



Creating Smiles, Connecting Hearts

Integrated Annual Report 2024



To commemorate AEON's 40 incredible years in Malaysia, 40 inspiring stories from 40 of AEON's longest-serving team members were put together in 'Suara-suara AEON, Cerita Hati Mereka'.

Scan the QR code to watch their journeys and relive the moments that define our commitment to serving communities, together.







A SMALL BEGINNING WITH BIG DREAMS[®]



1984

- JAYA JUSCO STORES SDN BHD was established following the Malaysian government's invitation to help modernise the retail industry in Malaysia.



1985

- The first pilot store, JAYA JUSCO Dayabumi, opened.
- The second pilot store, JAYA JUSCO Taman Tun Dr. Ismail, opened.



1989

- The first Superstore, JAYA JUSCO Taman Maluri, opened.



2012

- AEON rebranded as a singular entity in all its retail and mall operations.
- J Card rebranded to AEON Member Plus card.
- AEON Ipoh Station 18 Shopping Centre opened.
- AEON Seri Manjung Shopping Centre opened.



2011

- AEON Rawang Shopping Centre opened.



2010

- AEON Bandaraya Melaka Shopping Centre opened.
- AEON Mahkota Cheras Shopping Centre opened.
- The first DAISO outlet in AEON Bandaraya Melaka Shopping Centre opened.
- The first AEON Wellness outlet in Mid Valley Megamall opened.



2008

- JUSCO Seberang Prai City Shopping Centre opened.
- AEON AU2 Setiawangsa Shopping Centre opened.
- AEON Bukit Indah Shopping Centre opened.



2007

- JUSCO Bandar Sunway opened.
- JUSCO Bukit Tinggi Shopping Centre opened.



2006

- JUSCO Tebrau City Shopping Centre opened.
- JUSCO Taman Equine Shopping Centre opened.
- JUSCO Cheras Selatan Shopping Centre opened.
- JUSCO Queensbay opened.
- Introduced Wellness (currently known as AEON Wellness) within JUSCO.



2013

- AEON Mall Kulaijaya opened.
- Introduced TOPVALU Private Brand in Malaysia.



2014

- 30th Anniversary Celebration.
- AEON Mall Bukit Mertajam opened.
- AEON @ Quill City Mall opened.
- AEON Mall Taiping opened.



2015

- AEON Mall Ipoh Klebang opened.
- AEON Food Processing Centre opened.



2016

- AEON Mall Shah Alam opened.
- AEON Mall Kota Bharu opened.
- AEON Ipoh Falim opened.



2017

- AEON Mall Bandar Dato' Onn opened.
- The first Rocky Basecamp outlet in AEON Mall Shah Alam opened.



2018

- AEON Mall Kuching Central opened.
- Online delivery services with Honestbee launched.



1991

- JUSCO Melaka opened.
- The first official tree-planting activity, 'Hometown Forest Programme' was launched.



1992

- JUSCO Wangsa Maju (Alpha Angle Shopping Centre), the first shopping centre, opened.



1995

- JUSCO Bandar Utama (1U Shopping Centre) opened.
- JUSCO Bandar Baru Klang (Bukit Raja Shopping Centre) opened.



1996

- JAYA JUSCO STORES BHD was listed on the Main Board of the Kuala Lumpur Stock Exchange (KLSE).



1997

- JUSCO Ipoh (Kinta City Shopping Centre) opened.



1999

- JUSCO Mid Valley opened.



2005

- JUSCO Seremban 2 Shopping Centre opened.
- The first J-One Supermarket (currently known as AEON MaxValu) in Damansara Damai opened.



2004

- JUSCO Metro Prima Shopping Centre opened.
- With All Our Hearts Malaysian JUSCO Foundation officially registered.
- JAYA JUSCO STORES BHD officially changed its name to AEON CO. (M) BHD. Retail stores remained as JUSCO.



2003

- JUSCO Permas Jaya Shopping Centre opened.



2002

- JUSCO Taman Universiti opened.



2001

- With All Our Hearts JUSCO Foundation (currently known as Malaysian AEON Foundation) launched.



2000

- JUSCO Bandar Puchong opened.



2019

- AEON Mall Nilai opened.
- The first Petemo outlet in AEON Mall Tebrau City opened.



2020

- AEON Drive-through and AEON Personal Shopper services launched.
- AEON Home Delivery and AEON Rider launched.
- Online shopping at fresh.myaeon.com.my launched.



2021

- myAEON2go e-commerce platform launched.
- AEON Sayap Bagimu sustainability initiative launched.
- AEON included in the FTSE4Good Bursa Malaysia (F4GBM) Index and the FTSE4Good Bursa Malaysia Shariah (F4GBMS) Index.



2022

- AEON Sustainability Charter introduced.
- Solar PV installation completed at AEON Mall Taman Maluri, the first AEON Mall powered by solar energy.
- Self-checkout counters introduced across AEON stores.



2023

- AEON Putrajaya opened.
- Everyday Fresh, Everyday Low Price initiative launched.
- Malaysia-Japan Friendship Forest Programme in Bidor, Perak completed.

