

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

MINUTES OF THE THIRTY-SEVENTH ANNUAL GENERAL MEETING OF THE COMPANY HELD VIRTUALLY AT THE BROADCAST VENUE LOCATED AT TRICOR BUSINESS CENTRE, GEMILANG ROOM, UNIT 29-01, LEVEL 29, TOWER A, VERTICAL BUSINESS SUITE AVENUE 3, BANGSAR SOUTH, NO. 8, JALAN KERINCHI, 59200 KUALA LUMPUR, WILAYAH PERSEKUTUAN ON THURSDAY, 19 MAY 2022 AT 10.00 A.M.

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**PRESENT**

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**DIRECTORS**

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| Datuk Iskandar bin Sarudin   | - Chairman and a proxy for shareholders set out in the Attendance Summary attached. |
| Encik Shafie bin Shamsuddin  | - Managing Director/Chief Executive Officer (“MD/CEO”) and also a Shareholder       |
| * Mr Tsutomu Motomura  |   |
| * Dato’ Tunku Putra Badlishah Ibni Tunku Annuar En Abdul Rahim bin Abdul Hamid |   |
| * Ms Chong Swee Ying   | - Also a Shareholder  |
| * Mr Soichi Okazaki  | - Also a Shareholder  |

**IN ATTENDANCE**

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- |                          |                                  |
|--------------------------|----------------------------------|
| Ms Samantha Tai Yit Chan | - Company Secretary              |
| * Mr Eric Ong Beng Seng  | - Engagement Partner of KPMG PLT |

**BY INVITATION**

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- Dr Grace Lee Hwee Ling - Chief Financial Officer  
\* Dr Kasuma Satria - Moderator

**ABSENT WITH APOLOGIES**

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Datuk Syed Ahmad Helmy bin Syed Ahmad

**Note:**

- \* Participated via video conferencing

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

## 1. OPENING REMARKS BY THE CHAIRMAN

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The Chairman, Datuk Iskandar bin Sarudin, extended a warm welcome to the shareholders, proxies and invitees to the Company's Thirty-Seventh Annual General Meeting ("37<sup>th</sup> AGM"). The Company Secretary informed the Meeting that the 37<sup>th</sup> AGM is held virtually at the broadcast venue, which is in line with the latest Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia. The Company Secretary informed that the 37<sup>th</sup> AGM is conducted through live streaming and online remote participation by using Remote Participation and Voting Facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn Bhd ("**Tricor**") and is streaming from Tricor's TIIH Online website at <https://tiih.online>.

## 2. VOTING PROCEDURES

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The Meeting noted that all resolutions set out in the Notice of the 37<sup>th</sup> AGM must be voted by poll pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**").

The Company Secretary informed that the Company had appointed Tricor to conduct the poll voting electronically and Asia Securities Sdn Berhad as the scrutineer. Polling was opened at the commencement of the AGM wherein members/proxies/corporate representatives could start to cast their votes. The results of the poll voting will be announced after the scrutineer has verified the poll results upon closure of the voting session. The Chairman directed that all the resolutions set forth in the Notice of the 37<sup>th</sup> AGM be conducted by way of electronic polling.

Shareholders were then briefed on the voting procedures by a representative of the poll administrator.

## 3. INTRODUCTIONS

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The Chairman informed that Encik Abdul Rahim bin Abdul Hamid, Encik Shafie bin Shamsuddin, the Company Secretary, Ms Tai Yit Chan, the Chief Financial Officer, Dr Grace Lee Hwee Ling and himself were physically present at the broadcast venue. The Meeting was also informed that the remaining Directors and the External Auditors, Messrs KPMG PLT represented by its partner, Mr Eric Ong Beng Seng participated in the Meeting remotely. The Chairman further informed that Datuk Syed Ahmad Helmy bin Syed Ahmad is unable to join the Meeting due to emergency personal matter.

The Chairman then introduced the Board of Directors, Company Secretary, the representative of the External Auditors and Chief Financial Officer.

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

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The Company Secretary informed that based on the report by the appointed Share Registrar, Tricor, a total of 943 members, comprising shareholders, proxies and corporate representatives, representing 800,664,172 ordinary shares or 57.03% of the total number of issued shares of the Company had registered to attend the Meeting via RPV.

The Company had received in total 212 proxy forms from the shareholders for a total of 1,035,289,399 ordinary shares representing 73.74% of the total number of issued shares of the Company.

The Company Secretary confirmed that a quorum was present. With the requisite quorum being present, the Meeting was called to order at 10.00 a.m.

#### **5. NOTICE OF AGM**

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

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

#### **6. WELCOME ADDRESS AND SPEECH BY THE CHAIRMAN**

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The Chairman gave a welcome address to all participants of the 37<sup>th</sup> AGM and informed the Meeting that the financial year ended 31 December 2021 (“**FY2021**”) was another year of uncertainty. However, throughout this time, the Company remained guided by its strategic business approaches of Agile, Genba and Entrepreneurial in adapting to the disruptions.

The Meeting was informed that after taking into account the improvement in overall profitability and the level of cash and borrowings, the Board of Directors had proposed a final dividend of 3.0 sen per ordinary share for FY2021 subject to shareholders’ approval at the Meeting. The total amount payable of RM42.1 million would represent a payout ratio of 49.5% of the Company’s profit for FY2021.

