

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

MINUTES OF THE THIRTY- EIGHTH 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 WEDNESDAY, 17 MAY 2023 AT 10.00 A.M.

PRESENT

DIRECTORS

Datuk Iskandar bin Sarudin	- Chairman and a proxy for shareholders set out in the Attendance Summary attached.
Mr Keiji Ono	- Managing Director (“MD”)
Mr Tsugutoshi Seko	- Deputy MD
Mr Naoya Okada	- Deputy MD
Encik Abdul Rahim bin Abdul Hamid	
* Dato’ Tunku Putra Badlishah Ibni Tunku Annuar	
Datuk Syed Ahmad Helmy bin Syed Ahmad	
Encik Hisham Bin Zainal Mokhtar	
Puan Zaida Khalida Binti Shaari	
Ms Chong Swee Ying	- Also a Shareholder
Mr Hiroaki Egawa	

IN ATTENDANCE

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

BY INVITATION

Dr Grace Lee Hwee Ling - Chief Financial and Sustainability Officer

Note:

* Participated via video conferencing

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

1. OPENING REMARKS BY THE CHAIRMAN

The Chairman, Datuk Iskandar bin Sarudin, extended a warm welcome to the shareholders, proxies and invitees to the Company's Thirty-Eighth Annual General Meeting ("38th AGM"). The Company Secretary informed the Meeting that the 38th AGM is held virtually at the broadcast venue through live streaming and online remote participation by using Remote Participation and Voting Facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") and is streaming from Tricor's TIIH Online website at <https://tiih.online>.

2. VOTING PROCEDURES

The Meeting noted that all resolutions set out in the Notice of the 38th 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 to verify the poll results. Polling was opened at the commencement of the AGM wherein members/proxies/corporate representatives could start to cast their votes. The results of the poll voting will be announced after the scrutineer has verified the poll results upon closure of the voting session. The Chairman directed that all the resolutions set forth in the Notice of the 38th AGM be conducted by way of electronic polling.

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

3. INTRODUCTIONS

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

4. QUORUM AND SUMMARY OF PROXIES RECEIVED

The Company Secretary informed that based on the report by the appointed Share Registrar, Tricor, a total of 1,379 members, comprising shareholders, proxies and corporate representatives, representing 794,563,796 ordinary shares or 56.59% of the total number of issued shares of the Company had registered to attend the Meeting via RPV.

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The Company had received in total 255 proxy forms from the shareholders for a total of 1,017,161,023 ordinary shares representing 72.45% of the total number of issued shares of the Company.

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

5. NOTICE OF AGM

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

The Chairman gave a welcome address to all participants of the 38th AGM and informed the Meeting that the financial year ended 31 December 2022 (“**FY2022**”) signified a new chapter for the Company as the Company emerged from the challenges posed by the pandemic. The Company remained guided by its strategic business approaches of Agile, Genba and Entrepreneurial, which served as the foundation for the Company’s strong growth and unwavering commitment to deliver value to the Company’s shareholders. The Meeting was also informed that for FY2022, the Company had achieved a 13.9% increase in revenue as compared to the financial year ended 31 December 2021 (“**FY2021**”). The Chairman informed that the Company is committed to building a sustainable business that goes beyond financial returns by prioritizing environmental protection, employee well-being, community upliftment and overall ecosystem contribution.

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 4.0 sen per ordinary share for FY2022 subject to shareholders’ approval at the Meeting. The total amount payable of RM56.2 million would represent a payout ratio of 50.5% of the Company’s profit for FY2022.

The Chairman further announced that as a token of appreciation for shareholders, proxies and corporate representatives who attended and voted at the 38th AGM, a RM50 e-voucher will be credited into the AEON Member Plus Card for the participants.

7. PRESENTATION BY THE MANAGING DIRECTOR AND CHIEF FINANCIAL AND SUSTAINABILITY OFFICER

At the invitation of the Chairman, the Chief Financial and Sustainability Officer, Dr Grace Lee Hwee Ling (“**Dr Grace Lee**”) and the Managing Director, Mr Keiji Ono (“**Mr Ono**”) briefed the Meeting on the financial and business performance of the Company for FY2022 and the future direction of the Company.