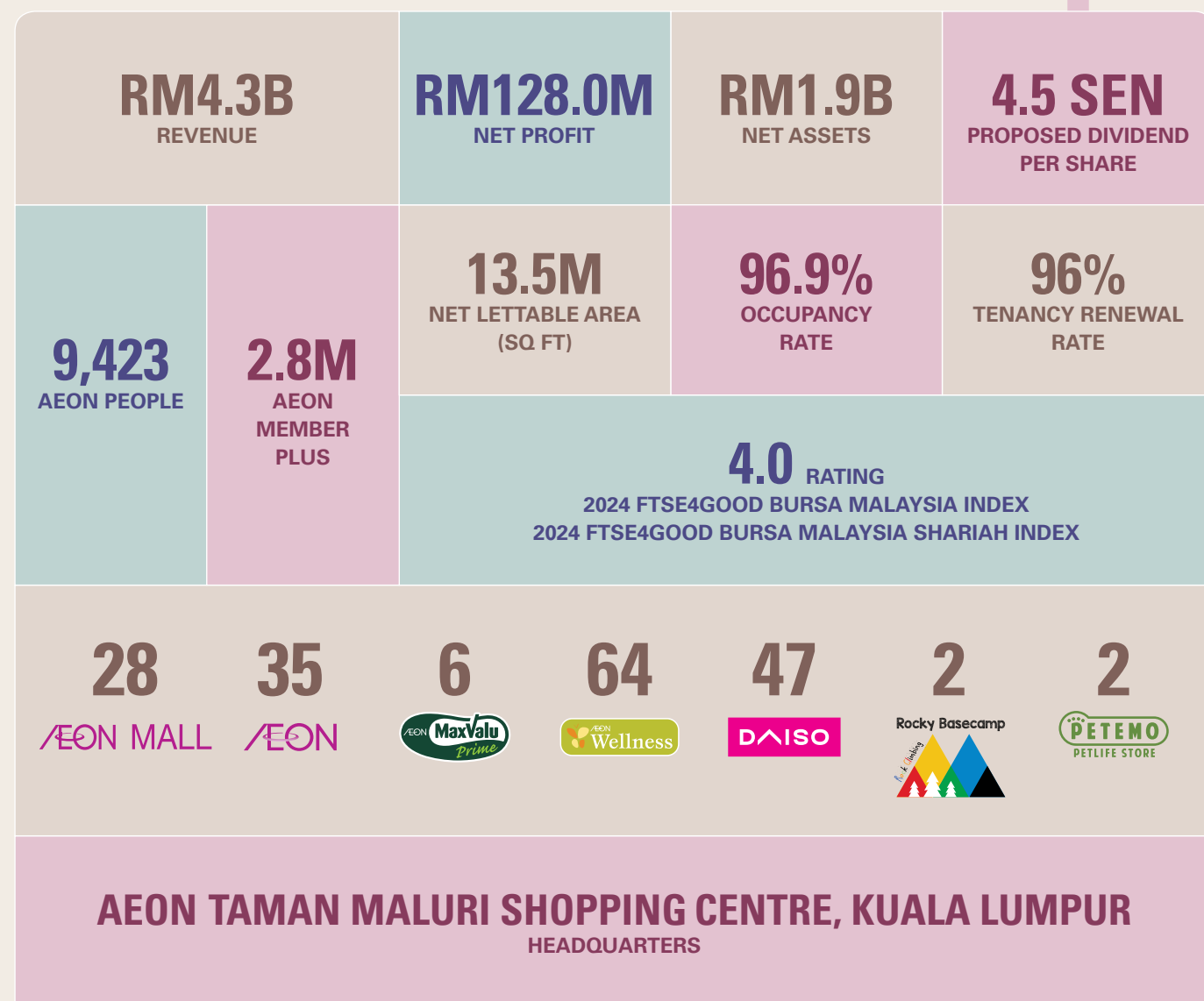


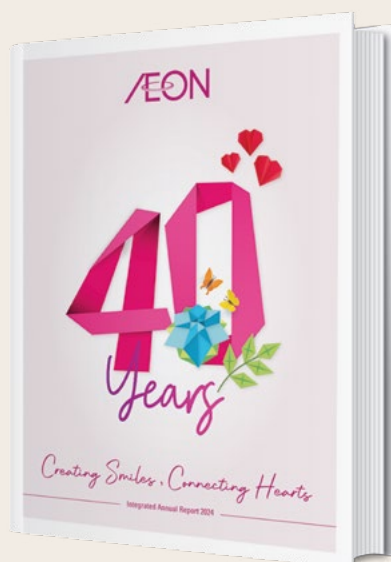
2024

- 40th Anniversary Celebration and Senyum Tour launched.
- AEON Setia Alam opened.
- AEON Mall Tebrau City Food Hall opened.
- AEON achieved a 4.0 rating in the FTSE4Good Bursa Malaysia Index and FTSE4Good Bursa Malaysia Shariah Index for 2024.



KEY HIGHLIGHTS





CREATING SMILES, CONNECTING HEARTS

The cover features the AEON 40th Anniversary logo, inspired by origami, a symbol of good luck, strength, and perseverance in Japanese culture, from which AEON originated. Each element of the logo represents AEON Foundational Ideals. The butterflies symbolise peace, the flower signifies blooming relationships, the five leaves on the branch reflect AEON's responsibility to the community, and the heart shapes embody AEON's commitment to always putting Customers First.

Accompanying the logo is the 40th Anniversary theme: Creating Smiles, Connecting Hearts, reflecting the joy we create and the deep connections we share with our Customers, Community and Partners. The design represents our legacy and our promise to continue making a positive difference in the lives of the people and communities we serve.



Our Integrated Annual Report 2024 is accessible at <https://ir2.chartnexus.com/aeon/annual-report.php> or by scanning this QR Code

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ABOUT THIS REPORT

AEON CO. (M) BHD.'s (AEON or the Company) Integrated Annual Report 2024 (IAR 2024) provides a holistic and balanced overview of the financial and non-financial aspects of the Company's operations.

This report has been developed in accordance with the principles-based framework of Integrated Reporting and goes beyond conventional, past-based financial performance reporting to include information on AEON's value creation process alongside its strategic priorities to address the material matters identified, existing and emerging risks and opportunities as well as capital dependencies.

Embedding sustainability as part of AEON's business strategy, sustainability performance is mapped against Economic, Environmental, Social and Governance indicators and integrated within this report.

REPORTING PRINCIPLES AND FRAMEWORKS

AEON is publicly listed on the Main Market of Bursa Malaysia Securities Berhad (Bursa Securities). This IAR 2024 complies with the Bursa Securities Main Market Listing Requirements (MMLR) and is guided by the International Integrated Reporting Framework issued by the International Integrated Reporting Council (IIRC). The provisions of the Malaysian Code on Corporate Governance 2021 (MCCG) and Bursa Malaysia Corporate Governance Guide 4th edition are also applied, unless otherwise stated.

AEON's audited financial statements for Financial Year 2024 (FY2024) have been prepared in accordance with the MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board (MFRS Accounting Standards), IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies Act 2016 in Malaysia.

Our sustainability-related disclosures are in accordance with Bursa Securities MMLR and have been prepared with reference to:

- Global Reporting Initiative (GRI) Standards 2021
- Sustainability Reporting Guide and Toolkits (3rd Edition) by Bursa Malaysia
- The United Nations Sustainable Development Goals (UNSDGs)
- Task Force on Climate-related Financial Disclosures
- Greenhouse Gas (GHG) Protocol
- UN Global Compact's (UNGC) Ten Principles
- FTSE4Good Bursa Malaysia Index
- International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards

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

SCOPE AND BOUNDARIES

This report includes financial and non-financial information that is relevant and accurate as at the time of publication pertaining to our FY2024 covering the period between 1 January to 31 December 2024, unless otherwise stated, and is consistent with the audited financial year of the Company. This report covers our principal business activities in Malaysia and the scope of the sustainability disclosures covers key sustainability focused initiatives and activities in FY2024. The Latest Practicable Date of this IAR 2024 is 21 March 2025.

ASSURANCE

Financial statements disclosed in IAR 2024 have been audited by Messrs KPMG PLT. Sustainability-related disclosures in this IAR 2024 has been subject to internal and external assurance processes, which include the following:

Internal Assurance

Reviewed by AEON's Internal Audit Department

External Assurance

Independent verifier, BSI Services Malaysia Sdn Bhd (BSI), carried out a limited assurance exercise on selected indicators in this report (i.e. GHG emissions and energy consumption).

Please refer to the Independent Limited Assurance Statements on pages 220 to 222 for detailed information on the subject matter, scope and assurance conclusion.

FORWARD-LOOKING STATEMENT

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

Such statements are not to be taken as implicit or explicit guarantee of our future performance. AEON provides no representation in respect of these statements and disclaims all liability whatsoever (whether in negligence or otherwise) for any loss, damage, costs or expenses however arising out of or in connection with these statements and this report. AEON does not assume any obligation to update the forward-looking statements contained in this report.

DIRECTORS' STATEMENT OF RESPONSIBILITY

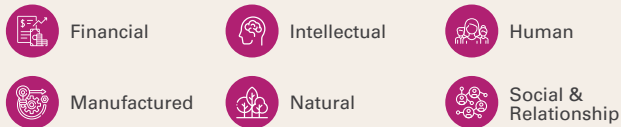
The Board of Directors of AEON CO. (M) BHD. is committed to upholding the highest standards of governance and transparency. In line with these principles, the Board is pleased to present a balanced and comprehensive Integrated Annual Report, prepared in accordance with the IFRS Foundation's International Integrated Reporting Framework.