The Chairman further announced that as a token of appreciation for shareholders, proxies and corporate representatives who attended and voted at the 37<sup>th</sup> AGM, a RM50 e-voucher will be credited into the AEON Member Plus Card for the participants.

## **7. PRESENTATION BY THE MD/CEO**

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At the invitation of the Chairman, the MD/CEO, Encik Shafie bin Shamsuddin (“Encik Shafie”) briefed on the financial performance of the Company for FY2021.

The MD/CEO shared his presentation covering, inter-alia, the following topics:-

- Operating Environment;
- Financial Highlights
- Business Performance
- AEON Ecosystem and Key Strategies; and
- Key Priorities.

The Meeting was also briefed on the efforts taken by the Management to refurbish Alpha Angle mall, which is one of the Company’s oldest malls and the sustainability efforts undertaken by the Company during the refurbishment of Alpha Angle mall such as installation of solar panel, vertical farming and transforming organic waste into organic fertilizer.

Encik Shafie also informed that the Company will continue to develop the competencies and skills of the Company’s staff and had increased the minimum wage of its staff to RM1500 since January 2022.

Encik Shafie further briefed that even though revenue for the first quarter of the financial year 2022 was 17% lower as compared to the corresponding period in 2019, the margin for profit from operations had improved to 8.3% as compared to the margin of 7.6% for the corresponding period in 2019. The Company will also be introducing an anti-inflation campaign in the coming months.

## **8. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

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The Chairman informed the Meeting that the first item on the Agenda was to receive the Audited Financial Statements for the financial year ended 31 December 2021 together with the Reports of the Directors’ and Auditors’ thereon.

The Audited Financial Statements for the financial year ended 31 December 2021 together with the Reports of the Directors’ and Auditors’ having been circulated within the prescribed period was with the permission of the Meeting taken as read.

The Chairman informed that the Audited Financial Statements for the financial year ended 31 December 2021 tabled were meant for discussion only as

provision under Section 340 of the Companies Act, 2016 does not require approval of shareholders.

Thereafter, the Chairman went through each of the motion set out in the Notice of the 37<sup>th</sup> AGM.

**9. FINAL DIVIDEND - Ordinary Resolution 1**  
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The Chairman informed that Ordinary Resolution 1 was to declare and approve the payment of a final dividend of 3.00 sen per ordinary share in respect of the financial year ended 31 December 2021.

**10. DIRECTORS' FEES - Ordinary Resolutions 2 to 10**  
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The Chairman informed that Ordinary Resolutions 2 to 10 were to approve the payment of Directors' Fees of Ringgit Malaysia One Million Four Thousand Five Hundred and Seventy Six (RM1,004,576) for the financial year ended 31 December 2021. The Chairman informed that the breakdown of the proposed Directors' Fees for each Director had been set out in the Notice of the AGM dated 27 April 2022.

The Chairman further informed that Encik Shafie bin Shamsuddin, Ms Chong Swee Ying and Mr Soichi Okazaki, who are the directors and also shareholders of the Company, had abstained from approving their own Directors' Fees at the AGM.

**11. DIRECTORS' BENEFITS PAYABLE - Ordinary Resolution 11**  
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The Chairman informed that Ordinary Resolution 11 was to approve the benefits payable to the Directors of the Company of up to Ringgit Malaysia One Hundred and Fifty Thousand (RM150,000) from the date of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company.

**12. RE-ELECTION OF DIRECTOR – DATUK ISKANDAR BIN SARUDIN**  
*- Ordinary Resolution 12*  
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The Chairman informed that Ordinary Resolution 12 was with regards to his re-election as Director. As the Chairman is deemed interested in Agenda item, he invited Encik Shafie to take over the Chair for the deliberation of this resolution.

Encik Shafie informed that Ordinary Resolution 12 was to re-elect Datuk Iskandar bin Sarudin who retires pursuant to the Company's Articles of Association and being eligible, had offered himself for re-election. After tabling this Agenda item, Encik Shafie handed back the chair to the Chairman.

**13. RE-ELECTION OF DIRECTORS - Ordinary Resolutions 13 to 19**  
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The Chairman informed that Ordinary Resolutions 13 to 19 were to re-elect Encik Shafie bin Shamsuddin, Mr Tsutomu Motomura, Datuk Syed Ahmad Helmy bin Syed Ahmad, Dato' Tunku Putra Badlishah Ibni Tunku Annuar, Encik Abdul Rahim bin Abdul Hamid, Ms Chong Swee Ying and Mr Soichi Okazaki who retire pursuant to the Company's Articles of Association and being eligible, had offered themselves for re-election.

**14. RE-APPOINTMENT OF AUDITORS - Ordinary Resolution 20**  
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The Chairman informed that Ordinary Resolution 20 was to re-appoint Messrs KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. The retiring Auditors, KPMG PLT had signified their consent to continue to act as Auditors of the Company.

**15. PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR THE RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE - Ordinary Resolution 21**  
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The Chairman informed that Ordinary Resolution 21 was to seek Shareholders' approval for the Company to enter into the recurrent and new related party transactions that are not more favourable to the related parties than those generally available to the public and the transactions are undertaken on arm's length basis and are not to the detriment of the minority shareholders of the Company.

The Meeting noted that the details of the recurrent related party transactions had been set out in the Circular to Shareholders dated 27 April 2022.

