net cash from operating activities:		
Payment relating to short-term leases	9	734
Payment relating to low-value leases	751	1,050
Included in net cash from financing activities:		
Payment of lease liabilities	196,566	190,406
Interest paid in relation to lease liabilities	73,928	73,161
Total cash outflows for leases	271,254	265,351

Statement of Cash Flows

for the year ended 31 December 2025

Reconciliation of movements of liabilities to cash flows arising from financing activities

	At 1 January 2024 RM'000	At 31 December 2024/ 1 January 2025 RM'000	Net changes from financing cash flows RM'000	Net changes from Acquisition of new lease RM'000	At 31 December 2025 RM'000
Bank loans					
- unsecured Islamic Medium Term Notes	49,995	(49,995)	-	-	-
- unsecured Islamic Commercial Papers	370,000	220,000	200,000	-	790,000
- unsecured Lease liabilities	-	30,000	(30,000)	-	-
Total liabilities from financing activities	1,623,904	(190,406)	204,232	10,292	1,624,406
	2,043,899	9,599	204,232	10,292	2,414,406

The notes on pages 174 to 224 are an integral part of these financial statements.



OUR INVESTMENT CASE

KEY MESSAGES

CREATING VALUE

CHAMPIONING SUSTAINABILITY

GOVERNANCE WITH INTEGRITY

FINANCIAL STATEMENTS

ADDITIONAL INFORMATION

Notes to the Financial Statements

AEON CO. (M) BHD. is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad. The address of its registered office which is also the principal place of business is as follows:

3rd Floor, AEON Taman Maluri Shopping Centre
Jalan Jejaka, Taman Maluri
Cheras
55100 Kuala Lumpur

The financial statements of the Company for the financial year ended 31 December 2025 comprise the Company and the Company's interest in associates.

The Company is principally engaged in the operations of a chain of departmental stores and supermarkets selling a broad range of goods ranging from clothing, food, household goods, other merchandise and shopping centre operation.

The ultimate holding company during the financial year is AEON CO., LTD., a company incorporated in Japan.

These financial statements were authorised for issue by the Board of Directors on 13 March 2026.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Company:

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements – Volume 11:
 - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
 - Amendments to MFRS 7, *Financial Instruments: Disclosures*
 - Amendments to MFRS 9, *Financial Instruments*
 - Amendments to MFRS 10, *Consolidated Financial Statements*
 - Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*

Notes to the Financial Statements

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Translation to a Hyperinflationary Presentation Currency*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

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

The Company plans to apply the abovementioned accounting standards, interpretations and amendments according to their respective effective period.

The initial application of the abovementioned accounting standards and amendments is not expected to have any material financial impact to the current period and prior period financial statements of the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2. As at 31 December 2025, the Company's current liabilities exceeded its current assets by RM642,778,000 (2024: RM468,243,000).

In 2016, the Company has established an Islamic Commercial Papers Programme with a limit of up to RM300.0 million and an Islamic Medium Term Notes Programme with a limit of up to RM1.0 billion, under a combined master limit of up to RM1.0 billion in nominal value based on the Shariah principle of Murabahah via Tawarruq arrangement ("Sukuk Programme"). In 2023, Islamic Commercial Papers Programme has expired.

In 2024, the Company has established another Islamic Commercial Papers Programme and Islamic Medium Term Notes Programme with a combined aggregate limit of up to RM2.0 billion in nominal value based on the Shariah principle of Wakalah Bi Al-Istithmar ("Sukuk Wakalah Programme").

The Directors are of the opinion that the Company will be able to meet its liabilities as and when they fall due as there are sufficient unutilised facilities arising from the Sukuk Programme, Sukuk Wakalah Programme and other financing facilities as at the year end, coupled with the ability of the Company to generate sufficient operating cash flows based on the historical trend of positive operating cash flows.



Notes to the Financial Statements

1. Basis of preparation (continued)

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand ('000), unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRS Accounting Standards requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reporting period. It also requires Directors to exercise their judgement in the process of applying the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 3 & 4 - Measurement of the recoverable amounts of cash-generating units
- Note 4 - Extension options and incremental borrowing rates in relation to leases
- Note 2.7 & 10 - Inventories

2. Material accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, unless otherwise stated.

2.1 Accounting for investment in associates

Investment in associates are accounted for in the Company's financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transaction costs. The financial statements include the Company's share of the profit or loss and other comprehensive income of the associate, after adjustments if any, to align the accounting policies with those of the Company, from the date that significant influence commences until the date that significant influence ceases.

When the Company's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Company has obligation or has made payments on behalf of the associate.

When the Company ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in profit or loss.

Notes to the Financial Statements

2. Material accounting policies (continued)

2.1 Accounting for investment in associates (continued)

When the Company's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

2.2 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value through other comprehensive income which are recognised in other comprehensive income.

2.3 Financial instruments

2.3.1 Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

2.3.2 Financial instrument categories and subsequent measurement

The Company categorises financial instruments as follows:

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

Notes to the Financial Statements

2. Material accounting policies (continued)

2.3 Financial instruments (continued)

2.3.2 Financial instrument categories and subsequent measurement (continued)

2.3.2.1 Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2.10.1) where the effective interest rate is applied to the amortised cost.

2.3.2.2 Fair value through other comprehensive income- Equity investments

This category comprises investment in equity that is not held for trading, and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

2.3.2.3 Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is designated and effective hedging instrument). On initial recognition, the Company may irrevocably designates a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in profit or loss.

All financial assets, except for equity investments measured at fair value through other comprehensive income and investments measured at fair value through profit or loss, are subject to impairment assessment (see Note 2.10.1).

Notes to the Financial Statements

2. Material accounting policies (continued)

2.3 Financial instruments (continued)

2.3.2 Financial instrument categories and subsequent measurement (continued)

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gains or losses on derecognition are also recognised in profit or loss.

2.3.3 Derecognition

A financial asset or a part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2.3.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

2.4 Property, plant and equipment

2.4.1 Recognition and measurement

Freehold land and construction work-in-progress are stated at cost. Other items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within other operating income and operating expenses respectively in profit or loss.



Notes to the Financial Statements

2. Material accounting policies (continued)

2.4 Property, plant and equipment (continued)

2.4.2 Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

2.4.3 Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

• Leasehold land	74- 97 years
• Buildings	25- 50 years
• Structures	10 years
• Office equipment	10 years
• Machinery and equipment	3- 10 years
• Furniture, fixtures and fittings	5 years
• Motor vehicles	5 years
• IT equipment	3- 5 years

2.5 Leases

2.5.1 Recognition and initial measurement

2.5.1.1 As a lessee

The Company recognises a right-of-use (“ROU”) asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company’s incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Notes to the Financial Statements

2. Material accounting policies (continued)

2.5 Leases (continued)

2.5.1 Recognition and initial measurement (continued)

2.5.1.1 As a lessee (continued)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Company is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The Company excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Company has elected not to recognise ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.5.1.2 As a lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Company applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sublease as an operating lease.



Notes to the Financial Statements

2. Material accounting policies (continued)

2.5 Leases (continued)

2.5.2 Subsequent measurement

2.5.2.1 As a lessee

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of ROU assets are determined on the same basis as those of property, plant and equipment. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in profit or loss if the carrying amount of the ROU asset has been reduced to zero.

2.5.2.2 As a lessor

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of revenue.

2.6 Intangible assets

2.6.1 Recognition and measurement

Intangible assets represent software acquired by the Company and are measured at cost less any accumulated amortisation and any accumulated impairment losses.

2.6.2 Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

2.6.3 Amortisation

Intangible assets are amortised from the date they are available for use. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of the intangible assets.

The estimated useful lives for the current and comparative periods are as follows:

- Information technology software 5 years
- Franchise fees 10 years

Notes to the Financial Statements

2. Material accounting policies (continued)

2.7 Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined using the weighted average cost, derived through the Retail Inventory Method. Under this method, the cost of merchandise is estimated by applying the cost-to-retail ratio to the retail value of inventories.

The Company applied judgement and assumptions in determining the cost-to-retail ratio which is calculated based on the weighted average cost of goods available for sale and their corresponding retail values, taking into account normal markdowns, promotional discounts and stock losses.

Net realisable value represents the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

2.8 Contract asset/Contract liability

A contract asset is recognised when the Company's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9, *Financial Instruments* (see Note 2.10.1).

A contract liability is stated at cost and represents the obligation of the Company to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

2.9 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits placed with licensed banks, money market placements with non-financial institutions and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Company in the management of its short term commitments.

2.10 Impairment

2.10.1 Financial assets

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost and contract assets. Expected credit losses are a probability-weighted estimate of credit losses.

The Company measures loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information, where available.



Notes to the Financial Statements

2. Material accounting policies (continued)

2.10 Impairment (continued)

2.10.1 Financial assets (continued)

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

The Company estimates the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery amounts due.

2.10.2 Other assets

The carrying amounts of other assets (except for inventories, contract assets and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the 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 or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in the profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the cash-generating unit (groups of cash-generating units) on a *pro rata* basis.

Notes to the Financial Statements

2. Material accounting policies (continued)

2.10 Impairment (continued)

2.10.2 Other assets (continued)

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss 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. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

2.11 Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

2.12 Employee benefits

2.12.1 Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2.12.2 State plans

The Company's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Once the contributions have been paid, the Company has no further payment obligations.

2.13 Revenue and other income

2.13.1 Retail sales - goods sold and commission earned

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over a product or service to customer. An asset is transferred when the customer obtains control of the asset.



Notes to the Financial Statements

2. Material accounting policies (continued)

2.13 Revenue and other income (continued)

2.13.1 Retail sales- goods sold and commission earned (continued)

The Company transfers control of a good or service at a point in time unless one of the following overtime criteria is met:

- (a) the customer simultaneously receives and consumes the benefits provided as the Company performs;
- (b) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (c) the Company's performance does not create an asset with an alternative use and the Company has an enforceable right to payment for performance completed to date.

When the Company acts in a capacity of an agent rather than as the principal in a transaction, the revenue is recognised upon the sale of goods and is the net amount of commission made by the Company.

For items that are not sold separately – e.g. customer loyalty programme – the Company estimates stand-alone selling prices as follow:

Customer loyalty awards

The Company operates the customer loyalty programme and has transitioned this program to be managed by its related company. This program allows customers to accumulate points when they purchase products at the Company's stores and these points are redeemable for gift vouchers.

Revenue is recognised net of costs attributable to loyalty points earned by members who purchase the goods.

2.13.2 Property management services

Revenue from shopping mall operation which include fixed and variable rental income (including sales commission), service charge and car park charges. Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from sub-leased property is recognised as revenue.

2.13.3 Dividend income

Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

2.13.4 Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

Notes to the Financial Statements

2. Material accounting policies (continued)

2.14 Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

2.15 Income tax

Current tax and deferred tax expense are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.16 Earnings per ordinary share ("EPS")

No diluted EPS is disclosed in these financial statements as there are no dilutive potential ordinary shares.



Notes to the Financial Statements

2. Material accounting policies (continued)

2.17 Operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. Operating segment results are reviewed regularly by the chief operating decision maker, which in this case are the Managing Director and Board of Directors of the Company, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

2.18 Other liabilities

Provision for restoration costs

Provision for site restoration is recognised when there is a projected cost of dismantlement, removal or restoration as a consequence of using a leased property during a particular period. The provision is measured at the present value of the restoration cost expected to be paid upon termination of the lease agreement. The unwinding of the discount is recognised as finance cost.