ABOUT THIS REPORT

ICONS USED IN THIS REPORT

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

INVESTED CAPITALS



MATERIAL MATTERS

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

STAKEHOLDERS



KEY BUSINESS RISKS



STRATEGIC PRIORITIES



RETAIL

Grow Customer Base

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



PROPERTY MANAGEMENT SERVICES

Increase Footfall and Traffic

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



SUSTAINABILITY

Champion Sustainable Practices



FEEDBACK

We welcome feedback on our IAR 2024. Please contact:

Investor Relations Department

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

Email: InvestorRelations@aeonretail.com.my

 AEON's IAR 2024 is printed on FSC-certified papers.

DELIVERING QUALITY

Our dedicated butchers deliver quality and care in every cut, ensuring fresh, premium meat for every customer.

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OUR VISION AND MISSION



Incorporated in Malaysia on 15 September 1984 following the Malaysian government's invitation to modernise the nation's retail sector, AEON CO. (M) BHD. has grown into a key retail and property management services player in the industry. As a member of the AEON group of companies in Malaysia, AEON CO. (M) BHD. is 52.0% owned by AEON CO., LTD., an integrated holding company based in Japan — a global entity employing approximately 570,000 individuals across 14 countries.

Today, AEON's operations span a wide retail network that includes supermarkets, general merchandise stores, pharmacies, flat price stores and more. We offer an extensive range of products — from daily essentials and household items to apparel, pharmaceuticals, and value-focused merchandise. In our commitment to prioritise customers' convenience and innovation in the retail space, our service now includes drive-thru pick up options, and a delivery service through our myAEON2go e-commerce

platform, seamlessly integrating online and offline shopping experiences.

Guided by our 'Customer First' philosophy, AEON is committed to understanding and exceeding customer expectations. By curating an optimal product mix and continuously innovating our offerings, we strive to deliver an exceptional shopping experience tailored to evolving consumer needs every time they shop at AEON.

OUR PRESENCE

184 OUTLETS ACROSS MALAYSIA

(as at 31 December 2024)

(A) Kedah

- 2 AEON Wellness
- 1 DAISO

(B) Penang

- 1 AEON Mall
- 2 AEON Store
- 3 AEON Wellness
- 4 DAISO

(C) Perak

- 5 AEON Mall
- 6 AEON Store
- 7 AEON Wellness
- 5 DAISO

(D) Selangor

- 6 AEON Mall
- 9 AEON Store
- 2 AEON MaxValu
- 12 AEON Wellness
- 12 DAISO
- 1 Rocky Basecamp
- 1 Petemo

(E) Kuala Lumpur

- 4 AEON Mall
- 5 AEON Store
- 3 AEON MaxValu
- 19 AEON Wellness
- 11 DAISO

(F) Putrajaya

- 1 AEON Store

(G) Negeri Sembilan

- 2 AEON Mall
- 2 AEON Store
- 2 AEON Wellness
- 2 DAISO

(H) Melaka

- 2 AEON Mall
- 2 AEON Store
- 2 AEON Wellness
- 2 DAISO

(I) Johor

- 6 AEON Mall
- 6 AEON Store
- 1 AEON MaxValu
- 10 AEON Wellness
- 4 DAISO
- 1 Rocky Basecamp
- 1 Petemo

(J) Kelantan

- 1 AEON Mall
- 1 AEON Store
- 1 AEON Wellness
- 1 DAISO

(K) Terengganu

- 1 AEON Wellness
- 2 DAISO

(L) Pahang

- 2 AEON Wellness

(M) Sarawak

- 1 AEON Mall
- 1 AEON Store
- 3 AEON Wellness
- 3 DAISO



28
AEON MALL

35
AEON

6
AEON MaxValu Prime

64
AEON Wellness

47
DAISO

2
Rocky Basecamp

2
PETEMO
PETLIFE STORE

OUR BUSINESS OFFERINGS



AEON MALL

28 AEON MALL

AEON Mall is one of Malaysia's largest and most dynamic retail and mall operator, with 28 locations nationwide offering a diverse mix of local and international brands.

More than just a shopping destination, it is a vibrant community hub integrating retail, dining, entertainment, sustainability efforts and social engagement for shoppers.

Spanning 13.5 million sq. ft., AEON Mall provides a comprehensive shopping experience. It features supermarkets, fashion, electrical and electronics products, home essentials, and a wide range of dining options. Focused on affordability and quality, AEON Mall attracts shoppers with festive sales, exclusive promotions, and engaging events.

In FY2024, AEON Mall welcomed 391 new tenants, including 92 making their debut, reinforcing its commitment to diverse and evolving consumer preferences. Designed as a family-friendly destination, it offers cinemas, play areas, and entertainment zones while hosting regular events to enhance customer experiences.

Strategically located near public transport and designed to accommodate persons with disabilities (PWD), AEON Mall ensures convenience for all customers. To support business operations, AEON Mall provides an e-Tenant Portal for seamless management and prime advertising spaces for brand visibility.

Committed to sustainability and corporate social responsibility, AEON Mall aligns with AEON Foundational Ideals through green initiatives such as waste reduction and energy-saving systems. It also supports community engagement and charitable initiatives via the Malaysian AEON Foundation.

As AEON Mall evolves, it remains dedicated to enhancing customer experiences, strengthening community engagement and driving sustainable growth—solidifying its position as one of Malaysia's leading retailers and mall operators.

OUR BUSINESS OFFERINGS









35

AEON STORE

AEON Store features a General Merchandise Store (GMS) and a Supermarket, designed as a one-stop destination for both urban and suburban households.

The GMS offers a wide selection of Softline and Hardline merchandise to meet the diverse needs of Malaysian households. Softline items include ready-to-wear apparel, ranging from casual daily wear to formal attire, while Hardline products cover electrical and electronic appliances, kitchenware, bedding, and home furnishings.

The Supermarket, on the other hand, provides everything from farm-fresh vegetables sourced directly from local farmers to freshly prepared, ready-to-eat meals as well as daily essentials and groceries — all at affordable prices.

With 35 locations nationwide, AEON Store is committed to delivering a complete lifestyle experience in a convenient and welcoming shopping environment. It also houses a range of AEON's Private Brands across both the GMS and Supermarket, including TOPVALU, innercasual, HÔME CÔORDY, and more.

For those seeking convenience and delicious meals, the Delicatessen at AEON Store caters to the growing demand for affordable, ready-to-eat options such as sushi, bento boxes, roast chicken, desserts, hot snacks, and healthy beverages—all certified halal and freshly prepared daily.

Coco Café offers a warm, kopitiam-style dining experience, serving local favorites like toast with half-boiled eggs, nasi lemak, and a selection of hot beverages. Meanwhile, La Bohème, AEON's halal-certified bakery, presents a delightful selection of oven-fresh bread, pastries, puddings, and baked treats. An expansion of the La Bohème brand, La Bohème Coffee features specialty coffee blends, while La Bohème Desserts: Sucrée Amor offers an exquisite selection of Japanese-inspired desserts, perfect for those with a sweet tooth.

With its diverse offerings and commitment to quality, AEON Store continues to redefine the shopping experience for Malaysian households. Customers can conveniently purchase these products online via myAEON2go platform, ensuring a seamless and hassle-free shopping experience.