The Chairman further informed that the interested Directors and major shareholder namely, Encik Shafie bin Shamsuddin, Mr Tsutomu Motomura, Ms Chong Swee Ying, Mr Soichi Okazaki and AEON, Japan had declared their interest and had undertaken to ensure that persons connected to them had

abstained from voting on the resolution, deliberating and approving the Proposed Shareholders' Mandate at the AGM.

**16. CONTINUING IN OFFICE AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR - Ordinary Resolutions 22 to 24**  
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The Chairman informed that Ordinary Resolutions 22 to 24 were to seek Shareholders' approval for the continuation in office by Dato' Tunku Putra Badlishah Ibni Tunku Annuar, Datuk Syed Ahmad Helmy bin Syed Ahmad and Encik Abdul Rahim bin Abdul Hamid as Independent Non-Executive Directors. The Chairman informed that in view of the transformation plan in the Company, the Board had recommended for continuity in Independent Directors to oversee the transformation. Furthermore, other rationales for seeking shareholders' approval on the continuation in Office by the Independent Non-Executive Directors are also set out in the Notice of the AGM.

The Chairman further informed that Dato' Tunku Putra Badlishah Ibni Tunku Annuar, Datuk Syed Ahmad Helmy bin Syed Ahmad and Encik Abdul Rahim bin Abdul Hamid had abstained from deliberating or approving their respective continuation in office at the AGM.

**17. QUESTIONS AND ANSWER SESSION**  
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Encik Shafie informed that the Company had received questions from Minority Shareholder Watch Group ("MSWG") seeking clarification/information on several issues raised pertaining to the operations and financial matters.

Dr Grace Lee presented the replies to the questions raised from MSWG, details as set out in "Appendix I" attached herein.

Having addressed the questions from MSWG, Encik Shafie and Dr Grace Lee then proceeded to respond to the queries raised by the members/proxies submitted prior to the 37<sup>th</sup> AGM as well as live questions submitted via the online meeting portal. A summary of the discussion is appended as Appendix II.

After due discussion, the Audited Financial Statements for the financial year ended 31 December 2021 together with the Directors' and the Auditors' Reports thereon were deemed properly laid and duly received at the AGM.

## 18. VOTING

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After having addressed all the questions raised, the Chairman proceeded to voting. The Chairman placed on record that several shareholders have appointed him to be their proxy and he will vote according to their instructions. The Chairman also informed that the verification of the votes by the scrutineer would take approximately 20 minutes and the Meeting to resume at approximately 12.00 p.m. for the declaration of voting results. The Chairman declared the polling closed for voting to be carried out.

## POLL RESULTS

The Meeting was called to order and resumed at 12.20 p.m. and after obtaining the report from the scrutineer, the Chairman announced the results of the poll as follows:-

Resolutions	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
<b>Ordinary Resolution 1</b>  To declare and approve the payment of a final dividend of 3.0 sen per ordinary share in respect of the financial year ended 31 December 2021	979,150,607	99.9936	62,408	0.0064
<b>Ordinary Resolution 2</b>  To approve the payment of the Director's fees to Datuk Iskandar bin Sarudin for the financial year ended 31 December 2021	978,653,656	99.9451	537,146	0.0549
<b>Ordinary Resolution 3</b>  To approve the payment of the Director's fees to Encik Shafie bin Shamsuddin for the financial year ended 31 December 2021	977,681,754	99.9472	516,048	0.0528
<b>Ordinary Resolution 4</b>  To approve the payment of the Director's fees to Mr Tsutomu Motomura for the financial year ended 31 December 2021	978,773,970	99.9552	438,942	0.0448



<b>Ordinary Resolution 5</b>				
To approve the payment of the Director's fees to Datuk Syed Ahmad Helmy bin Syed Ahmad for the financial year ended 31 December 2021	978,671,153	99.9447	541,659	0.0553
<b>Ordinary Resolution 6</b>				
To approve the payment of the Director's fees to Dato' Tunku Putra Badlishah Ibni Tunku Annuar for the financial year ended 31 December 2021	978,641,652	99.9439	549,160	0.0561
<b>Ordinary Resolution 7</b>				
To approve the payment of the Director's fees to Encik Abdul Rahim bin Abdul Hamid for the financial year ended 31 December 2021	978,648,347	99.9451	537,549	0.0549
<b>Ordinary Resolution 8</b>				
To approve the payment of the Director's fees to Ms Chong Swee Ying for the financial year ended 31 December 2021	978,871,211	99.9717	277,087	0.0283
<b>Ordinary Resolution 9</b>				
To approve the payment of the Director's fees to Mr Soichi Okazaki for the financial year ended 31 December 2021	978,663,557	99.9684	309,349	0.0316
<b>Ordinary Resolution 10</b>				
To approve the payment of the Director's fees to Mr Hiroyuki Kotera for the financial year ended 31 December 2021	978,919,259	99.9700	293,647	0.0300