2.19 Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statement of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2.20 Fair value measurements

Fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Company recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

Notes to the Financial Statements

3. Property, plant and equipment

	Land [^] RM'000	Buildings RM'000	Structures RM'000	Office equipment RM'000	Machinery and equipment RM'000	Furniture, fixtures and fittings RM'000	Motor vehicles RM'000	IT equipment RM'000	Construction work-in- progress RM'000	Total RM'000
Cost										
At 1 January 2024	818,808	2,161,136	811,473	17,614	1,866,948	651,515	7,555	102,930	77,471	6,515,450
Additions	-	28,092*	52,432	325	94,675	44,585	1,450	18,178	26,585	266,322
Disposals	-	-	(442)	(18)	(2,904)	(954)	(1,227)	(223)	-	(5,768)
Written off	-	(636)	(3,392)	(102)	(4,788)	(6,116)	-	(803)	-	(15,837)
Transfer between classes	-	-	6,430	49	12,362	6,410	134	322	(25,707)	-
Transfer to intangible assets (Note 5)	-	-	-	-	-	-	-	-	(43)	(43)
At 31 December 2024/ 1 January 2025	818,808	2,188,592	866,501	17,868	1,966,293	695,440	7,912	120,404	78,306	6,760,124
Additions	102,891 [#]	2,359*	36,103	134	80,607	34,501	442	9,887	167,102	434,026
Borrowing costs capitalised at 4.10% per annum	-	-	-	-	-	-	-	-	1,865	1,865
Disposals	-	-	-	-	-	(6)	-	(95)	-	(101)
Written off	-	(4,455)	(10,271)	(454)	(31,790)	(17,456)	-	(1,923)	(79)	(66,428)
Transfer between classes	-	-	10,831	87	11,392	6,101	-	2,439	(30,850)	-
Transfer to intangible assets (Note 5)	-	-	-	-	-	-	-	-	(523)	(523)
At 31 December 2025	921,699	2,186,496	903,164	17,635	2,026,502	718,580	8,354	130,712	215,821	7,128,963



Notes to the Financial Statements

3. Property, plant and equipment (continued)

	Land ^a RM'000	Buildings RM'000	Structures RM'000	Office equipment RM'000	Machinery and equipment RM'000	Furniture, fixtures and fittings RM'000	Motor vehicles RM'000	IT equipment RM'000	Construction work-in- progress RM'000	Total RM'000
Depreciation and impairment loss										
At 1 January 2024	63,187	567,900	578,539	15,176	1,491,889	582,210	6,077	84,000	-	3,388,978
- Accumulated depreciation	-	-	12,355	264	14,022	7,962	15	757	-	36,228
- Accumulated impairment loss	63,187	568,753	590,894	15,440	1,505,911	590,172	6,092	84,757	-	3,425,206
Depreciation for the year	5,430	54,156	50,118	554	102,865	26,401	638	7,546	-	247,708
Disposals	-	-	(224)	(8)	(1,958)	(862)	(1,227)	(186)	-	(4,465)
Written off	-	(140)	(2,367)	(94)	(4,286)	(5,986)	-	(737)	-	(13,610)
Impairment	-	2,703	1,315	11	1,951	139	-	63	-	6,182
Reversal of impairment	-	(251)	(1,017)	(11)	(1,606)	(180)	-	(79)	-	(3,144)
At 31 December 2024/ 1 January 2025	68,617	621,916	626,066	15,628	1,588,510	601,763	5,488	90,623	-	3,618,611
- Accumulated depreciation	-	3,305	12,653	264	14,367	7,921	15	741	-	39,266
- Accumulated impairment loss	68,617	625,221	638,719	15,892	1,602,877	609,684	5,503	91,364	-	3,657,877
Depreciation for the year	5,430	57,780	48,235	490	101,224	26,715	670	9,856	-	250,400
Disposals	-	-	-	-	-	-	-	(86)	-	(86)
Written off	-	(3,155)	(9,593)	(450)	(30,110)	(17,358)	-	(1,875)	-	(62,541)
Impairment	-	-	108	25	679	158	76	-	-	1,046
Reversal of impairment	-	(2,233)	(1,032)	(12)	(1,819)	(98)	-	(63)	-	(5,257)
At 31 December 2025	74,047	676,541	664,708	15,668	1,659,624	611,120	6,158	98,518	-	3,806,384
- Accumulated depreciation	-	1,072	11,729	277	13,227	7,981	91	678	-	35,055
- Accumulated impairment loss	74,047	677,613	676,437	15,945	1,672,851	619,101	6,249	99,196	-	3,841,439

3. Property, plant and equipment (continued)

	Land ^a RM'000	Buildings RM'000	Structures RM'000	Office equipment RM'000	Machinery and equipment RM'000	Furniture, fixtures and fittings RM'000	Motor vehicles RM'000	IT equipment RM'000	Construction work-in- progress RM'000	Total RM'000
Carrying amounts										
At 1 January 2024	755,621	1,592,383	220,579	2,174	361,037	61,343	1,463	18,173	77,471	3,090,244
At 31 December 2024/ 1 January 2025	750,191	1,563,371	227,782	1,976	363,416	85,756	2,409	29,040	78,306	3,102,247
At 31 December 2025	847,652	1,508,883	226,727	1,690	353,651	99,479	2,105	31,516	215,821	3,287,524

Included in property, plant and equipment are assets used in the Company's operations and assets leased to third parties under operating leases.

^a Included leasehold land defined under National Land Code 1965, with carrying amounts as at 31 December 2025 amounting to RM423,529,000 (2024: RM428,959,000) with remaining lease terms ranging from 58 to 89 years (2024: 59 to 90 years).

^{*} Addition under buildings consist of capitalisation of provision for restoration costs of RM2,359,000 (2024: RM28,092,000).

[#] The transfer of the land title located in Seremban, Negeri Sembilan, in favour of the Company is currently in progress. The Directors are of the opinion that the transfer will be completed in due course.

Notes to the Financial Statements



Notes to the Financial Statements

3. Property, plant and equipment (continued)

3.1 Impairment loss

At the end of the reporting period, the Company determined whether its retail stores and shopping malls have indication of impairment. Where such indicators exist, the recoverable amount of the loss-making retail stores and shopping malls are estimated for impairment testing.

For each identified retail store and shopping mall, their property, plant and equipment and ROU assets were assessed as a group of assets that generates cash inflows for the retail store and shopping mall, respectively. In determining the recoverable amount of the retail stores and shopping malls, Management exercises judgement in estimating the future cash flows and determines an appropriate amount of discount rate. Changes in these assumptions may affect the carrying amount of the retail stores and shopping malls. The identified retail stores and shopping malls' recoverable amounts were determined based on their value in use. Impairment loss was recognised when the carrying amounts of the identified retail stores and shopping malls exceed their recoverable amounts.

During the year, impairment loss and reversal of impairment loss with respect to the plant and equipment for retail stores and shopping mall amounting to RM1,046,000 (2024: RM6,182,000) and RM5,257,000 (2024: RM3,144,000) respectively were recognised in profit or loss.

The recoverable amounts amounted to RM38,322,000 (2024: RM73,293,000) in aggregate, determined by way of value in use, were calculated by discounting the future cash flows expected to be generated from the continuing use of the retail stores and shopping malls and were based on the following key assumptions:

- Cash flows were projected based on past experience, actual operating results and business plan of the Company for a period up to the maximum lease term of the retail stores and shopping malls. This maximum lease term is consistent with the tenure used in the calculation of right-of-use assets as disclosed in Note 4. Management believes that this forecast period was justified due to management's intention to renew and operate the retail stores and shopping malls up to the maximum lease term.
- The anticipated compound annual revenue growth rates included in the cash flow projections were between 0.4% to 9.5% (2024: 0.9% to 7.9%) based on average growth trends over the years and management's assessment of future trends in the retail industry.
- A pre-tax discount rate of 10.23% (2024: 10.22%) was applied in determining the recoverable amount of the retail stores and shopping malls.

The values assigned to the key assumptions represent management's assessment of future trends in the retail industry and are based on both external sources and internal sources (historical data) of information.

The above estimates are particularly sensitive to compound annual revenue growth rate and discount rate. A decrease of 1% (2024: 1%) of the compound annual revenue growth rate or increase of 1% (2024: 1%) of discount rate would result in additional impairment loss.

Notes to the Financial Statements

4. Right-of-use assets

	Note	Land and buildings RM'000	Equipment RM'000	Total RM'000
At 1 January 2024		1,071,108	-	1,071,108
Additions		56,512	-	56,512
Depreciation		(157,328)	-	(157,328)
Remeasurement		204,232	-	204,232
Derecognition		(515)	-	(515)
Impairment	4.4	(10,880)	-	(10,880)
At 31 December 2024/1 January 2025		1,163,129	-	1,163,129
Additions		4,858	5,434	10,292
Depreciation		(172,812)	(529)	(173,341)
Remeasurement		125,043	-	125,043
Derecognition		(1,402)	-	(1,402)
Impairment	4.4	(15,754)	-	(15,754)
At 31 December 2025		1,103,062	4,905	1,107,967

The Company leases a number of retail stores, shopping malls and equipment that run between one year and twelve years, with an option to renew the lease after that date. Lease payments are increased every three to five years to reflect current market rentals.

4.1 Variable lease payments based on sales

Some leases of retail stores contain variable lease payments that are based on sales that the Company makes at the store. Those payments are common in retail stores operated by the Company. Fixed and variable rental payments were as follows.

	Fixed payments RM'000	Variable payments RM'000	Total payments RM'000	Estimated annual impact on rent of a 1% increase in sales RM'000
<i>Leases with lease payments based on sales</i>				
2025	76,369	794	77,163	8
2024	65,143	3,204	68,347	32

Notes to the Financial Statements

4. Right-of-use assets (continued)

4.2 Extension options

Some leases of retail stores and shopping malls contain extension options exercisable by the Company of up to fifteen years (2024: fifteen years) before the end of the non-cancellable contract period. Where applicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Company and not by the lessors. The Company assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control. Remeasurement during the year arose from reassessment of extension options affecting lease term.

	Lease liabilities recognised (discounted) RM'000	Potential future lease payments not included in lease liabilities (discounted) RM'000
2025		
Land and buildings	598,102	729,649
2024		
Land and buildings	693,095	874,893

4.3 Significant judgements and assumptions in relation to leases

The Company assesses at lease commencement by applying judgement whether it is reasonably certain to exercise the extension options. The Company considers all facts and circumstances including past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help determine the lease term.

The Company also applied judgement and assumptions in determining the incremental borrowing rates of the respective leases. The Company first determines the closest available borrowing rates before using judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

4.4 Impairment loss

During the year, impairment loss on ROU assets for retail stores and shopping malls amounting to RM15,754,000 (2024: RM10,880,000) was recognised in operating expenses in profit or loss.

Details on the impairment testing approach and key assumptions of the recoverable amounts are disclosed in Note 3.1.

The key assumptions as disclosed in Note 3.1 are sensitive to compound annual revenue growth rate and discount rate. A decrease of 1% (2024: 1%) of the compound annual revenue growth rate or increase in 1% (2024: 1%) of discount rate would result in additional impairment loss.

Notes to the Financial Statements

5. Intangible assets

	Information technology software RM'000	Franchise fees RM'000	Total RM'000
Cost			
At 1 January 2024	124,697	-	124,697
Additions	3,927	477	4,404
Transfer from property, plant and equipment (Note 3)	43	-	43
Written off	(312)	-	(312)
At 31 December 2024/1 January 2025	128,355	477	128,832
Additions	2,671	-	2,671
Transfer from property, plant and equipment (Note 3)	523	-	523
Written off	(96)	-	(96)
At 31 December 2025	131,453	477	131,930
Amortisation and impairment loss			
At 1 January 2024			
- Accumulated amortisation	85,251	-	85,251
- Accumulated impairment loss	158	-	158
	85,409	-	85,409
Amortisation for the year	15,071	8	15,079
Written off	(287)	-	(287)
Reversal of impairment	(18)	-	(18)
At 31 December 2024/1 January 2025			
- Accumulated amortisation	100,035	8	100,043
- Accumulated impairment loss	140	-	140
	100,175	8	100,183
Amortisation for the year	14,819	48	14,867
Written off	(96)	-	(96)
At 31 December 2025			
- Accumulated amortisation	114,758	56	114,814
- Accumulated impairment loss	140	-	140
	114,898	56	114,954
Carrying amounts			
At 1 January 2024	39,288	-	39,288
At 31 December 2024/1 January 2025	28,180	469	28,649
At 31 December 2025	16,555	421	16,976



Notes to the Financial Statements

6. Investment in associates

	2025 RM'000	2024 RM'000
Unquoted shares	33,300	8,800
Share of post-acquisition reserves	(7,536)	(6,783)
	25,764	2,017

Details of the associates are as follows:

Name of associates	Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2025 %	2024 %
AEON360 Sdn. Bhd. ("A360")	Malaysia	Loyalty programme management	49	-
AEON Fantasy (Malaysia) Sdn. Bhd. ("AFM")	Malaysia	Operating indoor amusement park business	20	20

All associates are audited by another firm of accountants and equity accounted based on management accounts.