OUR BUSINESS OFFERINGS



6 AEON MaxValu

AEON MaxValu is redefining convenience with strategically located outlets in densely populated neighbourhoods, ensuring easy access to daily essentials for customers residing or working in these areas. Designed with a compact footprint, each outlet maximises value by offering a carefully curated selection of premium fresh produce and quality products at competitive prices.

Beyond quality and affordability, AEON MaxValu is committed to exceptional customer service, delivering a seamless and enjoyable shopping experience for customers. Whether browsing in-store or ordering online via the myAEON2go platform, customers can enjoy unparalleled convenience, with everyday essentials delivered right to their doorstep, making daily shopping easier, fresher, and more rewarding.



64 AEON Wellness

AEON Wellness has grown into a trusted brand for health, beauty, and personal care since its inception in 2010, now with 64 outlets nationwide. The brand delivers quality products and expert consultations, supported by a team of trained Pharmacists, Beauty Advisors, and knowledgeable staff who are dedicated to providing personalised wellness solutions.

Driven by the tagline 'Be Healthy, Be Beautiful', AEON Wellness ensures service excellence through its professional team, offering tailored services such as health screenings, skin analysis, and chronic care support. It also empowers healthier lifestyles through expert dietary and supplement guidance.

With the added convenience to shop online on myAEON2go platform, AEON Wellness continues to improve accessibility to care, aligning with AEON's commitment to sustainable, customer-focused growth.

OUR BUSINESS OFFERINGS



47 DAISO



DAISO by AEON made its debut in Malaysia in 2010 with its first outlet at AEON Mall Bandaraya Melaka. The brand quickly gained a strong following due to its unique business model: offering high-quality products at a fixed price. Today, with 47 outlets nationwide, these flat-price outlets provide a convenient one-stop shopping experience. DAISO offers over 8,000 products across various categories at prices ranging from RM5.90 to RM29.50.

DAISO's extensive range includes home essentials, personal care items, stationery, kitchen gadgets, toys, and even seasonal products. DAISO regularly introduces new and unique products that are not easily found elsewhere, making every shopping trip an exciting experience. With a diverse range of offerings, there is always something for everyone to discover.

DAISO will continue to expand its presence across Malaysia with new outlets opening to reach a wider customer base. For added convenience, customers can also shop for DAISO's products online via the foodpanda and myAEON2go platform.



2 Rocky Basecamp



Rocky Basecamp (RBC) is Malaysia's first indoor speed climbing centre and home to Southeast Asia's first Olympic standard speed wall.

RBC provides a dedicated platform for both aspiring and professional athletes to hone their techniques and prepare for competitive events.

Beyond professional training, RBC is committed to making climbing accessible and enjoyable for all. Featuring a variety of walls, including lead walls, fun walls, and curved boulders, the facility welcomes different skill levels, from first-time to seasoned enthusiasts.

Designed with families and young climbers in mind, RBC offers a space where adventure, fitness, and confidence-building come together. Whether for casual outings, team-building sessions, or children's parties, RBC provides an engaging and safe environment for all.

Guided by a vision to cultivate young climbing talent, RBC remains focused on creating opportunities for learning, growth, and community engagement in the climbing scene.

OUR BUSINESS OFFERINGS



Petemo Petlife Store (Petemo) is a comprehensive pet lifestyle destination that goes beyond traditional pet retail, offering a curated selection of pet care essentials and professional services. Designed with customer trust in mind, Petemo features an open-concept grooming room with fully transparent glass panels, allowing owners to observe the entire grooming process.

2 Petemo Petlife Store

In addition to retail and grooming services, Petemo provides interactive pet experiences that sets it apart from conventional pet stores. The dog daycare facility offers a safe and engaging environment for dogs to stay while the owners are shopping, while the 'Play and Adopt' zone enables prospective cat owners to interact and bond with rescued cats before adoption, fostering responsible pet ownership.

With a commitment to quality, convenience, and pet well-being, Petemo integrates retail, services, and community engagement to enhance the pet ownership experience. By blending its Japanese heritage with a deep understanding of local market needs, Petemo continues to redefine pet care standards in Malaysia.

myAEON2go

myAEON2go

Get All Your Essentials Under 1 Roof!

Delivered straight to your door.

Download & enjoy exclusive promotions



Get it on Google play

Download on the App Store



www.myaeon2go.com

*Terms and conditions apply.

myAEON2go is AEON's e-commerce platform, offering customers a seamless and convenient online shopping experience. With a wide range of products, from groceries to household essentials, it serves as a one-stop destination for daily needs.

Complementing AEON's physical stores, myAEON2go platform enables customers to browse, purchase, and choose between same-day delivery, scheduled delivery, or self-pickup at designated collection points. Customers can also earn and redeem points with their AEON Member Plus card, adding value to their purchases. The platform's machine learning-powered recommendation system personalises shopping experiences by suggesting relevant products based on purchasing habits.

myAEON2go platform now provides parcel delivery services across Peninsular Malaysia, further expanding its reach and improving accessibility for customers. myAEON2go platform is also actively expanding its product assortment by strengthening partnerships with new suppliers.

With continuous innovation and service enhancements, myAEON2go platform is committed to creating a dynamic and rewarding online shopping experience, ensuring greater convenience and a broader selection for valued customers.

OUR BUSINESS OFFERINGS

AEON's Private Brands



Established in Malaysia in 2013 and subsequently gaining prominence as the foremost Private Brand in Japan, TOPVALU has distinguished itself through its unwavering commitment to delivering not only trusted quality but also introducing innovative ideas and a sense of excitement to its customers, which adheres rigorously to the stringent AEON quality standards.

TOPVALU Malaysia takes pride in its commitment to Halal compliance and ensures that our locally developed products meet Halal standards. In a marketplace saturated with choices, TOPVALU stands out by offering not just products but an experience rooted in trust and quality. Our dedication to providing great value ensures that customers enjoy the best value and price. With TOPVALU, trust becomes synonymous with quality, and quality becomes a foundation of trust. It's a relationship that goes beyond a mere transaction – it's a commitment beyond measure.



innercasual (iC) is AEON's athleisure brand from Japan, known for blending innovation, functionality, and sustainability. Designed to enhance an active lifestyle, iC champions smart fabric technology that offers anti-odour, anti-bacterial and UV-protection properties while ensuring high sweat absorption and quick drying ability.

Committed to comfort and the environment, iC garments are made from eco-friendly, 100% organic cotton, cultivated without pesticides or chemical fertilisers. iC continues to empower customers to embrace an active lifestyle without compromising on comfort, quality, or affordability.

HÓME CÓORDY



HÓME CÓORDY offers an extensive range of products for bedding, living, kitchen and dining, housekeeping, towels, sports, and stationery. Designed with simplicity, functionality and timeless elegance, HÓME CÓORDY's collections are crafted to harmonise with nature and life through a signature palette of white, blue, and grey.

Known for four key qualities – simple design, Japanese craftsmanship, multi-functionality and seamless coordination – HÓME CÓORDY is the top choice for customers who value minimalist aesthetics, quality, and versatility.