<p><b>Ordinary Resolution 11</b></p> <p>To approve the benefits payable to the Directors of the Company of up to RM150,000 from the date of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company</p>	977,590,546	99.9687	306,252	0.0313
<p><b>Ordinary Resolution 12</b></p> <p>To re-elect the Director, Datuk Iskandar bin Sarudin, who is retiring pursuant to Article 74 of the Company's Articles of Association</p>	977,677,176	99.8447	1,520,733	0.1553
<p><b>Ordinary Resolution 13</b></p> <p>To re-elect the Director, Encik Shafie bin Shamsuddin, who is retiring pursuant to Article 74 of the Company's Articles of Association</p>	978,460,584	99.9232	752,421	0.0768
<p><b>Ordinary Resolution 14</b></p> <p>To re-elect the Director, Mr Tsutomu Motomura, who is retiring pursuant to Article 74 of the Company's Articles of Association</p>	978,802,796	99.9583	408,215	0.0417
<p><b>Ordinary Resolution 15</b></p> <p>To re-elect the Director, Datuk Syed Ahmad Helmy bin Syed Ahmad, who is retiring pursuant to Article 74 of the Company's Articles of Association</p>	795,139,085	81.2031	184,058,928	18.7969
<p><b>Ordinary Resolution 16</b></p> <p>To re-elect the Director, Dato' Tunku Putra Badlishah Ibni Tunku Annuar, who is retiring pursuant to Article 74 of the Company's Articles of Association</p>	795,126,788	81.2006	184,086,225	18.7994

<p><b>Ordinary Resolution 17</b></p> <p>To re-elect the Director, Encik Abdul Rahim bin Abdul Hamid, who is retiring pursuant to Article 74 of the Company's Articles of Association</p>	864,054,069	96.9992	26,730,926	3.0008
<p><b>Ordinary Resolution 18</b></p> <p>To re-elect the Director, Ms Chong Swee Ying, who is retiring pursuant to Article 74 of the Company's Articles of Association</p>	978,840,702	99.9625	367,309	0.0375
<p><b>Ordinary Resolution 19</b></p> <p>To re-elect the Director, Mr Soichi Okazaki, who is retiring pursuant to Article 74 of the Company's Articles of Association</p>	978,589,442	99.9368	618,466	0.0632
<p><b>Ordinary Resolution 20</b></p> <p>To re-appoint Messrs KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.</p>	978,974,282	99.9756	238,630	0.0244
<p><b>Ordinary Resolution 21</b></p> <p>Proposed Renewal of Existing Shareholders' Mandate for the Recurrent Related Party Transactions of a Revenue or Trading Nature and Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature</p>	261,653,330	99.9108	233,582	0.0892
<p><b>Ordinary Resolution 22</b></p> <p>Continuing in Office as an Independent Non-Executive Director - Dato Tunku Putra Badlishah Ibni Tunku Annuar</p>	795,127,518	81.2031	184,056,195	18.7969

<b>Ordinary Resolution 23</b>				
Continuing in Office as an Independent Non-Executive Director - Datuk Syed Ahmad Helmy Bin Syed Ahmad	795,124,524	81.2047	184,035,889	18.7953
<b>Ordinary Resolution 24</b>				
Continuing in Office as an Independent Non-Executive Director - Encik Abdul Rahim Bin Abdul Hamid	864,046,327	96.9989	26,733,080	3.0011

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

**ORDINARY RESOLUTION 1**

“That the payment of a Final Dividend of 3.0 sen per ordinary share in respect of the financial year ended 31 December 2021 be and is hereby approved.”

**ORDINARY RESOLUTION 2**

“That the payment of Directors’ Fees of RM180,000 to Datuk Iskandar bin Sarudin for the financial year ended 31 December 2021 be and is hereby approved.”

**ORDINARY RESOLUTION 3**

“That the payment of Directors’ Fees of RM180,000 to Encik Shafie bin Shamsuddin for the financial year ended 31 December 2021 be and is hereby approved.”

**ORDINARY RESOLUTION 4**

“That the payment of Directors’ Fees of RM85,068 to Mr Tsutomu Motomura for the financial year ended 31 December 2021 be and is hereby approved.”

**ORDINARY RESOLUTION 5**

“That the payment of Directors’ Fees to Datuk Syed Ahmad Helmy bin Syed Ahmad of RM121,891 for the financial year ended 31 December 2021 be and is hereby approved.”

**ORDINARY RESOLUTION 6**

“That the payment of Directors’ Fees to Dato' Tunku Putra Badlishah Ibni Tunku Annuar of RM 124,329 for the financial year ended 31 December 2021 be and is hereby approved.”

**ORDINARY RESOLUTION 7**

“That the payment of Directors’ Fees of RM 128,110 to Encik Abdul Rahim bin Abdul Hamid for the financial year ended 31 December 2021 be and is hereby approved.”

**ORDINARY RESOLUTION 8**

“That the payment of Directors’ Fees of RM90,000 to Ms Chong Swee Ying for the financial year ended 31 December 2021 be and is hereby approved.”

**ORDINARY RESOLUTION 9**

“That the payment of Directors’ Fees of RM90,000 to Mr Soichi Okazaki for the financial year ended 31 December 2021 be and is hereby approved.”

**ORDINARY RESOLUTION 10**

“That the payment of Directors’ Fees of RM 5,178 to Mr Hiroyuki Kotera for the financial year ended 31 December 2021 be and is hereby approved.”

**ORDINARY RESOLUTION 11**

“That the benefits payable to the Directors of the Company of up to RM150,000 from the date of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company be and is hereby approved.”

**ORDINARY RESOLUTION 12**

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

**ORDINARY RESOLUTION 13**

“That Encik Shafie bin Shamsuddin be and is hereby re-elected as Director of the Company.”