Dr Grace Lee briefed the Meeting on the financial highlights of the Company for FY2022, details of which were summarized as below:-

- The Company had recorded a revenue of RM4.141 billion for FY2022, which was 14.1% higher as compared to the revenue of RM3.63 billion for FY2021 driven by higher property management income and higher Softline and Hardline sales. However, operating expenses had also increased by 13.7% from RM3.391 billion for FY2021 to RM3.855 billion for FY2022 following the increase in personnel cost, utilities expenses and promotional expenses.
- The Company had recorded a Profit After Tax (“**PAT**”) of RM111.2 million for FY2022, which was 30.4% higher as compared to the PAT of RM85.3 million for FY2021. This enabled the Company to declare a dividend of 4.0 sen per ordinary share for FY2022, which was higher than the dividend of 3.0 sen per ordinary share declared for FY2021.
- Total assets of the Company had decreased from RM5.862 billion as at the end of FY2021 to RM5.426 billion as at the end of FY2022 due to depreciation and lower new investment while borrowings had also decreased from RM728 million as at the end of FY2021 to RM498 million as at the end of FY2022.
- Foodline, which contributed 51.2% of the retailing revenue for FY2022, remained the main contributor to the retailing revenue followed by Softline, Hardline and Wellness. Following the increase in occupancy rate from 88.3% for FY2021 to 91.4% for FY2022, mall income had increased from RM531.3 million for FY2021 to RM615.5 million for FY2022.
- Some initiatives taken by the Company in FY2022 include expanding private brand, organizing campaigns for customers, opening new stores (IOI Putrajaya Store and Daiso Gurney Plaza), adding internationally recognized brands as tenants to the malls, enhancing the iAEON app and installing self-checkout counters in all of the Company’s stores.
- For FY2022, the Company had been included into the FTSE4Good index premised upon the Company’s continued commitment to its Environmental, Social and Governance strategic initiatives. These initiatives include the installation of solar photovoltaic panels in two (2) of the Company’s malls, the increase of minimum wage ahead of the mandatory timeline, providing more than 150,000 man-hours of training to the Company’s staff and strengthening the Company’s Enterprise Risk Management Model.

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Mr Ono briefed the Meeting that the future vision of the Company will be centred upon the establishment of the AEON Living Zone through cooperation with various stakeholders such as merchandisers, suppliers, tenants and local government. Mr Ono then presented the Mid Term Plan of the Company, details of which were summarized as below:-

- Enhance existing core business. The Company will open new stores and continue to renovate existing stores. The Company plans to open an urban shopping centre in KL Midtown in 2025.
- Enrich merchandising assortments. The Company will develop its own products that offer value to the customers and these products could potentially be exported to other ASEAN countries and Japan in the future. In the process, the Company could contribute to the Malaysian economy and provide employment opportunities to Malaysian.
- Embrace new transformation. The Company will continue to promote MyAEON2go, which is the Company's virtual supermarket. The Company will also expand the reach of MyAEON2go to more areas and expand the number of merchandises available on MyAEON2go.
- Encompass sustainability. The Company strives to achieve carbon neutral by 2040. The Company had discontinued the usage of plastic bag in its stores in 2023 in favour of paper bags. Solar panels and charging stations for electronic vehicle will also be installed in the Company's malls.

8. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 2022 together with the Reports of the Directors' and Auditors' thereon.

The Audited Financial Statements for the financial year ended 31 December 2022 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 2022 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 38th AGM.

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9. FINAL DIVIDEND - Ordinary Resolution 1

The Chairman informed that Ordinary Resolution 1 was to declare and approve the payment of a final dividend of 4.00 sen per ordinary share in respect of the financial year ended 31 December 2022.

10. DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 - Ordinary Resolutions 2 to 8

The Chairman informed that Ordinary Resolutions 2 to 8 were to approve the payment of Directors' Fees of Ringgit Malaysia Eight Hundred Eighty Three Thousand Five Hundred and Ninety (RM883,590) for the financial year ended 31 December 2022. 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 18 April 2023.

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

11. DIRECTORS' FEES FOR THE PERIOD FROM 1 JANUARY 2023 UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING - Ordinary Resolution 9

The Chairman informed that Ordinary Resolution 9 were to approve the payment of Directors' Fees of up to Ringgit Malaysia One Million and Five Hundred Thousand (RM1,500,000) for the period from 1 January 2023 until the conclusion of the next AGM of the Company to be held in 2024. The Chairman informed that the breakdown of the Directors' Fees structure had been set out in the Notice of the AGM dated 18 April 2023.

The Chairman further informed that Ms Chong Swee Ying, who is the director and also shareholder of the Company, would abstain from voting on this resolution.

12. DIRECTORS' BENEFITS PAYABLE - Ordinary Resolution 10

The Chairman informed that Ordinary Resolution 10 was to approve the benefits payable to the Directors of the Company of up to Ringgit Malaysia Two Hundred Thousand (RM200,000) from 18 May 2023 until the conclusion of the next Annual General Meeting of the Company to be held in 2024.