The summarised financial information of the Company's investment in associates are as follows:

	AFM RM'000	A360 RM'000	Total RM'000
2025			
Summarised financial information			
As at 31 December			
Non-current assets	146,167	245	146,412
Current assets	55,215	47,917	103,132
Non-current liabilities	(53,978)	-	(53,978)
Current liabilities	(116,846)	(1,555)	(118,401)
Net assets	30,558	46,607	77,165
Year ended 31 December			
Revenue	162,880	-	162,880
Profit/(Loss) from continuing operations	4,549	(3,393)	1,156
Reconciliation of net assets to carrying amount as at 31 December			
Company's share of net assets	6,112	22,837	28,949
Share of gain of disposal of business	(3,185)	-	(3,185)
Carrying amount in the statement of financial position	2,927	22,837	25,764
Company's share of results for the year ended 31 December	910	(1,663)	(753)

Notes to the Financial Statements

6. Investment in associates (continued)

	AFM RM'000
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2024**Summarised financial information****As at 31 December**

Non-current assets	115,036
Current assets	46,731
Non-current liabilities	(34,742)
Current liabilities	(101,016)
Net assets	26,009

Year ended 31 December

Revenue	152,596
Profit from continuing operations	5,518

Reconciliation of net assets to carrying amount as at 31 December

Company's share of net assets	5,202
Share of gain of disposal of business	(3,185)
Carrying amount in the statement of financial position	2,017

Company's share of results for the year ended 31 December

1,104

7. Other investments

	Note	2025 RM'000	2024 RM'000
Non-current			
Quoted equity in Malaysia- Fair value through other comprehensive income	7.1	53,313	58,143
Other investment		1,000	-
		54,313	58,143

7.1 Equity investments designated at fair value through other comprehensive income

The Company designated the investments in equity security shown below as fair value through other comprehensive income because this equity security represents investment that the Company intends to hold for long-term strategic purposes.

	Fair value at 31 December 2025 RM'000	Dividend income recognised during 2025 RM'000	Fair value at 31 December 2024 RM'000	Dividend income recognised during 2024 RM'000
AEON Credit Service (M) Berhad	53,313	2,554	58,143	2,624



Notes to the Financial Statements

8. Other assets

Other assets included rental and utility deposits relating to leased properties, and deposits for acquisition of land. The rental and utility deposits are in substance prepayments as they are offset against the rental payable towards the end of the lease term under the usual circumstances.

On 4 June 2024, the Company entered into a Sale and Purchase Agreement with Real Attraction Sdn. Bhd. in respect of the acquisition of land located in Seremban, Negeri Sembilan. Included in other assets in 2024, is deposit paid of RM10,295,000 in respect of the acquisition of land. The amount has been transferred to property, plant and equipment upon fulfilment of conditions precedent for the land acquisition in 2025.

9. Deferred tax assets

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Property, plant and equipment						
- capital allowance	41,029	28,816	-	-	41,029	28,816
- revaluation	-	-	(5,614)	(5,738)	(5,614)	(5,738)
Right-of-use assets	-	-	(265,736)	(279,241)	(265,736)	(279,241)
Lease liabilities	389,858	403,541	-	-	389,858	403,541
Provisions	17,863	19,576	-	-	17,863	19,576
Contract liabilities	20,853	20,275	-	-	20,853	20,275
Net deferred tax assets/(liabilities)	469,603	472,208	(271,350)	(284,979)	198,253	187,229

Movement in temporary differences during the year

	Recognised in profit or loss		Recognised in profit or loss		At 31.12.2025 RM'000
	At 1.1.2024 RM'000	(Note 22) RM'000	At 31.12.2024/ 1.1.2025 RM'000	(Note 22) RM'000	
Property, plant and equipment					
- capital allowance	21,530	7,286	28,816	12,213	41,029
- revaluation	(5,862)	124	(5,738)	124	(5,614)
Right-of-use assets	(257,082)	(22,159)	(279,241)	13,505	(265,736)
Lease liabilities	388,461	15,080	403,541	(13,683)	389,858
Provisions	16,529	3,047	19,576	(1,713)	17,863
Contract liabilities	19,572	703	20,275	578	20,853
	183,148	4,081	187,229	11,024	198,253

Notes to the Financial Statements

10. Inventories

	2025 RM'000	2024 RM'000
Retail merchandise	295,025	269,956
Food and others	363,581	344,187
	658,606	614,143
Recognised in profit or loss:		
Inventories recognised as an expense	2,438,453	2,428,813
Write-down of inventory	1,310	3,599

The write-down of inventory is included in changes in inventories.

11. Contract assets/(liabilities)

	2025 RM'000	2024 RM'000
Contract assets	19,204	18,456
Contract liabilities	(86,883)	(84,454)

The contract assets primarily relate to the Company's rights to consideration for the revenue earned but not yet billed at the reporting date, where billing is subject to receipt and verification of relevant supporting information. Typically, the amount will be billed within 30 days and payment is expected within 90 days.

The contract liabilities relate to unutilised cash vouchers. The amount will be recognised as revenue when cash vouchers are utilised by customers, which is expected to occur over the next two years.

	2025 RM'000	2024 RM'000
Unutilised cash vouchers	86,883	84,454

Movement in contract liabilities

The following table shows reconciliation from the opening balance to the closing balance for contract liabilities and its components.

	Unutilised cash vouchers RM'000
At 1 January 2024	81,651
Additions	158,501
Utilisation/Expired	(155,698)
At 31 December 2024/1 January 2025	84,454
Additions	156,171
Utilisation/Expired	(153,742)
At 31 December 2025	86,883

Notes to the Financial Statements

12. Receivables, deposits and prepayments

	Note	2025 RM'000	2024 RM'000
Trade			
Trade receivables		34,313	35,810
Amount due from a related company	12.1	7,518	5,846
		41,831	41,656
Non-trade			
Other receivables		4,974	3,769
Prepayments		6,902	8,051
Amounts due from related companies	12.1	6,515	6,746
		18,391	18,566
		60,222	60,222

12.1 Amounts due from related companies

The trade amount due from a related company is unsecured, interest free and subject to normal trade terms.

The non-trade amounts due from related companies are unsecured, interest free and repayable on demand.

13. Cash and cash equivalents

	2025 RM'000	2024 RM'000
Cash and bank balances	36,492	64,449
Money market placements with a non-financial institution	208,132	120,606
Deposits placed with licensed banks	108,900	186,300
	353,524	371,355

14. Capital and reserves

Share capital

	2025		2024	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares				
At 1 January/31 December	1,404,000	702,000	1,404,000	702,000

Notes to the Financial Statements

14. Capital and reserves (continued)

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of equity investments designated at fair value through other comprehensive income until the investments are derecognised or impaired.

15. Borrowings

	Note	2025 RM'000	2024 RM'000
Non-current			
Islamic Medium Term Notes – unsecured	15.1	560,000	590,000
Current			
Islamic Medium Term Notes – unsecured	15.1	230,000	-
Islamic Commercial Papers - unsecured	15.2	-	30,000
		230,000	30,000
		790,000	620,000

15.1 The unsecured Islamic Medium Term Notes bear interest ranging from 3.79% to 4.41% (2024: 4.00% to 4.41%) per annum and are repayable within 3 to 7 years (2024: 3 to 5 years) from issuance date.

15.2 There were no outstanding unsecured Islamic Commercial Papers as at 31 December 2025. The unsecured Islamic Commercial Papers as at 31 December 2024 bear interest of 3.88% per annum and repayable within 6 months from issuance date.

15.3 Significant financial covenants in connection with the Sukuk Programme and Sukuk Wakalah Programme include the Company maintaining a debt to equity ratio not exceeding 1.0 to 1.25 times (2024: 1.0 to 1.25 time) throughout the programme tenure. As at the end of the reporting period, the Company has complied with these requirements.

Notes to the Financial Statements

16. Payables and accruals

	Note	2025 RM'000	2024 RM'000
Trade			
Trade payables		625,745	638,002
Amount due to a related company	16.1	329	281
		626,074	638,283
Non-trade			
Other payables and accrued expenses	16.2	260,137	252,181
Rental and utility deposits		281,816	271,698
Amount due to holding company	16.1	17,026	17,778
Amount due to associates	16.1	2,388	2,222
Amount due to related companies	16.1	28,895	46,290
		590,262	590,169
		1,216,336	1,228,452

16.1 Amounts due to holding company, associates and related companies

The trade amount due to a related company is unsecured, interest free and subject to normal trade terms.

The non-trade amount due to holding company, associates and related companies are unsecured, interest free and repayable on demand, except for a non-trade amount due to a related company, which related to the deferred payment plan of nil (2024: RM4,881,000) for the acquisition of intangible assets that is unsecured, interest free and repayable on annual basis up to year 2025.

16.2 Other payables and accrued expenses

Included in other payables and accrued expenses is accrued interest of RM13,915,000 (2024: RM11,179,000).

16.3 Supplier financing arrangement

The Company participates in a supplier financing arrangement ("SFA") where its suppliers may opt-in to receive early payment of their invoices from the bank by factoring their receivables from the Company. Under the arrangement, the bank agrees to pay a participating supplier in respect of invoices owed by the Company and receives settlements from the Company at a later date. The principal purpose of this arrangement is to facilitate efficient payment processing and enable the willing suppliers to sell their receivables due from the Company to the bank before their due date.

The Company has not derecognised the original liabilities to which the arrangement applies because neither a legal release was obtained nor the original liability was substantially modified on entering into the arrangement. From the Company's perspective, the arrangement does not significantly extend payment terms beyond the normal terms agreed with other suppliers that are not participating. The Company does not incur any additional interest towards the bank on the amounts due to the suppliers. The Company therefore continue to disclose the amounts factored by suppliers within trade payables because the nature and function of the financial liability remain the same as those of other trade payables but discloses disaggregated amounts in the notes. All payables under the SFA are classified as current as at 31 December 2025.

Notes to the Financial Statements

16. Payables and accruals (continued)

16.3 Supplier financing arrangement (continued)

	Total SFA trade payables RM'000	Not yet paid by finance provider RM'000	Paid by finance provider RM'000
At 31 December 2025	30,302	-	30,302
At 31 December 2024	25,858	-	25,858

Range of payment due dates (after invoice date)

	Trade payables that are part of SFA	Comparable trade payables that are not part of SFA
At 31 December 2025/31 December 2024	30 – 90 days	30 – 90 days

The payments to the bank are included within operating cash flows because they continue to be part of the normal operating cycle to the Company and their principal nature remains operating – i.e. payments for the purchased goods and services. The payments to suppliers by the bank are considered non-cash transactions and amounted to RM133,792,000 (2024: RM133,986,000).

17. Other liabilities

Provision for restoration costs

	2025 RM'000	2024 RM'000
At 1 January	77,823	48,447
Provision made during the year	2,359	28,092
Provision utilised during the year	(2,004)	(707)
Provision reversed during the year	(2,696)	(63)
Unwinding of discount	3,009	2,054
At 31 December	78,491	77,823

Under the provision of lease agreements, the Company has an obligation to dismantle and remove structures on the site and restore those sites at the end of the lease term to an acceptable condition. The liabilities for restoration are recognised at present value of the compounded future expenditure estimated using current price and discounted using a discount rate of 3.93% (2024: 4.24%).