**ORDINARY RESOLUTION 14**

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

**ORDINARY RESOLUTION 15**

“That Datuk Syed Ahmad Helmy bin Syed Ahmad be and is hereby re-elected as Director of the Company.”

**ORDINARY RESOLUTION 16**

“That Dato' Tunku Putra Badlishah Ibni Tunku Annuar be and is hereby re-elected as Director of the Company.”

**ORDINARY RESOLUTION 17**

“That Encik Abdul Rahim bin Abdul Hamid be and is hereby re-elected as Director of the Company.”

**ORDINARY RESOLUTION 18**

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

**ORDINARY RESOLUTION 19**

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

**ORDINARY RESOLUTION 20**

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

**ORDINARY RESOLUTION 21**

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

“THAT approval be and is hereby given to the Company, to enter and give effect to the recurrent related party transactions of a revenue or trading nature (hereinafter to be referred to as “Recurrent Transactions”) with the related parties as stated in Section 2.3 of the Circular to Shareholders dated 27 April 2022 which are necessary for the Company’s day-to-day operations subject further to the following:

- (i) the Recurrent Transactions contemplated are in the ordinary course of business and on terms which are not more favourable to related parties than those generally available to the public, and are not to the detriment of the minority shareholders;
- (ii) the approval is subject to annual renewal and shall only continue to be in force until:
  - a) the conclusion of the next Annual General Meeting of the Company following the forthcoming Annual General Meeting of the Company at which the Proposed Shareholders’ Mandate is approved, at which time it

will lapse unless by a resolution passed at the Annual General Meeting the mandate is again renewed;

- b) the expiration of the period within which the next Annual General Meeting of the Company after the date it is required to be held pursuant to Section 340(2) of the Companies Act, 2016 (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Companies Act, 2016); or
  - c) revoked or varied by resolution passed by the shareholders in general meeting, whichever is the earlier; and
- (iii) the disclosure of the breakdown of the aggregate value of the Recurrent Transactions conducted pursuant to the Proposed Shareholders' Mandate in the Annual Report of the Company based on the following information:
- a) the type of Recurrent Transactions entered into; and
  - b) the names of the related parties involved in each type of the Recurrent Transactions entered into and their relationship with the Company.

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

**ORDINARY RESOLUTION 22**

- **CONTINUING IN OFFICE AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR - DATO' TUNKU PUTRA BADLISHAH IBNI TUNKU ANNUAR**

“THAT the authority be and is hereby given to Dato' Tunku Putra Badlishah Ibni Tunku Annuar, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company.”

**ORDINARY RESOLUTION 23**

- **CONTINUING IN OFFICE AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR – DATUK SYED AHMAD HELMY BIN SYED AHMAD**

“THAT the authority be and is hereby given to Datuk Syed Ahmad Helmy bin Syed Ahmad, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company.”

**ORDINARY RESOLUTION 24**

- **CONTINUING IN OFFICE AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR – ENCIK ABDUL RAHIM BIN ABDUL HAMID**

*AEON CO. (M) BHD.*

*Registration No. 198401014370 (126926-H)*

*- Minutes of the 37th Annual General Meeting held on 19 May 2022*

“THAT the authority be and is hereby given to Encik Abdul Rahim bin Abdul Hamid, who will be serving as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years from 16 August 2022 onwards, to continue to act as an Independent Non-Executive Director of the Company.”

**19. CONCLUSION**

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There being no other business to be transacted, the Meeting concluded at 12.25 p.m. with a vote of thanks to the Chair.

SIGNED AS A CORRECT RECORD

- SIGNED-

.....  
CHAIRMAN  
DATUK ISKANDAR BIN SARUDIN

Date : 1 July 2022



Operational & Financial Matters

1. As at 31 March 2022, AEON has a total of 182 outlets in Malaysia, consisting of 28 AEON Malls, 34 AEON Stores, 9 AEON Maxvalu stores, 65 AEON Wellness pharmacies, 42 DAISO stores, and 4 Komai-so outlets.

- i. For FY2022, what is the new store opening target for each of the retail formats above?

**We target to open one outlet of AEON Store in IOI Putrajaya by the fourth quarter of FY2022 and another four Komai-So outlets in Bukit Tinggi, IOI, Tebrau City and Seremban 2, respectively in FY2022.**

- ii. What is the total budgeted capital expenditure for the above expansions?

**In terms of total budgeted capital expenditure, we will allocate an amount of RM46 million for the above expansion.**

2. In East Malaysia, even though the population is lower and more scattered in Sarawak than Sabah, AEON has one AEON Mall, one AEON Store, three AEON Wellness Pharmacies and one DAISO store in Sarawak but has no presence in Sabah at the moment, as shown on page 5 of FY2021 annual report.

**AEON continues to explore our expansion plans in East Malaysia. We started in Sarawak as we found the right location for our outlets' operations.**

**The Management is still exploring the most ideal location for us to operate in Sabah as we need to ensure that we understand the total supply chain and logistic dynamics which is generally more costly versus Sarawak. In addition, we are also learning from our experience in managing logistic in Sarawak, especially in terms of partners and cost.**

**We are thrilled to open new outlets either in mall or store retail format in Sabah and it will bring additional value in terms of AEON ecosystem's touch points. However, we remain cognisant of the market as it has yet to recover from the pandemic.**

3. While FY2021 revenue was lower at RM3.6b from RM4.1b a year ago, the profit after tax has more than doubled from RM41.1m for FY2020 to RM85.3m for FY2021. Please elaborate how the improved purchasing strategies, enhanced negotiations and disciplined cost management have significantly boosted the profit margin.