The Chairman further informed that Ms Chong Swee Ying, who is the director and also shareholder of the Company, would abstain from voting on this resolution.

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

The Chairman informed that Ordinary Resolution 11 was with regards to his re-election as Director. As the Chairman is deemed interested in Agenda item, he invited Encik Abdul Rahim bin Abdul Hamid (“**Encik Abdul Rahim**”), the Senior Independent Director of the Company, to take over the Chair for the deliberation of this resolution.

Encik Abdul Rahim informed that Ordinary Resolution 11 was to re-elect Datuk Iskandar bin Sarudin who retired pursuant to the Company’s Articles of Association and being eligible, had offered himself for re-election. After tabling this Agenda item, Encik Abdul Rahim handed back the chair to the Chairman.

14. RE-ELECTION OF DIRECTORS - Ordinary Resolutions 12 to 18

The Chairman informed that Ordinary Resolutions 12 to 18 were to re-elect Ms Chong Swee Ying, Mr Keiji Ono, Mr Tsugutoshi Seko, Mr Naoya Okada, Encik Hisham Bin Zainal Mokhtar, Puan Zaida Khalida Binti Shaari and Mr Hiroaki Egawa who retired pursuant to the Company’s Articles of Association and being eligible, had offered themselves for re-election.

The Chairman further informed that Datuk Syed Ahmad Helmy bin Syed Ahmad, Dato’ Tunku Putra Badlishah Ibni Tunku Annuar and Encik Abdul Rahim bin Abdul Hamid who retired pursuant to Article 74 of the Articles of Association of the Company had expressed their intention not to seek for re-election as Directors. As such, they would retire at the conclusion of this AGM. The Chairman expressed a vote of thanks and gratitude from the Board to Datuk Syed Ahmad Helmy bin Syed Ahmad, Dato’ Tunku Putra Badlishah Ibni Tunku Annuar and Encik Abdul Rahim bin Abdul Hamid for their valuable contribution to the Company.

15. RE-APPOINTMENT OF AUDITORS - Ordinary Resolution 19

The Chairman informed that Ordinary Resolution 19 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.

16. 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 20

The Chairman informed that Ordinary Resolution 20 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 18 April 2023.

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

17. QUESTIONS AND ANSWER SESSION

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

Mr Ono and the Chairman presented the replies to the questions raised from MSWG, details as set out in "Appendix I" attached herein.

Having addressed the questions from MSWG, the Chairman, Mr Ono, Mr Tsugutoshi Seko ("Mr Seko"), Mr Naoya Okada ("Mr Okada") and Dr Grace Lee then proceeded to respond to the queries raised by the members/proxies submitted prior to the 38th AGM as well as live questions submitted via the online meeting portal. A summary of the queries raised and responses provided is appended as Appendix II.

After due discussion, the Audited Financial Statements for the financial year ended 31 December 2022 together with the Directors' and the Auditors' Reports thereon were deemed properly laid and duly received at the AGM.

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18. VOTING

After having addressed all the questions raised, the Chairman proceeded to voting. The Chairman placed on record that some shareholders have appointed him to be their proxy and he will vote according to their instructions. The Chairman also informed that the verification of the votes by the scrutineer would take approximately 20 minutes and the Meeting 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 12.00 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	%
Ordinary Resolution 1 To declare and approve the payment of a final dividend of 4.0 sen per ordinary share in respect of the financial year ended 31 December 2022	1,020,311,382	99.9981	19,539	0.0019
Ordinary Resolution 2 To approve the payment of the Director's fees to Datuk Iskandar bin Sarudin for the financial year ended 31 December 2022	1,019,848,169	99.9781	223,556	0.0219
Ordinary Resolution 3 To approve the payment of the Director's fees to Datuk Syed Ahmad Helmy bin Syed Ahmad for the financial year ended 31 December 2022	1,019,771,562	99.9706	300,157	0.0294