OUR ACHIEVEMENTS

▶ 22 JANUARY

Gold Award - Retail



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

▶ 24 FEBRUARY

40th Anniversary Celebration and Launch



AEON announced the 40th Anniversary celebration and unveiled its 'Senyum Tour' roadshow across Malaysia. The tour features a series of exciting programmes, engaging activities and exclusive promotions throughout the year.

▶ 18 MARCH

AEON Setia Alam Store Opening



AEON has expanded its footprint with the grand opening of its 35th store at Setia City Mall. The store boasts three levels of retail space, providing a convenient shopping haven for the community.

▶ 4 MAY

Most Innovative Retail Brand Award



AEON received this award at the Global Brand Awards 2024, hosted by Global Brands Magazine. The award honours companies who have performed extraordinarily well in their field.

▶ 9 MAY

Top Voted Employer in Retail Group



AEON secured Gold for the Top Voted Employer in Retail Group at the inaugural SEEK People & Purpose Awards held by Jobstreet. The award celebrates passionate and purpose-driven HR practitioners in Malaysia.

▶ 4 JUNE

AEON acquired lands in Seremban

In line with AEON's corporate strategy of developing its future retail business, AEON acquired two pieces of land adjacent to AEON Mall Seremban 2 as one of the expansion plans.

▶ 11 JUNE

Digital Initiative of The Year Award



AEON earned this award at the 2024 Retail Asia Awards, an annual event that recognises outstanding achievements, innovations and excellence within the retail industry across the Asia Pacific region.

▶ 25 JULY

Collective Agreement Signing



AEON inked the First Collective Agreement with AEON CO. (M) BHD. Workers' Union, which ensures welfare, provides financial and non-financial benefits, and enhances employee working conditions.

▶ 28 JULY

AEON Charity Run 2024



AEON Charity Run was held to raise RM1 million for the AEON KASiH programme. In collaboration with the Ministry of Health, funds from AEON KASiH are channelled to assist communities in need of medical assistance and care.

OUR ACHIEVEMENTS

▶ 22 AUGUST

AEON x EON Monthly Car Giveaway

AEON, in partnership with EON, announced the 40th Anniversary Monthly Dream Car Giveaway Contest giving AEON customers the opportunity to win their dream cars.

▶ 30 AUGUST

Reopening of AEON Bandar Puchong

After six months of renovation, AEON Bandar Puchong reopened, offering revitalised shopping experience.

▶ 4 SEPTEMBER

Planting Seeds of Growth for the Future: Creating Gardens in Schools

AEON launched the tree-planting initiatives in 28 schools nationwide as part of its 40th anniversary celebrations. This programme, in collaboration with the Ministry of Education, is part of AEON's ongoing commitment to community development and environmental conservation.

▶ 4 SEPTEMBER

Top Sustainability Practices

AEON Alpha Angle through its 'Nurture the Green for Future' event was crowned as Category A - Gold winner for Top Sustainability Practices 2023-2024 hosted by Malaysia Shopping Malls Association (PPK Malaysia).

▶ 13 SEPTEMBER

AEON Wellness and DAISO Bloomsdale Opening

AEON opened two specialty outlets at Bloomsdale Shopping Gallery, Kuala Lumpur.

▶ 14 SEPTEMBER

40th Anniversary Thank You Dinner

AEON celebrated its 40th anniversary with nearly 400 business partners, suppliers and stakeholders. At the event, AEON presented the AEON Outstanding Partnership Awards to business partners and suppliers who have shown potential, innovation, achievement, and performance while supporting AEON's sustainability efforts.

▶ 4 OCTOBER

Waste Management Achievement Award

AEON Alpha Angle received the award at the Waste Management Association of Malaysia (WMAM) Annual Conference for its sustainable waste management initiatives, including recycling, food waste composting, and a community buy-back centre, as part of its efforts to reducing landfill waste.

▶ 5 OCTOBER

Makanan Halal, Selera Sedunia

In collaboration with the Department of Islamic Development Malaysia (JAKIM), AEON organised an event to educate the public on foreign halal logos recognised by JAKIM to eliminate doubts about AEON imported products.

OUR ACHIEVEMENTS

▶ 12 OCTOBER

Taste of Malaysia



AEON collaborated with the Ministry of Domestic Trade and Cost of Living (KPDN) to promote Malaysian products in six AEON Stores in Japan. Over 90% of the products showcased were produced by micro, small and medium-sized enterprises.

▶ 24 OCTOBER

ESG Social Impact Recognition Awards



AEON was honoured by Public Mutual for participation in the Corporate Private Retirement Scheme Salary Deduction Programme, which promotes employee well-being and financial security in retirement.

▶ 8 NOVEMBER

Certificate of Merit



AEON received the Certificate of Merit in Best Marketing Campaign and Best Effort in Social Responsibility at the MRA Awards 2024. The Award recognises its members' marketing and social responsibility efforts within the organisation and the industry.

▶ 13 NOVEMBER

AEON ASEAN Best Cashier Skill Tournament



AEON CO. (M) BHD. hosted the ASEAN Best Cashier Skill Tournament for the first time in Malaysia, bringing together top talents from Malaysia, Vietnam, Indonesia, Cambodia, and Thailand. Malaysia's representative proudly secured Second Runner-Up in this international event.

▶ 15 NOVEMBER

AEON Mall Tebrau City Food Hall and Tsutaya Bookstore Opening



AEON Mall Tebrau City unveiled Tebrau City Food Hall, which offers 18 dining options, while Johor's first Tsutaya Bookstore offers a comprehensive book selection and a Japanese café ambience.

▶ 28 NOVEMBER

Excellence Award (Silver)



AEON's Integrated Annual Report 2023 bagged the Silver award at the 34th National Annual Corporate Report Awards (NACRA). NACRA rewards companies for their excellence in corporate reporting.

▶ 2 DECEMBER

#AEONResponsible Suppliers Program



AEON launched the #AEONResponsible Suppliers Program making it the first retailer in Malaysia to engage its suppliers in promoting ESG principles within Malaysia's retail industry.

▶ 23 DECEMBER

FTSE4Good Bursa Malaysia Index



FTSE4Good

AEON achieved a 4.0 rating in the FTSE4Good Bursa Malaysia Index and FTSE4Good Bursa Malaysia Shariah Index for 2024.

▶ 26 DECEMBER

W.I.S.E with Food Environmental Award



AEON was recognised as a Top 10 participating tenant for its efforts in food waste recycling through 1 Utama's Waste Innovation for Sustainability & Environment W.I.S.E with Food programmes.