**The improved profit margin was derived from a combination of the following initiatives: -**

- i) Enhancement of the Company's purchasing and negotiation strategies as we synergised volume purchases and reviewed trade terms;**
- ii) Through One AEON which is the concept of the shared service model, we had synergized our backend office and centralised trade procurement and we have since then saw improvements in terms of cost structure and merchandise margins. By doing so, we managed to achieve economies of scale and cost optimization;**
- iii) Concurrently, our disciplined cost management reduced our operating expenses in promotion, maintenance and general administrative expenses due to more stringent activities during the MCO in FY2021**

4. The Company had negotiated for rent concessions with its landlord of the shopping malls and shopping outlets due to COVID-19 pandemic since FY2020. The amount recognised in profit or loss for the reporting period of RM10,944,000 (2020: RM20,291,000) relates to changes in lease payments arising from the rent concessions obtained in accordance with the practical expedient for COVID-19 related rent concessions (page 136 of FY2021 annual report). Does the Board expect any rent concessions for FY2022? If so, what is the expected amount?

**Given the challenges in FY2020 and FY2021 in managing the pandemic, we were able to negotiate for rent concessions with landlords, whereby we received rental waivers based on good gesture basis.**

**As we have entered into a period of endemicity in FY2022, we do not expect any further rent concessions moving forward.**

5. During FY2021, the company acquired intangible assets with an aggregate cost of RM60,103,000 (2020: RM735,000), of which RM26,120,000 (2020: Nil) were under interest free deferred payment plan and being included in amounts due to related companies. What are the other intangible assets acquired by AEON during the year?

**Intangible assets acquired by AEON during the year includes mainly acquisition of myAEON2go amounting to RM54.6 million, accounting and human resource software amounting to RM2.1 million and RM1.5 million, respectively.**

**Other than the RM26.1m of myaeon2go acquisition under the deferred payment plan, other acquisitions are fully paid during the year.**

Questions Raised by Shareholders/Proxies and Responses from Encik Shafie and Dr Grace Lee

- On requests to give e-voucher to the participants of the 37<sup>th</sup> AGM, Encik Shafie informed that the Company will be crediting RM50 e-voucher into the AEON Member Plus Card of shareholders who have attended and voted at the AGM by 10 June 2022. For shareholders who do not possess AEON Member Plus Card, application details will be shared separately to the shareholders.
- With regards to the Company’s environmental policy and environmental conservation activities undertaken by the Company, Encik Shafie informed some activities that the Company had undertaken include tree planting and water and energy consumption. The Company had started transitioning towards low carbon economy through the installation of solar panel on the rooftop of its malls. The Company had also taken effort to reduce waste and preserve biodiversity.

Encik Shafie informed that AEON Alpha Angle is the Company’s pilot store that incorporate sustainability initiatives such as vertical farming, recycling, integrated waste management and electric vehicle charging stations. Furthermore, from 2023 onwards, plastic bags will no longer be available at all of the Company’s stores and will be replaced with chargeable eco-friendly bags.

- On the measures taken to reduce unnecessary wastage and loss on perishable items in AEON Big, Encik Shafie informed that the Company is not in the position to reply to queries pertaining to AEON Big. However, Encik Shafie informed that the Management will work continuously to reduce food wastage.
- On the implementation of self-checkout machines at the Company’s stores to reduce checkout waiting time, Encik Shafie informed that self-checkout had been implemented in phases since 2021 and 300 units of self-checkout machines will be installed in 2022.
- With regards to the projects that were undertaken upon the Company entering into an agreement with Boxed, Encik Shafie informed that the Boxed platform was launched in August 2021 to support the Company’s online delivery platform, namely myAEON2go. The Boxed platform enables myAEON2go services at over 40 locations for both in-store pick-up and/or on-demand grocery delivery via website and mobile application.
- On the adoption of e-wallet, Encik Shafie informed that the Company has collaborated with several e-wallet providers wherein some e-wallets could be utilized at the Company’s stores. The Company is also working on bringing in more e-wallet provider to the Company’s stores.
- On the after sales service for delivery, Encik Shafie informed that the Company is offering same day delivery and customers could provide their feedback post-delivery. The Company will follow up on the feedback in order to improve customer experience.