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Ordinary Resolution 4 To approve the payment of the Director's fees to Dato' Tunku Putra Badlishah Ibni Tunku Annuar for the financial year ended 31 December 2022	1,019,774,062	99.9709	296,857	0.0291
Ordinary Resolution 5 To approve the payment of the Director's fees to Encik Abdul Rahim bin Abdul Hamid for the financial year ended 31 December 2022	1,019,796,870	99.9730	275,055	0.0270
Ordinary Resolution 6 To approve the payment of the Director's fees to Encik Hisham Bin Zainal Mokhtar for the financial year ended 31 December 2022	1,020,019,469	99.9788	216,456	0.0212
Ordinary Resolution 7 To approve the payment of the Director's fees to Puan Zaida Khalida Binti Shaari for the financial year ended 31 December 2022	1,020,041,470	99.9809	194,455	0.0191
Ordinary Resolution 8 To approve the payment of the Director's fees to Ms Chong Swee Ying for the financial year ended 31 December 2022	1,019,923,344	99.9738	267,481	0.0262
Ordinary Resolution 9 To approve the Directors' fees of up to RM1,500,000 for the period from 1 January 2023 until the conclusion of the next Annual General Meeting of the Company to be held in 2024	1,019,956,665	99.9747	257,659	0.0253

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Ordinary Resolution 10				
To approve the benefits payable to the Directors of up to RM200,000 from 18 May 2023 until the conclusion of the next Annual General Meeting of the Company to be held in 2024	1,019,965,362	99.9762	242,762	0.0238
Ordinary Resolution 11				
To re-elect the Director, Datuk Iskandar bin Sarudin, who is retiring pursuant to Article 74 of the Company's Articles of Association	1,013,677,668	99.3697	6,429,256	0.6303
Ordinary Resolution 12				
To re-elect the Director, Ms Chong Swee Ying, who is retiring pursuant to Article 74 of the Company's Articles of Association	1,013,180,531	99.3042	7,099,194	0.6958
Ordinary Resolution 13				
To re-elect the Director, Mr Keiji Ono, who is retiring pursuant to Article 80 of the Company's Articles of Association	1,020,239,372	99.9960	40,548	0.0040
Ordinary Resolution 14				
To re-elect the Director, Mr Tsugutoshi Seko, who is retiring pursuant to Article 80 of the Company's Articles of Association	1,020,238,880	99.9960	41,040	0.0040
Ordinary Resolution 15				
To re-elect the Director, Mr Naoya Okada, who is retiring pursuant to Article 80 of the Company's Articles of Association	1,020,232,877	99.9954	46,543	0.0046

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Ordinary Resolution 16 To re-elect the Director, Encik Hisham Bin Zainal Mokhtar, who is retiring pursuant to Article 80 of the Company's Articles of Association	1,020,220,969	99.9946	54,850	0.0054
Ordinary Resolution 17 To re-elect the Director, Puan Zaida Khalida Binti Shaari, who is retiring pursuant to Article 80 of the Company's Articles of Association	1,020,009,670	99.9739	266,155	0.0261
Ordinary Resolution 18 To re-elect the Director, Mr Hiroaki Egawa, who is retiring pursuant to Article 80 of the Company's Articles of Association	1,013,734,481	99.3585	6,545,439	0.6415
Ordinary Resolution 19 To re-appoint Messrs KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	1,020,212,760	99.9932	69,167	0.0068
Ordinary Resolution 20 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	304,125,188	99.9838	49,338	0.0162

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

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ORDINARY RESOLUTION 1

“That the payment of a Final Dividend of 4.0 sen per ordinary share in respect of the financial year ended 31 December 2022 be and is hereby approved.”

ORDINARY RESOLUTION 2

“That the payment of Directors’ Fees of RM200,000 to Datuk Iskandar bin Sarudin for the financial year ended 31 December 2022 be and is hereby approved.”

ORDINARY RESOLUTION 3

“That the payment of Directors’ Fees of RM140,000 to Datuk Syed Ahmad Helmy bin Syed Ahmad for the financial year ended 31 December 2022 be and is hereby approved.”

ORDINARY RESOLUTION 4

“That the payment of Directors’ Fees of RM150,000 to Dato' Tunku Putra Badlishah Ibni Tunku Annuar for the financial year ended 31 December 2022 be and is hereby approved.”

ORDINARY RESOLUTION 5

“That the payment of Directors’ Fees of RM150,000 to Encik Abdul Rahim bin Abdul Hamid d for the financial year ended 31 December 2022 be and is hereby approved.”

ORDINARY RESOLUTION 6

“That the payment of Directors’ Fees of RM63,014 to Encik Hisham Bin Zainal Mokhtar for the financial year ended 31 December 2022 be and is hereby approved.”

ORDINARY RESOLUTION 7

“That the payment of Directors’ Fees of RM63,014 to Puan Zaida Khalida Binti Shaari for the financial year ended 31 December 2022 be and is hereby approved.”

ORDINARY RESOLUTION 8

“That the payment of Directors’ Fees of RM117,562 to Ms Chong Swee Ying for the financial year ended 31 December 2022 be and is hereby approved.”