OUR VALUE CREATION IN PRACTICE:

5-YEAR FINANCIAL HIGHLIGHTS

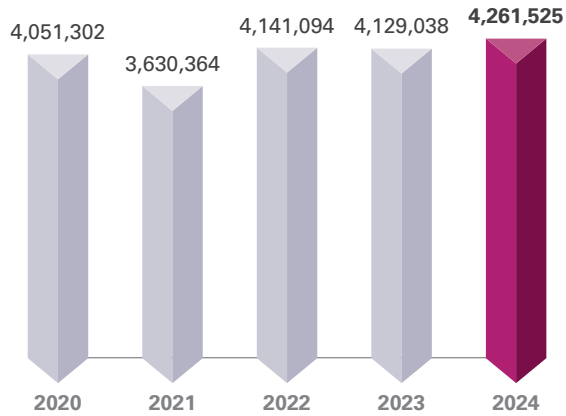
YEAR ENDED 31 DECEMBER	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
FINANCIAL PERFORMANCE					
Revenue	4,051,302	3,630,364	4,141,094	4,129,038	4,261,525
Retail	3,444,661	3,099,107	3,525,563	3,454,311	3,524,570
Property management services	606,641	531,257	615,531	674,727	736,955
EBITDA	746,127	724,652	759,931	711,077	715,799
Profit before tax	101,756	131,014	211,468	193,938	207,781
Profit after tax	41,423	85,287	111,232	114,832	128,032
Net dividend	21,060	42,120	56,160	56,160	63,180
FINANCIAL POSITION					
ASSETS					
Property, plant and equipment and intangible assets	3,376,593	3,171,171	3,003,477	3,129,532	3,130,896
Right-of-use assets	1,689,636	1,501,217	1,211,173	1,071,108	1,163,129
Investment	57,848	63,927	59,098	52,647	60,160
Deferred tax assets	147,071	168,264	180,639	183,148	187,229
Other non-current assets	18,424	18,101	18,238	17,915	26,003
Current assets	803,819	940,115	953,698	769,193	1,067,342
TOTAL ASSETS	6,093,391	5,862,795	5,426,323	5,223,543	5,634,759
EQUITY					
Share capital	702,000	702,000	702,000	702,000	702,000
Non-distributable reserves	54,698	62,221	57,392	50,704	57,113
Retained earnings	914,297	978,524	1,047,636	1,106,308	1,178,180
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	1,670,995	1,742,745	1,807,028	1,859,012	1,937,293
LIABILITIES					
Borrowings	933,580	728,333	497,776	419,995	620,000
Lease liabilities	2,230,339	2,064,988	1,779,411	1,623,904	1,686,737
Other liabilities	1,258,477	1,326,729	1,342,108	1,320,632	1,390,729
TOTAL EQUITY AND LIABILITIES	6,093,391	5,862,795	5,426,323	5,223,543	5,634,759
FINANCIAL INDICATORS					
Earnings per share (sen)	2.95	6.07	7.92	8.18	9.12
Net dividend per share (sen)	1.50	3.00	4.00	4.00	4.50
Net assets per share (RM)	1.19	1.24	1.29	1.32	1.38
Net debt to equity (%)*	51.60	30.69	14.41	17.22	12.83
Return on equity (%)	2.48	4.89	6.16	6.18	6.61
Price earning ratio	36.27	23.23	17.30	13.33	17.21
Share price as at 31 December (RM)	1.07	1.41	1.37	1.09	1.57

Note:

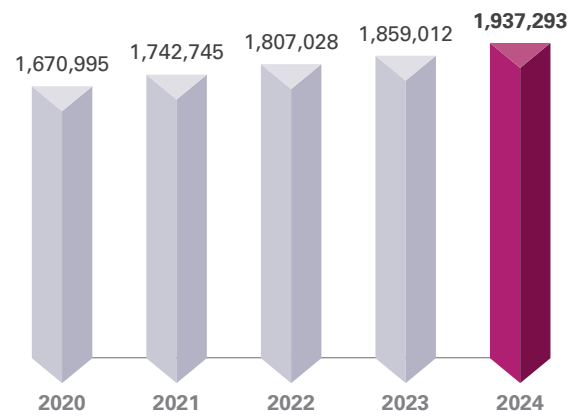
* Net debt to equity excludes lease liabilities.

OUR VALUE CREATION IN PRACTICE: 5-YEAR FINANCIAL HIGHLIGHTS

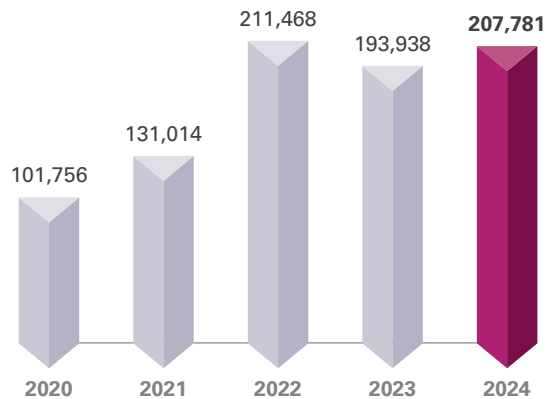
REVENUE (RM'000)



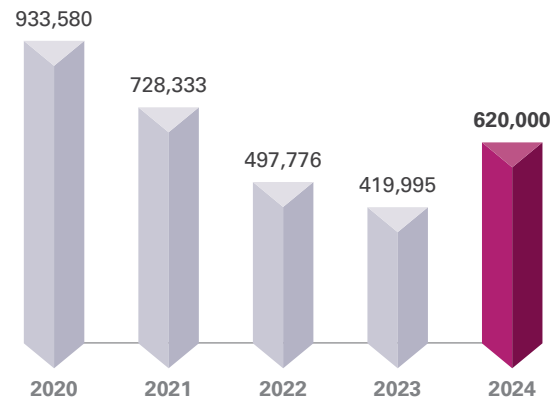
NET ASSETS (RM'000)



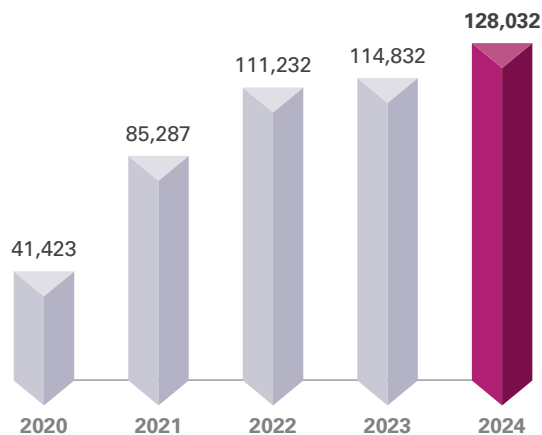
PROFIT BEFORE TAX (RM'000)



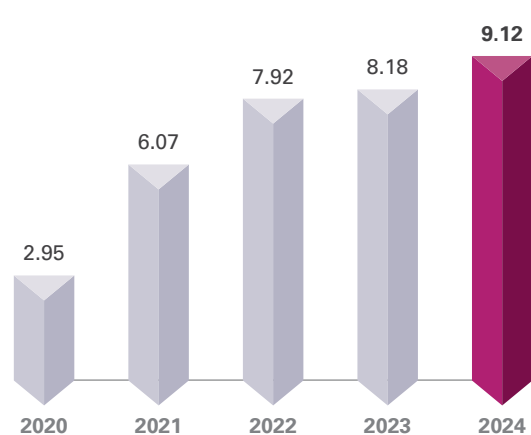
BORROWINGS (RM'000)