- With regards to items being available in physical stores but not on the online platform, Encik Shafie explained that Company is still working on expanding the Softline and Hardline offerings on its online platform.
- On the measures taken by the Company to ensure that myAEON2go remains relevant after customers start to return to physical shopping at the Company's stores and malls, Encik Shafie informed that myAEON2go will continue to remain relevant. As a differentiation factor from other online platforms, myAEON2go will focus on achieving 3-hour delivery and same day delivery, especially for fresh products.
- On the advantages that myAEON2go possess as compared to its competitors, Encik Shafie informed that the Company will build the brand equity for myAEON2go, strengthen customer service and provide personalized offerings and convenience to customers. MyAEON2go will also leverage on the AEON ecosystem and offer more offerings through collaboration with partners.
- The Management noted the recommendation to set up myAEON2go kiosk throughout the Company's malls.
- On the recovery in sales in tenants and the Company to pre Covid-19 level following the relaxation of the Standard Operating Procedure ("SOP"), Encik Shafie informed that following the increased vaccination rate and the lifting of Movement Control Order ("MCO"), sales from its tenants and the Company had improved during the Chinese New Year and Hari Raya festive seasons. However, there is still uncertainty if sales could recover to pre Covid-19 level.
- On the introduction of different tier pricing for Daiso, Encik Shafie informed that all Daiso stores operated by the Company will still maintain its flat price concept.
- On improvement in profit level of the Company upon the lifting of MCO, Encik Shafie informed that despite the slight decline in revenue, the Company had recorded a higher profit and profit margin for the first quarter of the financial year 2022 as compared to the previous year corresponding quarter. The Management is confident that the profitability of the Company could be further improved upon the reopening of the border with Singapore.
- On the fire which occurred in AEON Taman Maluri, Encik Shafie explained that it is a small fire that occurred at the Hardline backroom in 2021 but the fire was successfully extinguished within 10 minutes. The Company had submitted insurance claim for this incident.
- On the revenue obtained by the Company from Grab and Lalamove services, Encik Shafie informed that the revenue is minimal.
- On the impact of the increase in minimum wage to RM1,500, Encik Shafie informed that the impact to the Company is not substantial.

- On the misconduct and unprofessional conduct by staff, Encik Shafie informed that staff from the HR Department will visit the Company's stores and malls to communicate the Company's values to the operational staff. The top management of the Company will also lead by example and training and development will be provided to staff.
- On providing a safe and conducive workplace to the staff, Encik Shafie informed that the Company had received 34 whistleblowing cases in 2021. All cases had been resolved and actions such as issuing warning, counselling or transferring staff to another location had been taken.
- On the actions taken to protect data privacy of customers and prevent cyberattack, Encik Shafie informed that for the past two (2) years, the Company had invested in improving data security and cybersecurity. Firewalls are constantly checked and the Company is working with industry leaders to ensure the security of the Company's data.
- On the balance between digital transformation and developing human capital, Encik Shafie informed that human capital is an asset to the Company and the Company will continue to equip its human capital with the right skills and competencies.
- On the actions taken by the Company to tackle inflation, global economy slowdown and supply chain issue due to Russia-Ukraine war, Encik Shafie informed that the Company is focusing on local sourcing for most of its products, develop its private brand and diversity in its global sourcing.
- The Management noted the recommendations to carry out Buy Malaysia Product campaign and Straight From the Farm campaign to tackle the depreciation of Ringgit, inflation, economy slowdown and supply chain uncertainty.
- On the actions taken by the Management to curb the spread of Covid-19, Encik Shafie informed that the Company will continue to adhere to the SOP set by the Government.
- On the impact of the one-off prosperity tax to the profitability of the Company, Dr Grace Lee informed that the Company would take the prosperity tax into account when preparing its quarterly results for 2022.
- With regards to the Company's digital initiatives, Encik Shafie informed that currently the Company is focusing on building its digital infrastructures and developing myAEON2go. Encik Shafie added that the results of the digital initiatives would be visible in the next 12 to 18 months.
- On the Company's transformation plan, Encik Shafie informed that the Company is able to achieve a sustainable cost structure for the past two (2) years and ensure that the Company has the ability to increase its sales.
- On the collaboration with the AEON Group consortium which has been awarded with the digital banking license, Encik Shafie informed that the Company is working closely with the consortium and hopes that the collaboration will help to drive the Company's sales in the future.

- On the consolidation of the Company's properties to set up a Real Estate Investment Trusts, Encik Shafie informed that currently the Company does not have such plan.
- With regards to the Company's pricing strategy, Encik Shafie informed that the Company will examine its prices holistically to cater to all customers and will work with its vendors and suppliers to provide the best price to customers.
- On the closing down of non-profitable AEON Big's stores and the financial performance of AEON Big, Encik Shafie informed that the Company is not in the position to reply to queries pertaining to AEON Big.
- On the rebate amount recognized in 2021, Dr Grace Lee informed that the rebate amount recognized in 2021 is consistent with the amount recognized in 2020.
- On the cost of conducting the virtual AGM and bonus issue, Encik Shafie informed that the cost of conducting a virtual AGM is lower than conducting a physical AGM. However, the Company does not have plan to declare bonus issue to the shareholders.
- On the impact of the increase in commodity prices to the Company, Encik Shafie informed that currently, the Company has not been directly impacted by the increase in commodity prices. However, in anticipation of rising commodity prices, the Company will launch an anti-inflation campaign soon to help customers in combating the rise in living cost.
- With regards to the Company's revenue sources, Dr Grace Lee explained that the Company derives its revenue mainly from its retail segment and property management segment. Details of revenue and profit of these segments are available in the Annual Report 2021.
- The Management noted on the feedback provided on the layout of AEON Taman Maluri. Encik Shafie also informed that customer careline could be contacted for issues pertaining to AEON voucher.
- With regards to the long-serving Independent Director, Encik Shafie explained that the Nomination and Remuneration Committee had assessed and is satisfied that the long-serving Independent Directors remained independent, possess objective judgement and act in the best interest of the Company. The Meeting was informed that in view of the transformation plan of the Company, the Board recommends for the continuity in the Independent Directors to oversee the transformation plan.
- On the holding of a physical AGM, Encik Shafie informed that it is the wish of the Company to hold a physical AGM in order to meet shareholders. However, the Company is cognizant of the Covid-19 situation and will adhere to the Government's recommendations.
- On the points collection for holders of AEON Members' Plus card when transacting on the Company's digital platform, Encik Shafie informed that the Management is working on building an integrated digital platform, which would allow members to collect points for their transaction.