ORDINARY RESOLUTION 9

“That the Directors' fees of up to RM1,500,000 for the period from 1 January 2023 until the conclusion of the next Annual General Meeting of the Company to be held in 2024 be and is hereby approved.”

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ORDINARY RESOLUTION 10

“That the benefits payable to the Directors of the Company of up to RM200,000 from 18 May 2023 until the conclusion of the next Annual General Meeting of the Company to be held in 2024 be and is hereby approved.”

ORDINARY RESOLUTION 11

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

ORDINARY RESOLUTION 12

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

ORDINARY RESOLUTION 13

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

ORDINARY RESOLUTION 14

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

ORDINARY RESOLUTION 15

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

ORDINARY RESOLUTION 16

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

ORDINARY RESOLUTION 17

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

ORDINARY RESOLUTION 18

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

ORDINARY RESOLUTION 19

“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.”

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ORDINARY RESOLUTION 20

- 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 18 April 2023 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

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authorised by this resolution, as the Directors of the Company, in their absolute discretion, deem fit.”

19. CONCLUSION

There being no other business to be transacted, the Meeting concluded at 12.05 p.m. with a vote of thanks to the Chair.

SIGNED AS A CORRECT RECORD

- SIGNED -

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CHAIRMAN
DATUK ISKANDAR BIN SARUDIN

Date : 28 June 2023

Operational & Financial Matters

1. AEON's retail segment revenue increased by 13.8% to RM3,525.6 million in FY2022, due to increased softline and hardline sales. This was attributed to the reopening of national borders and higher customer traffic after two years of restricted movements. AEON's personalisation strategy also contributed to the improved performance by better understanding customer needs (page 21 of AR2022).

- a) What is AEON's outlook for consumer spending in FY2023, given the expected impact of rising inflationary pressures on economic growth, and how does the company plan to respond to these challenges? How have AEON's retail sales been so far in FY2023 compared to the same period last year? Has retail spending been concentrated around festive periods only and has it eased outside of those periods?

We expect FY2023 to have softer domestic consumer sentiments. However, AEON sees positive retail momentum with the reopening of Malaysian economy, greater flexibility for travel and returning crowds to shopping centre. AEON will continue to leverage on its ecosystem in collaborating with its tenant, suppliers and our group companies to optimise the value in consumer spending, as well as organising events to increase footfalls and improve the shopping experience.

As we will hold BOD meeting for 1Q Fiscal Year 2023 on 18th May 2023, please refer to our 1Q result announcement tomorrow for Fiscal Year 2023 performance.

Consistent with global retail trends, festivities do encourage retail spending. Given the wide range of product assortments, AEON's retail sales are normalised during off-festive periods.

- b) How does AEON ensure that its personalisation strategy is relevant and effective across different customer touchpoints, and what methods are used to tailor the experience to individual customers? Please also provide examples of how AEON's personalisation strategy has been used to drive sales growth in specific product categories or among specific customer segments.

Guided by our 'Customer First' philosophy and the 7 Customer Personas, we continuously research on the respective market segments to customise our offerings based on these personas and demographic profiles of the respective areas. With that, we continue to ensure that our stores are designed to satisfy the ever-changing needs across all our Personas:

For example:

- **AEON Stores serve as one-stop destination for urban and sub - urban households to meet daily needs.**
- **AEON Wellness stores focus on the well-being and healthy living, beauty care and personal hygiene of our customers.**

2. In FY2022, AEON's property management services segment reported a 9.6% increase in operating profit to RM218.8 million, with revenue growing by 15.8% to RM615.5 million due to increased occupancy rates, higher sales commissions, and temporary sales rental received as a result of higher customer footfall at AEON's malls (page 20 and 21 of AR2022).

a) While both revenue and operating profit for the property management services segment increased in FY2022, operating profit margin decreased to 35.5% from 37.6% a year ago. What were the main factors that contributed to this margin compression, and what steps is AEON taking to enhance profitability?

The compression was mainly due to higher utilities expenses in FY22 when malls were reopened post-MCO in FY21 and increase in electricity tariff effective February 2022.

Additionally, AEON had also restarted various mall events and festive celebrations to re-connect with our shoppers and community thus resulting in higher promotion expenses and resumption of maintenance related expenses.

Acknowledging the challenges in enhancing profitability, we are focusing in improving income by reviewing our tenant mix and bringing in fresh new brands to suit the evolving consumption trends.

As electricity consumption remains a key cost driver, we target to complete the remaining solar PV installations at all Aeon malls by 2024 as well as upgrade our facility with energy efficient fittings.

b) What is AEON's target operating profit margin for the property management services segment in FY2023?