Notes to the Financial Statements

18. Revenue

	2025 RM'000	2024 RM'000
Sale of goods	3,071,182	3,069,998
Net commission from concessionaire sales	368,607	397,233
Property management services	794,677	745,092
Others	54,400	49,202
	4,288,866	4,261,525
Revenue from contracts with customers	3,652,223	3,661,899
Revenue from other sources of income	636,643	599,626
	4,288,866	4,261,525
Timing of recognition:		
At a point in time	3,429,887	3,458,415
Over time	858,979	803,110
	4,288,866	4,261,525

Nature of goods and services relating to revenue from contracts with customers

The following information reflects the typical transactions of the Company:

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds
Sale of goods and net commission from concessionaire sales	Revenue is recognised at the point in time when the goods are accepted by the customers at the stores of the Company. When the Company acts in the capacity of an agent rather than as principal, the revenue is recognised at the point in time when the goods are accepted by the customers and is the net amount of commission made.	Cash term.	Customers may earn loyalty points where the costs attributed to the loyalty points will be recognised net of revenue.	The Company allows returns for exchange with new goods under normal circumstances within 14 days from the date of purchase.
Property management services	Service charge and promotion fee are recognised over time based on the terms of the service.	Credit period of 30 days from invoice date.	Not applicable.	Not applicable.

Notes to the Financial Statements

19. Profit from operations

	2025 RM'000	2024 RM'000
Profit from operations is arrived at after charging/(crediting)		
Auditors' remuneration		
- Audit fees		
- KPMG PLT Malaysia	330	330
- Non-audit fees		
- KPMG PLT Malaysia	21	21
- Local affiliates of KPMG PLT in Malaysia	144	116
Material expenses/(income)		
Amortisation of intangible assets	14,867	15,079
Bad debts written off	73	19
Depreciation of property, plant and equipment	250,400	247,708
Depreciation of right-of-use assets	173,341	157,328
Dividend income	(2,554)	(2,624)
Intangible assets written off	-	25
Litigation related expenses	4,000	22,566
Net (gain)/loss on foreign exchange		
- Realised	(7,440)	(1,329)
- Unrealised	(175)	18
Net loss/(gain) on lease derecognition	302	(6,990)
Net loss/(gain) on disposal of property, plant and equipment	3	(564)
Personnel expenses (including key management personnel):		
- Contributions to Employees Provident Fund	50,442	47,859
- Wages, salaries and others	389,647	376,867
Property, plant and equipment written off	3,887	2,227
Net (reversal)/ impairment of:		
- Intangible assets	-	(18)
- Property, plant and equipment	(4,211)	3,038
- Right-of-use assets	15,754	10,880
- Trade receivables	5,644	(638)
Royalty expenses	16,808	20,039
Expenses arising from leases		
Expenses relating to short-term leases	9	734
Expenses relating to low-value leases	751	1,050



Notes to the Financial Statements

20. Finance income and finance costs

	2025 RM'000	2024 RM'000
Finance income		
Interest income of financial assets that are carried at amortised cost	11,757	7,732
Finance costs		
Interest expense:		
- Financial liabilities that are carried at amortised cost	25,978	20,420
- Lease liabilities	73,928	73,161
- Other finance costs	3,009	2,054
	102,915	95,635
Recognised in profit or loss	102,915	95,635
Capitalised on qualifying asset:		
Property, plant and equipment	1,865	-

21. Key management personnel compensation

The key management personnel compensations are as follows:

	2025 RM'000	2024 RM'000
Directors:		
Fees	1,070	1,070
Remuneration	1,075	1,163
Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	150	165
	2,295	2,398

Notes to the Financial Statements

22. Tax expense

	2025 RM'000	2024 RM'000
Current tax expense		
- Current year	90,174	85,967
- Over provision in prior year	(2,336)	(2,137)
	87,838	83,830
Deferred tax expense		
- Reversal of temporary differences	(11,759)	(5,221)
- Under provision in prior year	735	1,140
	(11,024)	(4,081)
Tax expense	76,814	79,749
Reconciliation of tax expense		
Profit before tax	210,595	207,781
Tax calculated using Malaysian tax rate of 24% (2024: 24%)	50,543	49,867
Non-deductible expenses	29,687	32,003
Non-taxable income	(1,815)	(1,124)
	78,415	80,746
(Over)/Under provided in prior year		
- Current tax expense	(2,336)	(2,137)
- Deferred tax expense	735	1,140
Tax expense	76,814	79,749

23. Other comprehensive income

	2025		2024	
	Before tax RM'000	Net of tax RM'000	Before tax RM'000	Net of tax RM'000
Item that will not be reclassified subsequently to profit or loss				
Net change in fair value of equity investments at fair value through other comprehensive income	(4,830)	(4,830)	6,409	6,409



Notes to the Financial Statements

24. Earnings per ordinary share

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share was based on the profit attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the period.

	2025 RM'000	2024 RM'000
Profit for the year attributable to owners of the Company	133,781	128,032
	2025 '000	2024 '000
Weighted average number of ordinary shares at 31 December	1,404,000	1,404,000
	2025 Sen	2024 Sen
Basic earnings per ordinary share	9.53	9.12

Diluted earnings per ordinary share

There is no dilution in earnings per share as there is no potential dilutive ordinary shares.

25. Dividend

Dividend recognised by the Company is as follows:

	Sen per share	Total amount RM'000	Date of payment
2025			
Final 31.12.2024 dividend	4.50	63,180	19 June 2025
2024			
Final 31.12.2023 dividend	4.00	56,160	20 June 2024

After the end of the reporting period, the following dividend was recommended by the Directors. The dividend will be recognised in subsequent financial period upon approval by the shareholders of the Company.

	Sen per share	Total amount RM'000
Final 31.12.2025 dividend	4.50	63,180

Notes to the Financial Statements

26. Operating segments

The Company has two main reportable segments, as described below, which are based on the Company's management and internal reporting structure. Results from each of the segments are reviewed regularly by the Managing Director and the Board of Directors of the Company.

Reportable segments

The two main reportable segments are:

Retailing The operations of a chain of departmental stores and supermarkets selling a broad range of goods ranging from clothing, food, household goods and other merchandise.

Property management services Shopping mall operation.

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 comprise mainly interest-earning assets and interest income, loans and borrowings and unallocated common expenses and tax assets and liabilities. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, right-of-use assets and intangible assets.

Notes to the Financial Statements

26. Operating segments (continued)

	Retailing		Property management services		Total	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Business segments						
Revenue from external customers	3,501,111	3,524,570	787,755	736,955	4,288,866	4,261,525
Total revenue	3,501,111	3,524,570	787,755	736,955	4,288,866	4,261,525
Segment profit	22,849	75,752	322,127	282,374	344,976	358,126
Less: Unallocated expenses					(42,470)	(63,546)
Profit from operations					302,506	294,580
Finance income					11,757	7,732
Finance costs					(102,915)	(95,635)
Share of results of equity-accounted associates, net of tax					(753)	1,104
Profit before tax					210,595	207,781
Tax expense					(76,814)	(79,749)
Profit for the year					133,781	128,032
Segment assets	1,483,783	1,507,462	3,800,324	3,629,996	5,284,107	5,137,458
Unallocated assets					515,285	497,301
Total assets					5,799,392	5,634,759
Segment liabilities	(1,193,971)	(1,254,734)	(1,733,655)	(1,744,909)	(2,927,626)	(2,999,643)
Unallocated liabilities					(868,702)	(697,823)
Total liabilities					(3,796,328)	(3,697,466)
Additions to non-current assets other than financial instruments and deferred tax assets	119,261	243,670	329,593	83,568	448,854	327,238
Depreciation and amortisation	161,930	148,461	276,678	271,654	438,608	420,115
Reversal on impairment of intangible assets	-	(18)	-	-	-	(18)
Impairment of property, plant and equipment	1,046	6,182	-	-	1,046	6,182
Reversal on impairment of property, plant and equipment	(2,568)	(3,144)	(2,689)	-	(5,257)	(3,144)
Impairment of right-of-use assets	15,754	2,500	-	8,380	15,754	10,880
Write-down of inventory	1,310	3,599	-	-	1,310	3,599

Geographical segment

There is no geographical information as the Company is predominantly operating in Malaysia.

Notes to the Financial Statements

27. Capital management

The Company's objectives when managing capital is to maintain a strong capital base and safeguard the Company's ability to continue as a going concern, so as to maintain investors, creditors and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio and meet regulatory requirement.

There were no changes in the Company's approach to capital management during the year. Under the requirement of Bursa Malaysia Practice Note 17, the Company is required to maintain shareholders' equity equal to or not less than 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

28. Capital commitments

	2025 RM'000	2024 RM'000
Property, plant and equipment		
<i>Contracted but not provided for</i>	231,565	115,446

29. Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the parties are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel include all the Directors of the Company.

The Company has related party relationship with its holding company, related companies and associates.

Notes to the Financial Statements

29. Related parties (continued)

Significant related party transactions

The significant related party transactions of the Company (other than key management personnel compensation as disclosed in Note 21) are shown below. The balances related to the below transactions are shown in Notes 12 and 16.

	Transactions amount for the year ended 31 December		Balance outstanding at 31 December	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Holding company:				
Royalty expenses	(15,857)	(18,196)	(15,256)	(16,586)
Related companies:				
Sales collected through AEON Credit Service (M) Berhad payment services	1,899,410	1,595,951	8,352	5,846
Rental income	8,512	11,028	59	837
Sale of goods	2,306	2,729	381	602
Support services	717	544	131	-
Management fee	13,065	13,703	3,248	731
Trustee fee	31	31	-	-
Credit card sales commission expenses	(11,235)	(9,347)	-	-
Supply chain and distribution centre management fee	(73,416)	(70,578)	(12,565)	(18,534)
Purchase of inventories	(13,722)	(11,250)	(20)	(310)
Facility management services	(70,280)	(56,122)	(10,090)	(9,362)
Rental expenses	(17,669)	(17,481)	(4)	-
Royalty expenses	(638)	(1,723)	(162)	(1,003)
Loyalty point cost and service cost	(13,497)	(12,192)	(2,258)	(5,491)
Associates:				
Purchase of inventories	(39)	(74)	-	(22)
Rental income	16,731	14,222	368	99

The related party transactions described above were carried out on agreed terms with related parties. All the amounts outstanding are unsecured and expected to be settled in cash.

Notes to the Financial Statements

30. Financial instruments

30.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (a) Amortised cost ("AC");
- (b) Fair value through profit or loss ("FVTPL"); and
- (c) Fair value through other comprehensive income ("FVOCI")
 - Equity investment designated upon initial recognition ("EIDUIR")

	Carrying amount RM'000	AC RM'000	FVTPL RM'000	FVOCI- EIDUIR RM'000
2025				
Financial assets				
Other investments	54,313	-	1,000	53,313
Receivables and deposits (excluding prepayments)	53,320	53,320	-	-
Cash and cash equivalents	353,524	145,392	208,132	-
	461,157	198,712	209,132	53,313
Financial liabilities				
Borrowings	(790,000)	(790,000)	-	-
Payables and accruals	(1,216,336)	(1,216,336)	-	-
	(2,006,336)	(2,006,336)	-	-
2024				
Financial assets				
Other investments	58,143	-	-	58,143
Receivables and deposits (excluding prepayments)	52,171	52,171	-	-
Cash and cash equivalents	371,355	250,749	120,606	-
	481,669	302,920	120,606	58,143
Financial liabilities				
Borrowings	(620,000)	(620,000)	-	-
Payables and accruals	(1,228,452)	(1,228,452)	-	-
	(1,848,452)	(1,848,452)	-	-



Notes to the Financial Statements

30. Financial instruments (continued)

30.2 Net gains and losses arising from financial instruments

	2025 RM'000	2024 RM'000
Net gains/(losses) on:		
Equity investment designated at fair value through other comprehensive income		
- recognised in other comprehensive income	(4,830)	6,409
- recognised in profit or loss	2,554	2,624
Financial assets at amortised cost	7,071	7,672
Financial liabilities at amortised cost	(18,363)	(19,109)
	(13,568)	(2,404)

30.3 Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

30.4 Credit risk

Credit risk is the risk of a financial loss to the Company if a customer, tenant or counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk arise from its shopping mall tenants and credit card receivables. There are no significant changes as compared to prior periods.