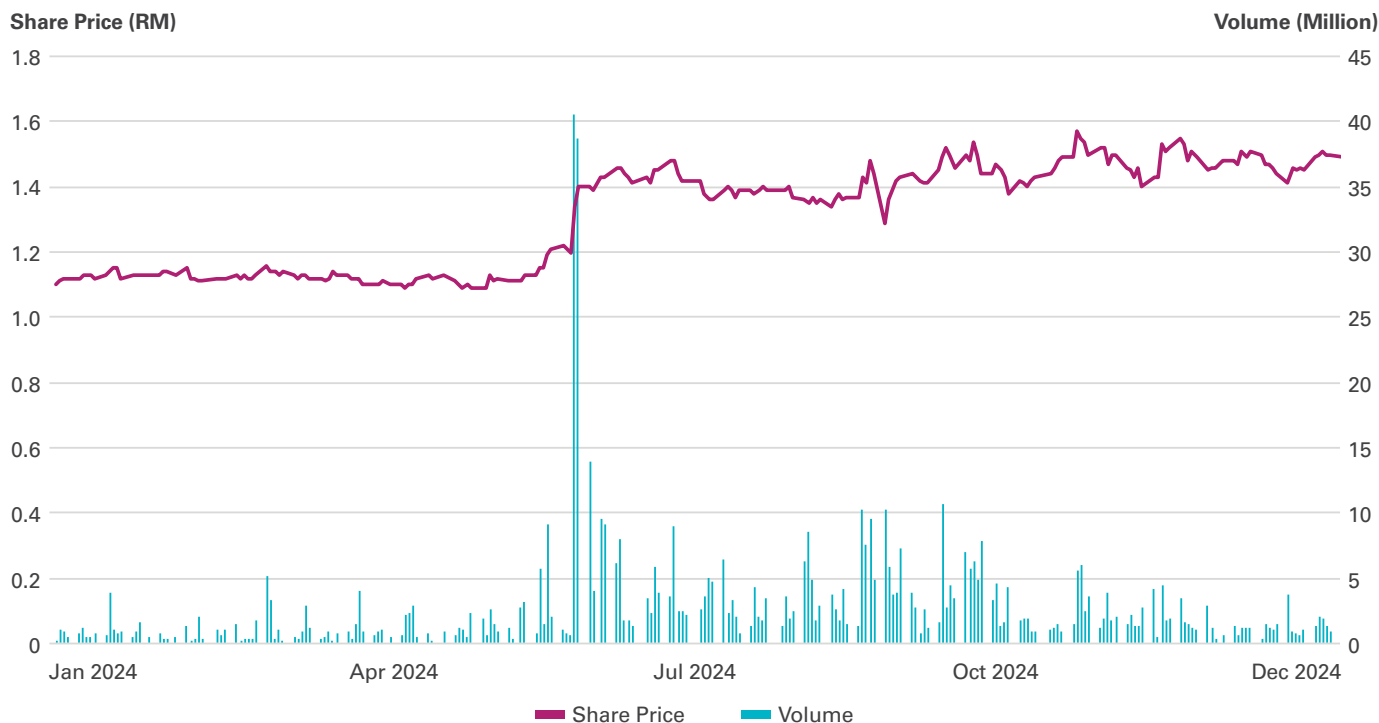
PROFIT AFTER TAX (RM'000)



EARNINGS PER SHARE (SEN)



OUR VALUE CREATION IN PRACTICE: SHARE PRICE PERFORMANCE AND COVERAGE

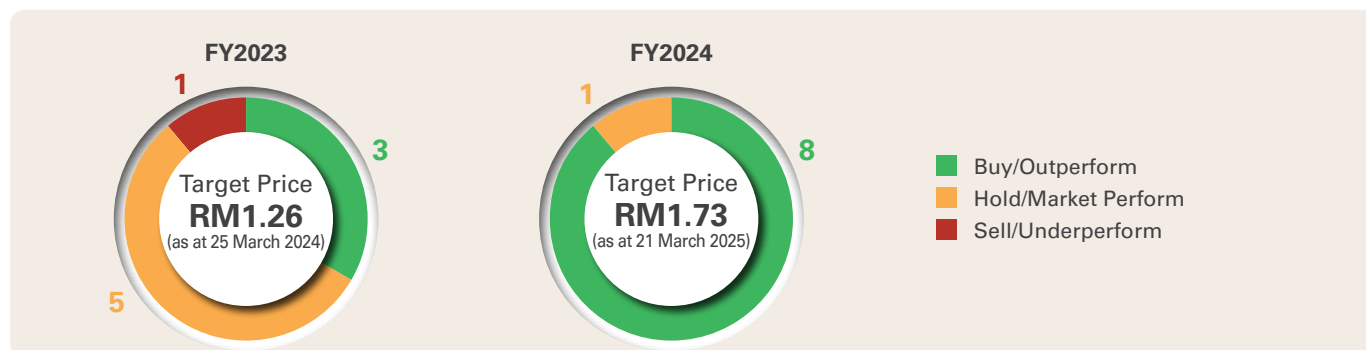


Research Coverage

AEON CO. (M) BHD's stock continues to receive extensive coverage from the nine research houses in FY2024 as listed below:

- | | |
|---------------------------------------|---------------------------------------|
| 1. Affin Hwang Investment Bank Berhad | 6. Maybank Investment Bank Berhad |
| 2. BIMB Securities Sdn Bhd | 7. MIDF Amanah Investment Bank Berhad |
| 3. Hong Leong Investment Bank Berhad | 8. RHB Investment Bank Berhad |
| 4. CIMB Securities Sdn Bhd | 9. TA Securities Holdings Berhad |
| 5. Kenanga Investment Bank Berhad | |

The latest recommendations from these research houses and the average target price has improved in the current year.



AEON is committed to upholding high standards of corporate disclosure and transparency to protect shareholders' interests. We maintain open communication channels and ensure fair treatment of investors by promptly sharing financial and strategic updates. Our Investor Relations page within our company website serves as a one-stop hub for investors, providing share prices information, Bursa announcements, quarterly results, and access to annual reports, investor presentations, and more.

PREMIUM FRESHNESS

From one generation to the next, AEON brings the finest produce to your table, fostering moments of shared enjoyment.

02 KEY MESSAGES

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LETTER FROM THE CHAIRMAN

DEAR VALUED SHAREHOLDERS,

On behalf of the Board, I am pleased to present AEON CO. (M) BHD's Integrated Annual Report 2024. This year marks our 40th anniversary in Malaysia — a milestone reflecting our progress and strong foundations established in the retail and property management services landscape. This milestone is driven by the dedication of our AEON People, whose passion fuels our growth.

In FY2024, we remained focused in executing our strategic priorities — enhancing customer engagement, seizing new opportunities, and strengthening our core businesses. Through these efforts, we continued serving Malaysians across all segments while delivering positive returns to our shareholders.

Datuk Iskandar Sarudin
Independent Non-Executive Chairman



LETTER FROM THE CHAIRMAN

“ ” OUR 35 AEON STORES, 28 AEON MALLS, WITH A NET LETTABLE AREA OF 13.5 MILLION SQUARE FEET, AND 121 SPECIALTY OUTLETS CATER TO MALAYSIANS ACROSS ALL AGE GROUPS.

ADAPTING TO CHALLENGES IN A TRANSFORMING RETAIL LANDSCAPE

The Malaysian retail landscape is faced with a mix of challenges and opportunities in 2024, influenced by broader macroeconomic factors including inflation, interest rates, and shifting consumer behaviours. While these elements presented certain hurdles, the retail sector showed remarkable resilience, adapting to the changing conditions while continuing to be supported by a robust labour market, stable inflation, and the recovery of key sectors like tourism. This shift in dynamics has created new opportunities for growth and innovation, especially as consumer confidence gradually strengthens.