With the increasing cost of doing business, we are working towards ensuring that AEON's target operating profit margin for the property management services segment remains consistent as FY2022.

3. AEON saw an increase in tenant renewals to 90% in FY2022, up from 85% in FY2021. This was due to the restructuring of tenancy income, which involved reducing fixed rental fees and implementing higher commission-based fees (page 22 of AR2022).

- a) Was the increase in commission-based fees able to offset the reduction in fixed rental rates, resulting in a net positive effect on income? Please quantify the net effect of the strategy.

Both the commission-based and fixed rental fees has increased by 79% and 2%, respectively compared to FY21, due to improved occupancy in FY22.

- b) What was the split between fixed and variable rent in FY2022, and what is AEON's target split for FY2023?

The split between fixed and variable rent in FY22 is at 57% and 43% respectively. We expect similar trend in FY2023.

- c) Does AEON plan to increase its fixed rental rates in FY2023, considering that its tenants are on a more solid footing post-pandemic?

We understand that post-pandemic recovery is challenging. At AEON, each tenancy renewal is negotiated on the case-by-case basis and tailoring to our tenant's needs to help them sustain the business.

- d) What is AEON's target occupancy rate for FY2023, and how does it plan to achieve this?

We achieved 91.4% occupancy rate as of December 2022 and we hope to improve our occupancy rate by another 1% to 2% by December 2023.

4. In FY2022, AEON focused on improving its digital capabilities to meet the changing needs of customers. This included implementing the New Retail Business model and Online-Merge-Offline (OMO) strategy (page 23 of AR2022).

- a) What percentage of your sales growth in the retail segment in FY2022 can be attributed to the adoption of digitalisation? Can you provide any specific metrics that demonstrate the impact of digitalisation on your sales performance?

Our digital transformation journey includes strengthening the myAEON2go platform for which our online sales grew 34% from last year.

myAEON2go is an alternative distribution channel for us to engage with customers who prefers to shop online. Currently, the online platform sales percentage of total retail sales remains insignificant.

- b) What is the breakdown of AEON's budgeted capital expenditures for FY2023, and how much of that is allocated for digitalization initiatives?

We have budgeted for higher CAPEX in FY2023 aligning with our plans to renovate two (2) malls while upgrading existing malls/stores to improve customers' shopping experience. In terms of digitalisation initiatives, we continue to invest around 10% of CAPEX budget consistent with FY22.

Corporate Governance Matters

1. According to Practice 5.9 of the MCCG, the Board should comprise at least 30% women directors.

Gender diversity is an important issue in corporate governance and AEON currently has a low representation (18%) of women on its Board, with only two women directors out of a total of 11 directors.

What specific actions has the Board taken or intends to take to ensure that it meets the 30% representation of women directors? Furthermore, does the Board have a concrete plan to accomplish this objective within a reasonable timeframe of three years or less?

There are currently two (2) women directors sitting in the Board. Ms Chong Swee Ying was appointed to the Board as a Non-Independent Non-Executive Director since 23 August 2018 and Puan Zaida Khalida Shaari was appointed to the Board as an Independent Non-Executive Director on 1 July 2022.

The Board is always committed and endeavours to apply corporate governance best practices and target to accomplish the 30% representation within one (1) year.

Questions Raised by Shareholders/Proxies and Responses from the Chairman, Mr Ono, Mr Seko, Mr Okada and Dr Grace Lee

- On requests to give e-voucher to the participants of the 38th AGM, the Chairman 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 31 May 2023. For shareholders who do not possess AEON Member Plus Card, application details will be shared separately to the shareholders.
- On the printed copy of the Annual Report 2022, the Chairman informed that shareholders could submit their request for a printed copy of the Annual Report 2022 to the Share Registrar, which would be sent to the shareholders by ordinary post as soon as possible upon the receipt of the request.
- With regards to the conducting of physical AGM, the Chairman informed that the Company appreciates the valuable opportunity to engage shareholders face-to-face during physical AGM. However, conducting virtual AGM enables the Company to reach a broader audience and provide convenience and inclusivity to shareholders who may be unable to attend the AGM physically.
- In addressing the various concerns raised by the shareholders relating to the human resources management of the Company, Mr Seko assured that the Company remains committed to ensure fair employment and will adhere to all applicable laws, regulations and employment standards. The Company has also adopted the AEON Code of conduct, which stipulates the expected standards for corporate behaviour. The Company also provides a safe whistleblowing channel for its staff. Mr Seko informed that for FY2022, the Company had received 31 whistleblowing reports and all of cases were investigated and resolved. Actions such as counselling, suspension, demotion and dismissal had been taken.