- On the outlook for the second quarter of the financial year 2022 and possibility of recession, Encik Shafie informed that as Malaysia moves into an endemic phase, the Company is confident that consumer confidence will recover and the performance of the Company will improve upon the reopening of borders. Even though global pressure will put a strain on cost, the Company will work with its partners to offer innovative offerings that will benefit the customers.
- With regards to the total investment cost in digital platform in 2021 and its return on investment, Dr Grace Lee informed that the Company had invested RM54.6 million for the myAEON2go platform in 2021. As this is a newly launched platform, the sales-to-date of myAEON2go remains immaterial when compared with the Company's performance.
- With regards to the recurrent related party transactions of the Company, Dr Grace Lee informed that all transactions are required to go through the commercial and technical evaluations as part of the Company's procurement process.
- On the receivables of the Company which had not been impaired of RM9 million, Dr Grace Lee informed that there had been a reduction of 25% in such receivables due to receipt of payment for the receivables and rent adjustment provided to tenants during renewal of tenancy. The Company will continue to monitor these receivables closely.
- With regards to the tabling of the Directors' fees under separate resolutions, the Company Secretary explained that Practice 7.3 of the Malaysian Code of Corporate Governance encourages listed companies to table separate resolutions on the approval of the fees of each non-executive director and the Company endeavors to apply such best practice.
- On the market rental rate for retailers in the near future, Encik Shafie opined that rental rate will recover as the market recover. The Company had negotiated win-win rental structure with both its landlords and tenants by including variable sales component, which minimize the impact to the Company should there be a pandemic but allows the Company to capitalize on market recovery.
- On the countermeasures to overcome the supply glut, Encik Shafie informed that it is crucial to meet the demand of the community. For example, AEON Alpha Angle had previously been experiencing a decline from 2016 onwards due to the opening of new malls in the surrounding area. However, there are encouraging signs upon the reopening of AEON Alpha Angle as it records a higher level of growth when compared to its pre-pandemic performance and the lesson learnt from AEON Alpha Angle could be applied to other malls.
- On the differentiation with AEON Big, Encik Shafie explained that even though AEON Big is a related party, the Company is serving a different customer segments and there is minimal overlap with AEON Big.
- On the consolidation of the revenue and cost of AEON Big into the Company's financial statements, Encik Shafie explained that AEON Big is not a subsidiary of the Company and its financial results is not included in the financial statements of the Company.

- With regards to the total investment cost for the refurbishment of AEON Alpha Angle and the expected yield of this investment, Encik Shafie informed that the Company had invested RM40 to RM45 million to refurbish AEON Alpha Angle and is expecting a 10% to 13% growth in topline sales.
- On the reduction of the net profit for the first quarter of the financial year 2022 as compared to the net profit for the fourth quarter of the financial year 2021, Dr Grace Lee explained that this was due to the recognition of seasonal year end annual rebate in the fourth quarter of the financial year 2021.
- On the valuation of myAEON2go of RM54.6 million, Dr Grace Lee informed that RM54.6 million is the software development cost of myAEON2go. The Company estimates a return on investment of three (3) to five (5) years for myAEON2go. Furthermore, the features in myAEON2go will be further enhanced in the near future.
- On the viewership for the shows produced by the Company, Encik Shafie informed that the viewership for episode 1, 2, 3 and 4 for the Makna Raya campaign video was 376,000, 402,000, 382,000 and 346,000 respectively. Additionally, the series and its offshoots continues to attract viewership on the Company's Youtube channel with a viewership of a minimum 20,000 per episode.
- With regards to expansion of the Company's presence in East Malaysia, Dr Grace Lee informed that the Company continues to explore its expansion plans in East Malaysia and remain cognizant of the market opportunity as Malaysia progresses towards an endemic phase.
- On the increase in the dividend payout due to better future prospects, Encik Shafie informed that the Management is working hard to execute the Company's strategies which will increase profitability of the Company and commensurate dividend distribution will be made. However, the Company has not adopted a dividend payout policy.
- On the new concept store such as Komai-so and its ability to attract customers, Encik Shafie informed that the Company is reviewing the business model and instead of expansion through outlet, the Company is looking at doing business in more agile manner where more pop up stores will be opened to understand the customers and develop the right offerings for them.
- On the payment date of the dividend, Dr Grace Lee informed that subject to the approval by the shareholders in the AGM, the dividend will be paid on 20 June 2022.
- On the future plans for the NFT project of the Company, Encik Shafie informed that the NFT Raya project is a pilot project and the Company is still exploring and finalizing the overall business model.
- On the impact of the new leasing agreement with tenants where fixed rental rate is reduced while the revenue sharing portion is increased, Encik Shafie informed that as the market recovers and tenant sales improved, the Company is able to receive higher rental as a percentage of sales.