Trade receivables and contract assets*Risk management objectives, policies and processes for managing the risk*

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on shopping mall tenants. The Company requires all tenants to place adequate security deposits as stipulated under the tenancy agreement. In terms of its credit card receivables, which are from financial institutions, the Company has in place an ongoing process to monitor closely and ensure risk exposure is always minimal.

At each reporting date, the Company assesses whether any of the trade receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

Notes to the Financial Statements

30. Financial instruments (continued)

30.4 Credit risk (continued)

Trade receivables and contract assets (continued)*Exposure to credit risk and credit quality and collateral*

As at the end of the reporting period, the Company does not have any major concentration of credit risk and the maximum exposure to credit risk arising from trade receivables and contract assets is represented by the carrying amounts in the statement of financial position.

These receivables are credit card receivables from financial institutions and receivables from shopping mall tenants. The tenants are required to place adequate security deposits as stipulated under the tenancy agreement which act as collateral if receivables due from the tenants are not settled or in case of breaches of contract. Hence, credit risk with respect to receivables from shopping mall tenants is limited to amounts beyond the collaterals.

Recognition and measurement of impairment losses

In managing credit risk of trade receivables, the Company manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 120 days. The Company's debt recovery process is as follows:

- Above 90 days past due after credit term, the Company will start to initiate a structured debt recovery process which is monitored by the tenant management team; and
- Above 180 days past due, the Company will commence a legal proceeding against the customer.

The Company uses an allowance matrix to measure expected credit losses ("ECLs") of trade receivables. Consistent with the debt recovery process, invoices which are past due 90 days will be considered as credit impaired.

Loss rates are calculated using a roll rate method based on the probability of a receivable progressing through successive stages of delinquency to 90 days past due.

Loss rates are based on actual credit loss experience over the past two years. The Company also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Company's view of economic conditions over the expected lives of the receivables. Nevertheless, the Company believes that these factors are immaterial for the purpose of impairment calculation for the year.



Notes to the Financial Statements

30. Financial instruments (continued)

30.4 Credit risk (continued)

*Trade receivables and contract assets (continued)**Recognition and measurement of impairment losses (continued)*

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets which are grouped together as they are expected to have similar risk nature.

	Gross carrying amount RM'000	Loss allowance* RM'000	Net balance RM'000
2025			
Current (not past due)	26,228	-	26,228
1- 30 days past due	3,380	(672)	2,708
31- 60 days past due	2,554	(508)	2,046
61- 90 days past due	2,070	(412)	1,658
	34,232	(1,592)	32,640
Credit impaired			
More than 90 days past due	24,684	(4,908)	19,776
Individually impaired	16,259	(15,158)	1,101
	75,175	(21,658)	53,517
Trade receivables	55,971	(21,658)	34,313
Contract assets	19,204	-	19,204
	75,175	(21,658)	53,517
Collateralised trade receivables			
- Where no loss allowance recognised	14,863	-	14,863
- Where loss allowance recognised	21,997	(8,520)	13,477
	36,860	(8,520)	28,340

Notes to the Financial Statements

30. Financial instruments (continued)

30.4 Credit risk (continued)

*Trade receivables and contract assets (continued)**Recognition and measurement of impairment losses (continued)*

	Gross carrying amount RM'000	Loss allowance* RM'000	Net balance RM'000
2024			
Current (not past due)	29,092	-	29,092
1- 30 days past due	2,947	(681)	2,266
31- 60 days past due	1,775	(410)	1,365
61- 90 days past due	1,239	(287)	952
	35,053	(1,378)	33,675
Credit impaired			
More than 90 days past due	25,126	(5,810)	19,316
Individually impaired	12,342	(11,067)	1,275
	72,521	(18,255)	54,266
Trade receivables	54,065	(18,255)	35,810
Contract assets	18,456	-	18,456
	72,521	(18,255)	54,266
Collateralised trade receivables			
- Where no loss allowance recognised	20,819	-	20,819
- Where loss allowance recognised	17,442	(8,270)	9,172
	38,261	(8,270)	29,991

* The Company takes into account security deposits in determining the loss allowance to be provided as at financial year end.

Trade receivables which are credit impaired amounting to RM21,997,000 (2024: RM17,442,000) are partially collateralised in the form of security deposit as stipulated in the lease agreement. Impairment loss has been provided after taking into consideration of the collateral value of the security deposit of RM13,477,000 (2024: RM9,172,000).

There are trade receivables where the Company has not recognised any loss allowance as the trade receivables are supported by security deposits in managing exposure to credit risk.

Notes to the Financial Statements

30. Financial instruments (continued)

30.4 Credit risk (continued)

Trade receivables and contract assets (continued)*Recognition and measurement of impairment losses (continued)*

The movements in loss allowance in respect of trade receivables during the year are shown below:

	Trade receivables		Total RM'000
	Lifetime ECL RM'000	Credit impaired RM'000	
Balance at 1 January 2024	8,472	12,302	20,774
Net reversal of impairment	(509)	(129)	(638)
Written off	(775)	(1,106)	(1,881)
Balance at 31 December 2024/1 January 2025	7,188	11,067	18,255
Net impairment	1,151	4,493	5,644
Written off	(1,839)	(402)	(2,241)
Balance at 31 December 2025	6,500	15,158	21,658

Cash and cash equivalents

The cash and cash equivalents are held with licensed banks and a non-financial institution. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These licensed banks have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Company is of the view that the loss allowance is not material and hence, it is not provided for.

Amount due from related companies

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position. Generally, the Company considers balances with related companies have low credit risk. The Company assumes that there is a significant increase in credit risk when a related company's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the related company balance when they are payable, the Company considers the balances to be in default when the related companies are not able to pay when demanded.

At the end of the reporting period, the Company does not recognise any allowance for impairment loss.

Other receivables

Credit risks on other receivables are mainly arising from sundry receivable. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position. The Company does not consider it necessary to recognise any allowance for impairment losses.

Notes to the Financial Statements

30. Financial instruments (continued)

30.5 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's exposure to liquidity risk arise principally from its various payables, loans and borrowings.

Risk management objectives, policies and processes for managing the risk

The Company monitors and maintains a level of cash and cash equivalents, and banking facilities that are deemed adequate by management for the Company's operational needs and mitigate effects of fluctuations in cash flows and liquidity. The Company's deposits are also placed with licensed banks which is highly liquid.

In 2016, the Company has established an Islamic Commercial Papers Programme with a limit of up to RM300.0 million and an Islamic Medium Term Notes Programme with a limit of up to RM1.0 billion, under a combined master limit of up to RM1.0 billion in nominal value based on the Shariah principle of Murabahah via Tawarruq arrangement ("Sukuk Programme"). In 2023, Islamic Commercial Papers Programme has expired.

In 2024, the Company has established another Islamic Commercial Papers Programme and Islamic Medium Term Notes Programme with a combined aggregate limit of up to RM2.0 billion in nominal value based on the Shariah principle of Wakalah Bi Al-Istithmar ("Sukuk Wakalah Programme").

The Directors are of the opinion that the Company will be able to meet its liabilities as and when they fall due as there are sufficient unutilised facilities arising from the Sukuk Programme, Sukuk Wakalah Programme and other financing facilities as at the year end, coupled with the ability of the Company to generate sufficient operating cash flows based on the historical trend of positive operating cash flows.

It is not expected that the cash flows included in maturity analysis could occur significantly earlier, or at significantly different amounts.

Maturity analysis

The table below summarises the maturity profile of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000	2 to 5 years RM'000	After 5 years RM'000
2025						
Islamic Medium Term Notes	790,000	3.79 - 4.41	906,519	262,228	429,089	215,202
Lease liabilities	1,624,406	3.14 - 10.00	2,051,780	267,416	979,143	805,221
Payables and accruals	1,216,336	-	1,216,336	1,216,336	-	-
	3,630,742		4,174,635	1,745,980	1,408,232	1,020,423
2024						
Islamic Commercial Papers	30,000	3.88	30,000	30,000	-	-
Islamic Medium Term Notes	590,000	4.00 - 4.41	678,371	24,954	653,417	-
Lease liabilities	1,686,737	3.86 - 5.35	2,072,475	264,732	968,787	838,956
Payables and accruals	1,228,452	-	1,228,452	1,228,452	-	-
	3,535,189		4,009,298	1,548,138	1,622,204	838,956



Notes to the Financial Statements

30. Financial instruments (continued)

30.6 Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and other prices that will affect the Company's financial position or cash flows.

30.6.1 Interest rate risk

The Company's fixed rate borrowings are exposed to a risk of change in their fair values due to changes in interest rates. Interest-earning financial assets are mainly deposits placed with licensed bank that generates interest income.

Risk management objectives, policies and processes for managing the risk

The management monitors closely the prevailing interest rates at regular intervals and ensure that the Company obtains competitive rates for its banking facilities, interest earning deposits, long term and short term borrowings.

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.

Exposure to interest rate risk

The interest rate profile of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period were:

	2025 RM'000	2024 RM'000
Fixed rate instruments		
<i>Financial asset</i>		
Deposits placed with licensed banks	108,900	186,300
<i>Financial liabilities</i>		
Islamic Commercial Papers	-	(30,000)
Islamic Medium Term Notes	(790,000)	(590,000)
Lease liabilities	(1,624,406)	(1,686,737)
	(2,414,406)	(2,306,737)
	(2,305,506)	(2,120,437)

Notes to the Financial Statements

30. Financial instruments (continued)

30.6 Market risk (continued)

30.6.1 Interest rate risk (continued)

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Company does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

30.6.2 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.

30.6.3 Other price risk

Equity price risk arises from the Company's investments in equity securities.

Risk management objectives, policies and processes for managing the risk

The Company's equity investments are monitored regularly and subject to periodical review. Transaction decisions are approved by the Board of Directors.

Equity price risk sensitivity analysis

A 1% (2024: 1%) increase in the market price of the investment as at the end of the reporting period would have increased equity by RM533,000 (2024: RM581,000). A 1% (2024: 1%) decrease in market price would have had equal but opposite effect on equity.





Notes to the Financial Statements

30. Financial instruments (continued)

30.7 Fair value of financial instruments

30.7.1 Fair value information

The carrying amounts of cash and cash equivalents, short term receivables, short term borrowings and payables reasonably approximate their fair values due to the relatively short term nature of these financial instruments. The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value RM'000	Carrying amount RM'000
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
2025								
Financial assets								
Investment in quoted equities	53,313	-	-	-	-	-	53,313	53,313
Other investment	-	-	-	1,000	-	1,000	1,000	1,000
	53,313			53,313			54,313	54,313
Financial liability								
Borrowings	-	-	-	(786,955)	-	-	(786,955)	(790,000)
2024								
Financial asset								
Investment in quoted equities	58,143	-	-	-	-	-	58,143	58,143
Financial liability								
Borrowings	-	-	-	(618,424)	-	-	(618,424)	(620,000)



Notes to the Financial Statements

30. Financial instruments (continued)

30.7 Fair value of financial instruments (continued)

30.7.1 Fair value information (continued)

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Investment in quoted equities

The fair value of investment in quoted equities is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2024: no transfer in either directions).

Level 3 fair value

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

Financial instruments not carried at fair value

Type	Description of valuation technique and inputs used
Other investment	Transaction price used as a proxy for fair value due to the absence of observable market inputs and the high degree of uncertainty in estimating key unobservable assumptions.
Borrowings	Discounted cash flows using a rate based on the current market rate of similar borrowings of the Company at the reporting date.