Mr Seko further informed that in order to ensure a healthy work environment, the Company had provided mental health talk to its employees and had also established a Mental Health Day. The Company also fosters a high performance culture whereby 6,672 people reviews had been conducted in FY2022 and as a result, 737 staff were promoted and 191 staff were identified as the Company’s talent pipeline. Mr Seko also informed that Myaeon2go riders will be employed permanently after completing one (1) year of service and insurance will be provided to the riders.

- On the countermeasures to be taken by the Company to mitigate the impact of a potential economic recession to the Company’s profit, Dr Grace Lee informed that the Company would continue to exercise disciplined cost management and prudent spending besides expanding private brands to ensure that the Company remains relevant by being able to address the changing needs of the customers and growing demand for value-for-money products.

- On the latest figures on the Company’s malls footfall, occupancy rate and average basket size, Dr Grace Lee informed that the results of the Company’s financial and operational performance for the first quarter of the financial year 2023 will be announced to the public on 18 May 2023.
- With regards to the impact of higher utility tariff to the Company, Dr Grace Lee informed that the increase in the electricity costs in February 2022 for users from the commercial and industrial sectors and the resumption of businesses since April 2022 had resulted in higher electricity expenses for the Company for FY2022. As part of the Company’s sustainability initiative, the Company had installed solar photovoltaic (“**PV**”) panels at two (2) of its malls and expects to complete the installation of solar PV panels at all of its malls by 2024.
- On the capital expenditure (“**Capex**”) for Glam Beautique, Dr Grace Lee informed that Glam Beautique is a new concept and its Capex would be subsumed as part of the Capex for the ongoing rejuvenation of the Company’s malls.
- With regards to the establishment of a Real Estate Investment Trusts, Mr Ono informed that currently the Company does not plan to do so.
- On the acquisition of the land in Kota Bharu, Mr Ono explained that the Company is purchasing the land where its Kota Bharu mall is situated on and the acquisition is expected to contribute positively to the Company’s business going forward as there would be savings from lease rental that would otherwise have to be paid to the landowner.
- With regards to the performance of Kulaijaya Mall, Mr Ono informed that the mall currently fulfils the basic needs of the surrounding neighbourhood area. The Company will continue to improve the tenant mix of the mall and increase the number of food and beverage tenants to strengthen its position in Kulaijaya.
- With regards to the shopping environment of the Company’s malls, Mr Okada informed that the Company would continue to offer a comfortable shopping environment to its customers. Guided by the “Customer First” philosophy, the Company would continue to strive to deliver unique and value-driven offerings by enriching its product portfolio and merchandising whilst provide differentiation in terms of shopping experience and product development. The Company also plans to renovate and rejuvenate its older malls and stores.
- With regards to the social media posting of the Company, Mr Okada informed that the Company has strict policies on social media posting and will continue to actively monitor its social media channels to address any concerns or criticism promptly. The Company will also ensure that postings made by the Company on social media are made responsibly.
- On the technological adoption of the Company, Mr Okada informed that the Company recognizes the importance of embracing digitalization and technological innovation to stay relevant and enhance its operations. Artificial intelligent solutions which are applicable to the Company’s business processes and potential collaboration with technology experts to develop these solutions will be explored.

- With regards to myAEON2go, Mr Okada informed that the Company would continue to work on building the brand equity for myAEON2go. Customer service, which will be the core of myAEON2go, will be strengthened and personalized offering will be offered to the customers.
- On the increase in the cost of doing business due to the increase in importing cost following the potential impact of radioactive exposure in Asia to the maritime logistic industry, Dr Grace Lee informed that the Company do not expect any significant financial impact as less than 5% of the Company's products are imported products.
- With regards to the performance of myAEON2go, Dr Grace Lee informed that myAEON2go is a complementary distribution channel and mechanism for the Company to continue to engage with customers and provide alternatives for consumers who prefers to shop online. The sales of myAEON2go had increased by 34% for FY2022 as compared to FY2021.
- On the future outlook of the Company, Dr Grace Lee opined that Company is aware of potential headwinds that could arise following the softening economic growth and increased inflation in Malaysia. The Company will work with its suppliers to offer competitively priced products to the consumers and review its cost structure to preserve its profitability. The Company reserves a moderate outlook for the financial year 2023 as Malaysia's growth is forecasted at between 4% to 5% driven by domestic driven by domestic consumption, improving employment and tourism activities. However, consumer sentiment would be impacted should there be further increase in interest rate. The Company would also work closely with its bankers to optimize its financing cost.
- On the performance of the fourth quarter of FY2022, Dr Grace Lee informed that the Company had recorded an 8.1% increase in revenue and 128.4% increase in profit after tax for the fourth quarter of FY2022 as compared to the third quarter of FY2022.
- On the drop in the share price, Dr Grace Lee informed that total shareholder return is a combination of stock price appreciation as well as dividend declared by a company. The Company continues to deliver sustainable dividend payout and had declared a dividend of 4.0 sen per share for FY2022, which is the same quantum as declared by the Company for the financial year 2018 and 2019.
- With regards to the resignation of the previous Managing Director, the Chairman informed that Encik Shafie bin Shamsuddin resigned to pursue his own personal interest and to seek new challenges.
- On the use of single-use plastic packaging in Delicatessen, La Boheme and Coco Cafe divisions, Dr Grace Lee informed that due to hygiene control, certain areas such as produce, perishable items, Delica and bakery sections still offer plastic-based bags and containers. The Company is working towards finding alternative sources which are more eco-friendly and sustainable.