31. Material litigation

On 2 March 2021, the Company received a legal suit from Betanaz Properties Sdn. Bhd. ("Betanaz"). Betanaz alleged that the Company breached the Tenancy Agreement dated 24 August 2017 ("Tenancy Agreement") for wrongfully terminated the Tenancy Agreement. Betanaz is seeking for, among others, the following reliefs:

- (i) Rental payment for the tenancy period between 1 April 2020 to 17 December 2021 and for the initial term of ten (10) years of the lease amounting to a total sum of RM59,302,302.97; or
- (ii) Expenditure allegedly incurred by Betanaz for the project, including site clearance and earthworks, consultancy fees, financing costs and other incidental costs arising from the banking facilities and other costs amounting to RM18,936,207.76.



Notes to the Financial Statements

31. Material litigation (continued)

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

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

On 16 December 2024, the Kuala Lumpur High Court delivered the decision as follows:

- a. The claim on judgement sum of RM59,302,302.97 was not allowed;
- b. The claim on the final judgement for RM18,678,255.27 against the Company was allowed, together with interest at the rate of 5% per annum from 1 March 2021 until the full payment is paid ("Interest");
- c. Costs to be paid by the Company to Betanaz and AZRB amounting to RM200,000 and RM100,000 respectively, within 45 days from 16 December 2024; and
- d. The Company's counterclaim against Betanaz and AZRB was dismissed.

On 23 December 2024, the Company had filed both the Notice of Appeal and the Stay Application for a stay of execution of the High Court's decision. The Court of Appeal has fixed the case management date on 25 March 2025.

On 7 January 2025, the High Court had granted the Company a conditional stay, pending appeal, and the following payments have been remitted on 22 January 2025:

- a. Judgement sum amounting to RM18,678,255.27, together with Interest to Betanaz's solicitors as stakeholders in an interest-bearing account; and
- b. Legal costs for the sum of RM200,000.00 awarded to Betanaz and RM100,000.00 to AZRB respectively.

On 25 March 2025, the Court of Appeal fixed a further case management date on 21 April 2025 and during the case management on 21 April 2025, the Court of Appeal has fixed the Hearing date for the Appeal on 17 March 2026.

Based on the advice by the Company's lawyers, with due respect to the judgement of the High Court, the Directors are of the view that Betanaz is not entitled to the above reliefs delivered on 16 December 2024 because the Tenancy Agreement and Commercial Agreement dated 24 August 2017 had been rendered void due to the expiry of the conditional periods on 23 October 2020 and 23 January 2020 respectively.

Statement by Directors

pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 168 to 224 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2025 and of its financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

.....
Datuk Iskandar bin Sarudin
 Director

.....
Tsugutoshi Seko
 Director

Kuala Lumpur

Date: 13 March 2026

Statutory Declaration

pursuant to Section 251(1)(b) of the Companies Act 2016

I, Tan Ai Lee, the officer primarily responsible for the financial management of AEON CO. (M) BHD., do solemnly and sincerely declare that the financial statements set out on pages 168 to 224 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Tan Ai Lee, at Kuala Lumpur in the Federal Territory on 13 March 2026.

.....
Tan Ai Lee
 (MIA Number: 54653)

Before me:



OUR INVESTMENT
CASE

KEY
MESSAGES

CREATING
VALUE

CHAMPIONING
SUSTAINABILITY

GOVERNANCE
WITH INTEGRITY

FINANCIAL
STATEMENTS

ADDITIONAL
INFORMATION

Independent Auditors' Report

to the Members of AEON CO. (M) BHD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of AEON CO. (M) BHD., which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 168 to 224.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

i) Impairment of property, plant and equipment and right-of-use assets

Refer to Note 2.4 – Material accounting policy: Property, plant and equipment, Note 2.5 – Material accounting policy: Leases, Note 3 – Property, plant and equipment and Note 4 – Right-of-use assets.

The key audit matter

In light of the industry and business environment which the Company operates in, there were significant balances of property, plant and equipment and right-of-use assets amounting to RM3,287,524,000 and RM1,107,967,000 which represented approximately 57% and 20% of the Company's total assets, respectively as at 31 December 2025. There is a risk that the carrying amounts of certain assets may be higher than the recoverable amount as a result of certain loss making stores and malls. The determination of whether an impairment charge for property, plant and equipment and right-of-use assets is necessary involved significant judgement about the future results of the business and assessment of future plans for those loss-making stores and malls.

Independent Auditors' Report

to the Members of AEON CO. (M) BHD.

Key Audit Matters (continued)

i) Impairment of property, plant and equipment and right-of-use assets (continued)

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- Evaluated the assessment performed by the Company on the indicators of impairment of property, plant and equipment and right-of-use assets to determine whether the relevant internal and external factors have been considered.
- Assessed the discounted cash flow projections for stores and malls with indicators of impairment prepared by the Company by performing the following procedures:
 - evaluated the impairment test model by comparing it with the requirements of the relevant accounting standards;
 - evaluated the appropriateness of the key assumptions used in particular those relating to revenue growth rate, gross profit margin and discount rate with reference to internal and external sources of information;
 - tested historical forecasting accuracy by comparing the forecasted results used in the discounted cash flow prepared in the prior year against current year performance; and
 - performed sensitivity analysis on the key assumptions such as revenue growth rate, gross profit margin and discount rate to consider the extent of change in those key assumptions that either individually or collectively would require the property, plant and equipment or right-of-use assets to be impaired or further impaired, if any.
- Assessed the adequacy of the Company's disclosures in respect of impairment of property, plant and equipment and right-of-use assets including those key assumptions to which the outcome of the impairment test is most sensitive.

ii) Costing and valuation of inventories

Refer to Note 2.7 – Material accounting policy: Inventories and Note 10 – Inventories.

The key audit matter

The Company held significant inventory balances as at 31 December 2025 of RM658,606,000 which represented approximately 11% of the Company's total assets. Inventories are valued using weighted average cost of merchandise derived using the Retail Inventory Method ("RIM"). Allowance is made against inventories on the estimated losses related to shrinkage and slow moving or obsolete inventories. The valuation of inventories is a key audit matter because of the judgement involved in assessing the level of allowance required. The use of RIM in inventory costing requires certain assumptions on the consistent mark up across all products in current and prior periods.





Independent Auditors' Report

to the Members of AEON CO. (M) BHD.

Key Audit Matters (continued)

ii) Costing and valuation of inventories (continued)

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- Tested the design and implementation and assessed the operating effectiveness of system calculation controls over the weighted average cost of inventories derived using RIM.
- Assessed the relevant inputs used in the computation of weighted average cost of inventories derived using RIM by vouching to supporting documents or by comparing to historical data and other collaborative evidence available.
- Evaluated the design and implementation and tested the operating effectiveness of the controls over the approval process for retail price alteration of merchandise as well as approval process for stock loss adjustments.
- Obtained an understanding of the Company's process in identifying inventories which value required to be written down due to slow-moving or obsolescence and assessed on a sample basis, the adequacy of the amount written down by reference to historical data and current retail prices.
- On a sample basis, compared the carrying value of the inventory items at reporting date to retail price subsequent to year end to ascertain that the value is at the lower of carrying amount and net realisable value.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in Directors' Report and Statement on Risk Management and Internal Control (but does not include the financial statements of the Company and our auditors' report thereon), which we obtained prior to the date of this auditors' report, and the remaining parts of the annual report, which are expected to be made available to us after that date.

Our opinion on the financial statements of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining parts of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors of the Company and take appropriate actions in accordance with approved standards on auditing in Malaysia and International Standards on Auditing.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.



Independent Auditors' Report

to the Members of AEON CO. (M) BHD.

Responsibilities of the Directors for the Financial Statements (continued)

In preparing the financial statements of the Company, the Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the company audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the financial statements of the Company. We are responsible for the direction, supervision and review of the audit work performed for purposes of the company audit. We remain solely responsible for our audit opinion.





Independent Auditors' Report

to the Members of AEON CO. (M) BHD.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Petaling Jaya, Malaysia

Date: 13 March 2026

Nabeel bin Ghazi
Approval Number: 03850/10/2026 J
Chartered Accountant



Additional Compliance Information

Pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

1. MATERIAL CONTRACTS

There were no material contracts entered into by the Company involving Directors' and major shareholders' interest which were still subsisting as at the end of the financial year under review or which were entered into since the end of the previous financial year (not being contracts entered into in the ordinary course of business) except as disclosed below and in Note 29 to the financial statements under "Related Parties" on pages 211 to 212 of this IAR 2025.

2. AUDIT AND NON-AUDIT FEES

For the financial year ended 31 December 2025, the amount of audit and non-audit fees paid by the Company to the External Auditors and its affiliates are as follows:

	RM'000
Audit Service rendered	330
Non-audit services rendered	165
Total	495

During the financial year, the amount incurred in respect of non-audit related fees amounted to RM165,000 which comprised mainly assignments for tax consultation advisory fee and Statement on Risk Management and Internal Control review.

3. UTILISATION OF PROCEEDS

There were no proceeds raised from any proposal during the financial year.

4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

At the 40th Annual General Meeting held on 22 May 2025, the Company obtained shareholders' mandate to allow the Company to enter into recurrent related party transactions of a revenue or trading nature. The disclosure of the recurrent related party transactions conducted during the financial year ended 31 December 2025 is set out on pages 211 to 212 of this IAR 2025.

5. DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Company's business activities and interest-based financial position.

(a) Total Income and Total Assets

	2025 RM'000	2024 RM'000
Total Income		
Revenue	4,288,866	4,261,525
Other income	29,923	29,892
Interest/Finance income	11,757	7,732
Dividend income	2,554	2,624
Share of (loss)/profit of associates	(753)	1,104
Total	4,332,347	4,302,877
Total Assets	5,799,392	5,634,759



Additional Compliance Information

Pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

(b) Business Activities

	2025 RM'000	2024 RM'000
Shariah Non-Compliant Activities		
Liquor/alcoholic beverages and related products and activities	83,762	82,119
Pork, non-halal food and related products and activities	6,829	6,188
Tobacco, cigarette, electronic cigarettes and their related products and activities	559	818
Rental income received from tenant involved in Shariah non-compliant activities	65,091	63,912
Interest income	5,997	6,775
Dividend income received from conventional instruments	2,554	2,624
Others*	910	1,103
Total	165,702	163,539

* Share of profit of associates

(c) Component of Financial Position

(i) Cash Component

	2025 RM'000	2024 RM'000
Islamic Account/Instruments		
Money market instruments	208,132	120,606
Cash in hand	5,686	5,700
Total Cash	213,818	126,306
Conventional Account/Instruments		
Deposits with licensed bank	134,223	236,868
Cash at bank	5,483	8,181
Total Cash	139,706	245,049

(ii) Debt Component

	2025 RM'000	2024 RM'000
Islamic Financing		
Current		
Islamic Medium Term Notes	230,000	-
Islamic Commercial Papers	-	30,000
Non-current		
Islamic Medium Term Notes	560,000	590,000
Total Financing	790,000	620,000
Conventional Borrowing		
Current	N/A	N/A
Non-current	N/A	N/A
Total Debt	N/A	N/A

Analysis of Shareholdings

As at 16 March 2026

Issued Share Capital : RM702,000,000 comprising 1,404,000,000 Ordinary Shares

Voting Rights : 1 vote per Ordinary Share

Analysis by Size of Shareholdings

(Based on the Record of Depositors of the Company)

Size of Shareholdings	No. of Shareholders/ Depositors	% of Shareholders/ Depositors	No. of Shares held	% of Shares held
1 – 99	1,274	10.240	8,155	0.000
100 – 1,000	3,822	30.721	1,973,230	0.141
1,001 – 10,000	5,045	40.552	23,153,263	1.649
10,001 – 100,000	1,905	15.312	59,182,436	4.215
100,001 – 70,199,999*	394	3.167	603,642,916	42.995
70,200,000 and above**	1	0.008	716,040,000	51.000
Total	12,441	100.000	1,404,000,000	100.000

* Less than 5% of issued shares

** 5% and above of issued shares

Substantial Shareholders

(Based on Register of Substantial Shareholders of the Company)

No.	Name	No. of Shares			
		Direct Interest	%	Indirect Interest	%
1	AEON CO., LTD.	730,440,000	52.026	-	-
2	Employees Provident Fund Board	107,564,700	7.661	-	-
3	Lembaga Tabung Haji	71,388,100	5.085	-	-

Directors' Interest

(Based on Register of Directors' Shareholdings of the Company)

No.	Name	No. of Shares			
		Direct Interest	%	Indirect Interest	%
1	Chong Swee Ying	42,600	0.003	11,000	0.001
2	Dato' Merina Binti Abu Tahir	-	-	-	-
3	Datuk Iskandar Bin Sarudin	-	-	-	-
4	Hisham Bin Zainal Mokhtar	-	-	-	-
5	Jenifer Thien Bit Leong	-	-	-	-
6	Mohamad Abdul Naser Bin Md Jaafar @ Yunus	-	-	-	-
7	Naoya Okada	-	-	-	-
8	Tsugutoshi Seko	-	-	-	-
9	Zaida Khalida Binti Shaari	-	-	-	-
10	Hidekazu Iwaoka (Alternate Director to Tsugutoshi Seko)	-	-	-	-

* Indirect interest pursuant to Section 59(11)(c) of the Companies Act 2016



Analysis of Shareholdings

As at 16 March 2026

List of 30 Largest Shareholders

(Without aggregating securities from different securities accounts belonging to the same registered holder)

No.	Name	No. of Shares Held	% of Shares Held
1	AEON CO., LTD	716,040,000	51.000
2	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA	67,310,100	4.794
3	LEMBAGA TABUNG HAJI	66,738,200	4.753
4	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (AHAM AM)	55,806,500	3.974
5	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	21,061,100	1.500
6	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (NON PAR 16)	20,000,000	1.424
7	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR NOMURA SECURITIES CO LTD (CLIENT AC)	14,400,000	1.025
8	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (AHAM AM EQ)	14,398,500	1.025
9	DB (MALAYSIA) NOMINEE (ASING) SDN BHD SSBT FUND J724 FOR SPDR PORTFOLIO EMERGING MARKETS ETF	13,685,148	0.974
10	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	11,059,200	0.787
11	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LEEF)	10,514,500	0.748
12	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ISLAMIC)	10,121,400	0.720
13	AMANAHRAYA TRUSTEES BERHAD PUBLIC SMALLCAP FUND	9,938,100	0.707
14	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (AHAM ABSR EQ)	9,704,000	0.691
15	ROSHAYATI BINTI BASIR	9,240,000	0.658
16	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	9,122,700	0.649
17	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LPF)	8,900,000	0.633
18	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTSSMALL-CAP FUND	7,431,800	0.529

Analysis of Shareholdings

As at 16 March 2026

No.	Name	No. of Shares Held	% of Shares Held
19	MAYBANK NOMINEES (TEMPATAN) SDN BHD MTRUSTEE BHD FOR AIIMANTNB RBTF (EQ) (433139)	7,168,100	0.510
20	CITIGROUP NOMINEES (TEMPATAN) SDN BHD URUSHARTA JAMAAH SDN. BHD. (MAYBANK 2)	6,337,800	0.451
21	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR MANULIFE INVESTMENT SHARIAH PROGRESS FUND	6,161,100	0.438
22	TOKIO MARINE LIFE INSURANCE MALAYSIA BHD AS BENEFICIAL OWNER (TMEF)	6,000,000	0.427
23	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PETROLIAM NASIONAL BERHAD (PET-MIAM-EQSH)	5,271,300	0.375
24	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PETROLIAM NASIONAL BERHAD (ACF-AFFIN-EQ)	4,681,500	0.333
25	CITIGROUP NOMINEES (TEMPATAN) SDN BHD LEMBAGATABUNG HAJI (EASTSPRING)	4,649,900	0.331
26	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (RHBISLAMIC)	4,429,400	0.315
27	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB BANK BERHAD (EDP 2)	4,318,400	0.307
28	MAYBANK INVESTMENT BANK BERHAD IVT (16) ECD OTCSH-H	4,168,900	0.296
29	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LBF)	4,165,800	0.296
30	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (KENANGA)	4,159,700	0.296
	TOTAL	1,136,983,148	80.981



Particulars of Properties

As at 31 December 2025

Location	Description/ Existing Use	Land/ Built-up Area (sq ft)	Date of Acquisition (A)/ Completion (C)/ Revaluation (R)	Approx. Age of Building (Years)	Tenure	Net Book Value as at 31 December 2025 (RM '000)	
Lot 7041, Mukim of Bukit Baru, District of Melaka Tengah, Melaka.	Leasehold Land/ Existing two- storey shopping centre	436,036/ 200,316	February 1995 (R)	32	99 years expiring on 19 December 2089	33,022	
	Extension/ Renovation with rooftop car park	179,989					25.5
	Leasehold land/ Two-storey shopping centre and three-storey car park	368,516/ 666,694		February 1995 (R)			31.5
Lot PT 21441 Mukim of Kapar, District of Klang, Selangor Darul Ehsan.	Leasehold land/ Two-storey shopping centre and two-storey car park	643,753/ 691,414	June 1994 (A)/ October 1995 (C)	28	99 years expiring on 9 May 2093	34,949	
	Leasehold land/ Two-storey shopping centre including covered car park	377,490/ 483,299	April 2002 (A)/ August 2002 (C)				21.5
Lot 49045, Mukim of Pulai, District of Johor Bahru, Johor Darul Takzim.	Leasehold land/ Two-storey shopping centre and three-storey car park	409,577/ 906,497	January 2004 (C)	20	99 years expiring on 25 August 2103	62,965	
	Leasehold land/ Two-storey shopping centre and three-storey car park	1,308,035/ 1,468,693					March 2004 (A)/ January 2006 (C)
Lot 102076, Mukim of Tebrau, District of Johor Bahru, Johor Darul Takzim.	Freehold land/ Three-storey shopping centre with basement car park	1,308,035/ 1,468,693	March 2004 (A)/ January 2006 (C)	18	Freehold	293,803	
	Freehold land/ Three-storey shopping centre with basement car park	1,308,035/ 1,468,693					March 2004 (A)/ January 2006 (C)
	Extension/ Renovation	2,854,623		October 2016 (C)			7.5

Particulars of Properties

As at 31 December 2025

Location	Description/ Existing Use	Land/ Built-up Area (sq ft)	Date of Acquisition (A)/ Completion (C)/ Revaluation (R)	Approx. Age of Building (Years)	Tenure	Net Book Value as at 31 December 2025 (RM '000)	
Lot PT 41977 Lot 3144, Mukim of Cheras, District of Ulu Langat, Selangor Darul Ehsan.	Leasehold land/ Existing two- storey shopping centre	550,910/ 113,451/	April 2004 (A)/ April 2004 (A)/	17	99 years expiring on 12 April 2103	60,711	
	Freehold land/ Two-storey shopping centre and two-storey car park	893,819	December 2006 (C)				Freehold
	Leasehold Land/ Two-storey shopping centre with basement car park	631,620/ 895,449	March 2007 (A)/ December 2008 (C)				15
Lot 5106, Mukim Ulu Kelang, Kuala Lumpur.	Leasehold Land/ Two-storey shopping centre with basement car park	631,620/ 895,449	March 2007 (A)/ December 2008 (C)	15	87 years expiring on 5 April 2083	101,363	
	Freehold land/ Three-storey shopping centre with open car park	1,645,671/ 845,634	October 2007 (A)/ December 2008 (C)	15	Freehold	201,351	
Lot 136962, Mukim Pulai, District of Johor Bahru, Johor Darul Takzim.	Leasehold land/ Three-storey shopping centre with two-storey car park	755,855/ 1,287,504	June 2010 (A)/ March 2012 (C)	12	99 years expiring on 3 November 2109	98,681	
	Leasehold land/ Three-storey shopping centre with two-storey car park	755,855/ 1,287,504	June 2010 (A)/ March 2012 (C)				
PT 239099, Mukim Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan.	Leasehold land/ Three-storey shopping centre with two-storey car park	755,855/ 1,287,504	June 2010 (A)/ March 2012 (C)	12	99 years expiring on 3 November 2109	98,681	
	Leasehold land/ Three-storey shopping centre with two-storey car park	755,855/ 1,287,504	June 2010 (A)/ March 2012 (C)				
Lot 106273, Mukim Kulai, Daerah Kulajaya, Johor Darul Takzim.	Freehold land/ Two-storey shopping centre with two-storey car park	793,623/ 911,842	December 2011 (A)/ November 2013 (C)	10	Freehold	85,332	
	Freehold land/ Two-storey shopping centre with two-storey car park	793,623/ 911,842	December 2011 (A)/ November 2013 (C)				
Lot 31009, Mukim 15, Daerah Seberang Perai Tengah, Pulau Pinang.	Freehold land/ Three-storey shopping centre with rooftop and open car park	784,834/ 750,235	August 2011 (A)/ June 2014 (C)	9.5	Freehold	127,849	
	Freehold land/ Three-storey shopping centre with rooftop and open car park	784,834/ 750,235	August 2011 (A)/ June 2014 (C)				



Particulars of Properties

As at 31 December 2025

Location	Description/ Existing Use	Land/ Built-up Area (sq ft)	Date of Acquisition (A)/ Completion (C)/ Revaluation (R)	Approx. Age of Building (Years)	Tenure	Net Book Value as at 31 December 2025 (RM '000)
Lot 2437 Seksyen 13, Bandar Shah Alam, Daerah Petaling, Selangor Darul Ehsan.	Leasehold land/	818,273	December 2012 (A)/	7.25	99 years expiring on 26 October 2103	227,170
	Three-storey shopping centre, entertainment hub with rooftop & basement car park	1,573,114	March 2016 (C)			
PTD 181046, Mukim Tebrau, Daerah Johor Bahru, Johor Darul Takzim.	Freehold land/	910,235/	December 2015 (A)/	5.25	Freehold	255,846
	Three-storey shopping centre, entertainment hub with rooftop & two-storey car park	1,294,639	September 2017 (C)			
PN 12273, Lot 10048, Seksyen 17, Bandar Kota Bharu, Daerah Jajahan Kota Bharu, Kelantan Darul Naim.	Leasehold land/	935,491	27 July 2023 (A)/	9	99 years Leasehold expiring on 20 June 2114	288,662
	Three-storey shopping centre with rooftop, basement and open car park	1,337,469	28 April 2016 (C)			
HSD 278794, Bandar Seremban Utama, Daerah Seremban, Negeri Sembilan.	Freehold land	1,003,381	14 June 2024 (A)/	N/A	Freehold	102,891

Corporate Information and Directory

① BOARD OF DIRECTORS

- Datuk Iskandar Sarudin (*Chairman*)
- Tsugutoshi Seko
- Hisham Zainal Mokhtar
- Zaida Khalida Shaari
- Jenifer Thien Bit Leong
- Dato' Merina Abu Tahir
- Mohamad Abdul Naser
Md Jaafar @ Yunus
- Naoya Okada
- Chong Swee Ying
- Hidekazu Iwaoka
(*Alternate Director to Tsugutoshi Seko*)

SECRETARIES

- Tai Yit Chan**
(SSM PC No. 202008001023) (MAICSA 7009143)
- Tan Ai Ning**
(SSM PC No. 202008000067) (MAICSA 7015852)

REGISTERED OFFICE AND HEAD OFFICE

3rd Floor, AEON Taman Maluri Shopping Centre
Jalan Jejaka, Taman Maluri
Cheras, 55100 Kuala Lumpur
Tel : 03 – 9207 2005
Fax : 03 – 9207 2006/2007

DATE OF INCORPORATION

15 September 1984

STOCK EXCHANGE LISTING

The Company is a public listed company, incorporated and domiciled in Malaysia and listed on the Main Market of the Bursa Malaysia Securities Berhad
Stock Name : AEON
Stock Code : 6599

PRINCIPAL BANKERS

- Malayan Banking Berhad**
Registration No. 196001000142(3813-K)
- MUFG Bank (Malaysia) Berhad**
Registration No. 199401016638(302316-U)
- Mizuho Bank (Malaysia) Berhad**
Registration No. 201001039768(923693-H)
- CIMB Bank Berhad**
Registration No. 197201001799(13491-P)
- RHB Bank Berhad**
Registration No. 201001039768(923693-H)

AUDITORS

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Tel : 03 – 7721 3388
Fax : 03 – 7721 3399

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Registration No. 197101000970(11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : 03-2783 9299
Fax : 03-2783 9222
Email : is.enquiry@vistra.com

CORPORATE CALENDAR

Notice of 40th Annual General Meeting
• 23 April 2025

40th Annual General Meeting
• 22 May 2025

FY2024 Final Dividend

- Book Closure : 5 June 2025
- Payment : 19 June 2025

FY2025 Quarterly Results Announcements

- 1st Quarter : 20 May 2025
- 2nd Quarter : 25 August 2025
- 3rd Quarter : 19 November 2025
- 4th Quarter : 26 February 2026



Scan the QR Code for:

① Notice of 41st
Annual General Meeting

② Proxy Form

③ Administrative Details for the
41st Annual General Meeting

OUR INVESTMENT
CASEKEY
MESSAGESCREATING
VALUECHAMPIONING
SUSTAINABILITYGOVERNANCE
WITH INTEGRITYFINANCIAL
STATEMENTSADDITIONAL
INFORMATION

Independent Limited Assurance Report



INDEPENDENT ASSURANCE STATEMENT

To: The Board of Directors and Stakeholders of AEON CO. (M) BHD.