- On the reduction of the assets in the Property Management segment, Dr Grace Lee explained that the reduction arose from depreciation, right-of-use assets remeasurement and de-recognition and lower outstanding tenant receivables following an improvement in tenant collection.
- With regards to the Komai-so stores, Mr Okada informed that Komai-so stores in Taman Maluri store had been closed and the remaining three (3) Komai-so stores will be closed in phases in 2023. Similar products may be obtained at the Company's stores while flat price products may be obtained at Daiso.
- On the self-checkout counters, Mr Okada informed that more than 200 self-checkout counters had been installed at the Company's stores and the installation of self-checkout counters will be expanded to specialty stores such as Maxvalu and Daiso. The features of the self-checkout counters are being enhanced and more self-checkout counters will be deployed at high-traffic stores to encourage consumers to perform self-checkout.
- With regards to the tenure of Independent Director, the Chairman informed that the tenure of the Independent Director of the Company will be limited to nine (9) years as recommended by the Malaysian Code on Corporate Governance.
- With regards to the bank borrowings of the Company, Dr Grace Lee informed that the Company plans to maintain an optimised debt portfolio in order to support its business plans going forward.
- On the cost incurred by the Company to conduct the 38th AGM, the Chairman informed that the Company had incurred a cost of approximately RM50,000 to conduct the 38th AGM virtually.
- With regards to the royalty expenses, Dr Grace Lee informed that royalty expenses are computed based as percentage of sales. The increase in royalty expenses over the years were in line with increase in sales.
- On the Company's performance as compared to other retailers, Dr Grace Lee informed that the Company is focused on its own performance and has maintained a healthy growth in sales, which reflects that the Company has provided satisfying retail experience and value-added propositions. The Company would customise its offerings based on the 7 Customer Personas and demographic profiles of each respective areas to differentiate itself from other retailers.
- On the prices of the Company's products, Mr Okada informed that the Company would review its pricing strategy holistically to cater for all customers. To help in easing the inflation pressures faced by consumers, the Company had participated in the Rahmah campaign promoted by the Government and had also launched its own campaigns such as the "Everyday Fresh, Everyday Low Prices" campaign to offer fresh and affordably priced products to its customers.

- With regards to the performance of each individual store and mall, Dr Grace Lee informed that under the Malaysian Financial Reporting Standards, the Company is only required to report the performance of the retail and property management services segments and no reporting on the performance of individual store and mall is required.
- On the utilization of electric vehicles, the Company is currently in the midst of installing chargers for electric vehicles at its malls nationwide for customers to utilize. As for the utilization of electric vehicles for riders, the Company will assess this initiative.
- On the Company's overseas expansion plan, Mr Ono informed that the Company will focus on its operations in Malaysia as other companies under the AEON Group is already operating in other ASEAN countries such as Indonesia, Thailand, Cambodia and Vietnam.
- On the installation of solar PV panels, Dr Grace Lee informed that currently solar PV panels had been installed at two (2) of the Company's malls, which had generated approximately 2,000 MWh in total renewable energy for 2022, which is equivalent to a reduction of approximately 1,500 tonnes of CO₂. The total renewable energy generated for 2023 is expected to increase and solar PV panels are expected to be installed at all of the Company's malls by 2024.
- With regards to the fire at Mid Valley Mall, Mr Okada informed that the Company's store located at Mid Valley is not impacted by the fire. The Management will work with the management of Mid Valley Mall to take the necessary actions to ensure the safety of the customers.