Introduction and Objectives of Work

AEON CO. (M) BHD. ("AEON") is dedicated to transparently communicating its environmental, social and governance (ESG) performance to its stakeholders. To ensure the integrity of this commitment, AEON has engaged Bureau Veritas Certification (M) Sdn. Bhd. ("Bureau Veritas") to deliver independent assurance on specific sustainability information presented in their 2025 Sustainability Report ("the Report").

This assurance engagement aims to enhance the objectivity, credibility and reliability of the selected disclosed information in the Report, providing stakeholders with greater confidence in AEON's sustainability performance. The scope of assurance is designed to evaluate the adherence of the disclosed information to international standards, including but not limited to, ISAE 3000, GRI Standards and Bursa Malaysia's Sustainability Reporting Requirements within the scope of work described below for the period from 1 January 2025 to 31 December 2025.

Responsibilities

The preparation and presentation of the (selected) sustainability disclosures are the sole responsibility of the management of AEON. Bureau Veritas was not involved in the preparation of any part of the Report.

Our responsibilities were to:

- Perform **limited assurance** procedures to determine whether the (selected) information has been prepared accurately and in accordance with the reporting criteria;
- Form an independent conclusion based on the evidence gathered and the assurance procedures that were conducted; and
- Communicate our findings to the management of AEON.

Scope of Work

The scope of this assurance engagement covered the following selected sustainability disclosures disclosed in AEON's 2025 Sustainability Report:

Environmental:

- **Greenhouse Gas (GHG) Emissions:** This comprises:

Independent Limited Assurance Report



- **Scope 1 Emissions** (tCO_{2e}): This measures the direct greenhouse gas emissions from sources owned or controlled by AEON, its mobile and stationary combustion specifically from fuel consumption and generation at AEON Malls, AEON Supermarkets, AEON General Merchandising Stores and AEON Food Processing Centre, as well as its fleet of company vehicles during the reporting period.
 - **Scope 2 Emissions** (tCO_{2e}): This measures indirect GHG emissions from the generation of purchased electricity consumed by AEON Malls, AEON Supermarkets, AEON General Merchandising Stores, AEON Food Processing Centre, AEON Wellness, DAISO, Rocky Basecamp, Petemo Petlife Stores and Tsutaya Bookstore during the reporting period.
 - **Scope 3 Emissions** (tCO_{2e}): This measures other indirect emissions that occur in the value chain during the reporting period. For this engagement, the scope was limited to AEON's fuel and energy activities, waste generation, business land and air travel, employee commuting, downstream transportation and distribution, and downstream leased assets. Under category 13, AEON's electricity and consumed LPG are tenant-based.
- **Total Energy Consumption** (GJ): This represents the usage of thermal energy and electricity consumed by AEON for its operation during the reporting period.
 - **Waste Management:** This comprises:
 - **Total Waste Generated** (tonnes): This represents AEON's total waste generated in metric tonnes at AEON Malls, AEON Supermarkets, AEON General Merchandising Stores and AEON Food Processing Centre during the reporting period.
 - **Total Waste Diverted from Disposal** (tonnes): This represents AEON's total waste diverted from disposal in metric tonnes at AEON Malls, AEON Supermarkets, AEON General Merchandising Stores and AEON Food Processing Centre during the reporting period.
 - **Total Waste Directed to Disposal** (tonnes): This represents AEON's total waste directed to disposal in metric tonnes at AEON Malls, AEON Supermarkets, AEON General Merchandising Stores and AEON Food Processing Centre during the reporting period.
 - **Water Management:** This comprises:
 - **Total Water Consumption** (m³): This disclosure measures the total volume of water withdrawn from various sources, including AEON Malls, AEON Supermarkets, AEON General Merchandising Stores, AEON Food Processing Centre, AEON Wellness, Rocky Basecamp, Petemo Petlife Stores and Tsutaya Bookstore during the reporting period.



Independent Limited Assurance Report

**Social:**

- **Health and Safety:** This comprises number of work-related fatalities, Lost Time Incident Rate (LTIR) (LTIs/200,000 hours worked) and number of employees trained on health and safety standards during the reporting period.
- **Community Investment:** This comprises the total amount of investments in communities (MYR) where the target beneficiaries are external to the listed issuer and the total number of beneficiaries of the investment in communities (MYR), by corporate AEON and the Malaysian AEON Foundation during the reporting period.
- **Diversity, Equity, and Inclusion:** This disclosure includes the percentage of employees by gender and age group, for each employee group, and percentage of directors by gender and age group during the reporting period.
- **Labour Practices and Employee Management:** This disclosure includes the total hours of training by employee category, percentage of employees that are contractors or temporary staff, total number of employee turnover by employee category and number of substantiated complaints of human rights violations during the reporting period.

Governance:

- **Anti-Corruption:** This comprises the percentage of employees who have received training on anti-corruption by employee category, percentage of operations assessed for corruption-related risk and confirmed incidents of corruption and action taken during the reporting period.
- **Supply Chain Management:** This comprises the proportion spending on local suppliers during the reporting period.
- **Data Privacy and Security:** This comprises the number of substantiated complaints concerning breaches of customer privacy and losses of customer data during the reporting period.

Assessment Standard

This assurance engagement was conducted in accordance with the following standards:

- **ISAE 3000 (Revised):** *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information.* This standard was applied for the assurance of the non-GHG disclosures listed above.

Independent Limited Assurance Report



- **ISAE 3410: Assurance Engagements on Greenhouse Gas Statements.** This standard applies to assurance procedures performed with respect to the GHG statement other than when the GHG statement is a relatively minor part of the overall information subject to assurance.
- **GRI Sustainability Reporting Standards:** The principles and disclosures from these standards were referenced for the assurance of the relevant disclosures.

Methodology

Bureau Veritas' assurance procedures for the selected disclosures included the following:

- Developed an assurance plan that outlined the scope, objectives and criteria for the engagement. This included identifying key risks of material misstatement and determining the nature, timing and boundaries of our procedures.
- Reviewed relevant documentation provided by AEON including data collection methodologies (data sources, data process flow, etc.), internal policies and procedures, and supporting evidence for the reported data.
- Performed procedures to verify the accuracy and completeness of the reported data. This included:
 - **Environmental Disclosures:** Reviewing GHG emissions inventories, emission factors and underlying activity data (e.g., fuel consumption records, electricity purchase data, air travel logs). Assessing the methodology and measurement techniques used for quantifying GHG emissions from stationary and mobile combustion data.
 - **Social Disclosures:** Reviewing employee training data and calculation methodologies, man-hour records to recalculate LTIR per 200,000 hours worked and employee diversity categories. Evaluating complaints regarding HR violations and AEON's process flow towards case closure. Calculating AEON's CSR and MAF community investment contributions.
 - **Governance Disclosures:** Calculating percentage of employees receiving anti-corruption training and the operations assessed for corruption-related risk. Reviewing AEON's expenditure on local and foreign suppliers for procurement purposes. Examining AEON's Privacy Policy Guidelines to trace legitimacy of customer complaint channels.
- Conducted interviews with management and relevant personnel (data owners) responsible for collecting, processing and reporting the selected sustainability disclosures.
- Performed analytical procedures to identify any unusual trends or discrepancies in the reported data. This included comparing the reported data to prior periods and industry benchmarks, where available.



Independent Limited Assurance Report

**Inherent Limitations**

This assurance engagement is subject to certain inherent limitations:

- The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. (Ref: ISAE 3000, Para 12(a)(i)).
- The reliability of the assurance conclusion is dependent on the accuracy and completeness of the underlying data provided by AEON Co. Our procedures were limited to data at the corporate level and did not include testing the design or operating effectiveness of AEON Co.'s internal control systems or data management processes (Ref: ISAE 3000, Para A48).
- Our conclusion is strictly limited to the specific Subject Matter Information defined in the "Scope of Work." We do not express an opinion on the overall sustainability performance of AEON Co. or any disclosures not expressly included in the scope.
- Our procedures were designed to detect material misstatements. The assessment of materiality is a matter of professional judgment, considering factors that could reasonably influence the decisions of the intended users based on the Subject Matter Information (Ref: ISAE 3000, Para A92-A100).
- Our assurance is restricted to historical information and does not provide a conclusion on the achievability of AEON Co.'s future targets, projections, or ambitions. These are subject to future events and uncertainties that cannot be verified at the time of this engagement.

Conclusion

Based on our limited assurance procedures for AEON's 2025 selected sustainability disclosures, Bureau Veritas did not detect any instances from which we would have to conclude that the selected sustainability information and data disclosed by AEON may be inaccurate or contains any material misstatements, in all material aspects, in accordance with the defined reporting criteria.

This engagement relies on a risk-based selected sample of data and the associated limitations that it entails. This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

Independent Limited Assurance Report

**Statement of Independence, Integrity and Competence**

Bureau Veritas is an independent professional services company that specialises in Quality, Health, Safety, Social and Environmental management with almost 200 years history in providing independent assurance services.

Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities. We are particularly vigilant in the prevention of conflicts of interest. No member of the assurance team has a business relationship with AEON CO. (M) BHD., its directors, or managers beyond that required of this assignment. We have conducted this assurance engagement independently, and there has been no conflict of interest.

The assurance team has extensive experience in conducting assurance over environmental, social, ethical, health and safety information, systems and processes and has an excellent understanding of the Bureau Veritas Group's standard methodology for the assurance of sustainability reports and greenhouse gas emissions data.

For and on behalf of Bureau Veritas Certification (M) Sdn. Bhd., Kuala Lumpur, Malaysia
Issue Date: 20 February 2026

Ng Sheng Wa
Southeast Asia Certification and Sustainability Manager

Nurizul Azlia Ibrahim
Lead Assessor cum Sustainability Technical Manager
Bureau Veritas Certification (M)



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AEON CO. (M) BHD.

Registration No. 198401014370 (126926-H)

3rd Floor, AEON Taman Maluri Shopping Centre
Jalan Jejaka, Taman Maluri, Cheras
55100 Kuala Lumpur, Malaysia

Tel: +603-9207 2005

Fax: +603-9207 2006/2007

AEON Careline: 1-300-80-AEON(2366)

For more information, please visit:



www.aeongroupmalaysia.com



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