Recognising the impact of macroeconomic trends and retail market dynamics, we leverage the AEON Living Zone ecosystem to

differentiate ourselves to better serve customers. By staying true to our ‘Customer First’ philosophy, we are able to build deeper connections, enhance our product offerings, and provide tailored services that resonate with our customers. Additionally, we are increasing our focus on ESG priorities, such as climate action and worker well-being, to ensure sustainability and long-term value creation for stakeholders.

REWARDING LOYAL SHAREHOLDERS

Our 35 AEON Stores, 28 AEON Malls, with a net lettable area of 13.5 million square feet, and 121 specialty outlets continue to draw steady foot traffic from customers across all age groups. This success is driven by a well-curated mix of products, services, and tenants that offer something for everyone. Our operational strategies foster innovation and synergy across our businesses, enabling the

introduction of new offerings that resonate with customers, tenants, business partners, suppliers, and employees alike. Additionally, our renovation projects and digital transformation initiatives, such as self-checkout counters and enhanced myAEON2go platform, continue to elevate shopping experience, particularly for younger customers. These efforts foster long-term loyalty and trust while further solidifying the AEON brand.

Beyond that, these strategies strengthened AEON's market competitiveness and supported our ability to achieve resilient performance in a dynamic business environment. AEON recorded a net profit of RM128.0 million, with the Board proposing a final dividend of 4.5 sen per share, amounting to RM63.2 million. This represents a payout ratio of 49%, subject to shareholders' approval at the upcoming AGM.

REVENUE

RM4,261.5m

FY2023: RM4,129.0m

PROPOSED DIVIDEND PER SHARE

4.5 sen

FY2023: 4.0 sen

NET PROFIT

RM128.0m

FY2023: RM114.8m

PROPOSED DIVIDEND PAYOUT RATIO

49%

FY2023: 49%

LETTER FROM THE CHAIRMAN

EMBEDDING SUSTAINABILITY AS A BUSINESS IMPERATIVE

Our sustainability journey is an ongoing effort to integrate sustainable practices across all aspects of our operations. In FY2024, we enhanced our AEON Sustainability Charter to reflect our renewed focus on meaningful impact. This new enhanced charter demonstrate our ongoing commitment to drive sustainable progress for a brighter

and more resilient future. In line with Malaysia's National Energy Transition Roadmap, the Board has endorsed AEON's new net-zero ambition, with a target to achieve net-zero emissions across our business by 2050. Aligned with this ambition, we are also focused on building a resilient and sustainable value chain by 2040, reflecting our dedication to addressing climate change and supporting Malaysia's goal of becoming a net-zero greenhouse gas (GHG) emissions nation by 2050.

Other key enhancements also include strengthening our governance framework and sustainability disclosures by aligning with the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board. We also embedded ESG priorities within business units and established unified ESG KPIs in performance scorecard to drive accountability and measurable progress, harmonising financial performance with long-term sustainability goals.

“ ” **AT AEON, OUR DEDICATION TOWARDS SUSTAINABLE GROWTH IS FIRMLY ROOTED IN OUR CORE PRINCIPLES OF FOSTERING PEACE, VALUING HUMANITY BY PROMOTING DIVERSITY, EQUITY AND INCLUSION, AS WELL AS UPLIFTING LOCAL COMMUNITIES.**

At AEON, our dedication towards sustainable growth is firmly rooted in our core principles of fostering peace, valuing humanity by promoting diversity, equity and inclusion, as well as uplifting local communities. Our ESG priorities and goals are grouped under four core pillars, namely Sustainable Economics, Environmentally Focused, Empowering People and Efficiency & Integrity, with customers at our core, to enable us to focus our efforts and engage better with key stakeholders to realise meaningful, sustainable change.

In FY2024, we conducted a review of our material sustainability topics, building on the comprehensive materiality assessment from FY2023. This review incorporated feedback from key stakeholders, helping us to better understand and prioritise the economic, environmental, social, and governance issues most critical to our business and stakeholders. As part of this process, we delved into the top five materiality matters identified, aligning them with our strategic priorities to ensure that sustainability is fully integrated into our day-to-day operations. This approach supports the creation of long-term sustainable value for all stakeholders. Furthermore, we tracked our sustainability performance against



LETTER FROM THE CHAIRMAN

“ ” THROUGH THE AEON LIVING ZONE ECOSYSTEM, WE AIM TO ENHANCE CUSTOMER LOYALTY AND FOSTER COLLABORATIVE PARTNERSHIPS WITH OUR TENANTS, SUPPLIERS, AND AEON GROUP OF COMPANIES IN MALAYSIA TO ENHANCE OUR VALUE PROPOSITION.



set targets to track and measure our progress, ensuring a focus on the most relevant, material, and impactful ESG areas.

Marking our third consecutive year of inclusion in both the FTSE4Good Bursa Malaysia Index and the FTSE4Good Bursa Malaysia Shariah Index, AEON's steadfast commitment to enhanced disclosures and transparency has driven us to achieve a 4.0 rating in the FTSE4Good Bursa

Malaysia Index for 2024 — a notable increase from 3.4 in 2023 and 3.2 in 2022. This achievement also places us above the global industry average for broadline retailers and consumer services.

Additionally, AEON earned a 4-star rating — the highest grade under Bursa Malaysia's FTSE4Good standards — further affirming our dedication to advancing ESG practices and initiatives.

LOOKING AHEAD

As we look ahead to FY2025, we are committed to executing our strategies and managing costs effectively, ensuring we continue to reward loyal shareholders while reinvesting into our business to capitalise on new opportunities. We will also focus on elevating the customer shopping experience and creating lasting, sustainable value for our stakeholders.

Through the AEON Living Zone ecosystem, we aim to enhance customer loyalty and foster collaborative partnerships with our tenants, suppliers, and AEON group of companies in Malaysia to enhance our value proposition. In addition to reinforcing our competitive edge in the industry, we are dedicated to advancing our ESG practices to ensure a positive, long-term impact on both our community and the environment.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to express my heartfelt gratitude to all our stakeholders for their continued trust in AEON. To our valued shareholders and loyal customers, thank you for your unwavering support and continued patronage. To AEON People, thank you for your dedication and hard work.

Last but not least, my sincere appreciation also goes out to my fellow Board members for their invaluable contributions and stewardship in upholding the highest standards of governance, oversight, and direction on strategic matters that are essential to the Company. I look forward to collaborating with all of you as we work together to propel AEON to even greater success.

Datuk Iskandar Sarudin

Independent Non-Executive Chairman

FROM THE DESK OF THE MANAGING DIRECTOR

DEAR VALUED SHAREHOLDERS,

As we celebrate AEON's 40 incredible years in Malaysia, I am proud to reflect on our journey of growth, resilience, and innovation, culminating in a strong FY2024 financial performance. This achievement underscores our commitment to driving innovation, delivering exceptional customer experiences, and ensuring sustainable growth. With a clear strategy, we are confident in strengthening our core and future-proofing AEON for the years ahead.

RETAIL

Revenue

RM3,524.6m

FY2023: 3,454.3m

PROPERTY MANAGEMENT SERVICES

Revenue

RM737.0m

FY2023: 674.7m

Mr. Naoya Okada
Managing Director



FROM THE DESK OF THE MANAGING DIRECTOR

Q&A AEON celebrates its 40th anniversary in Malaysia this year. Can you provide an overview of AEON's history, growth, and contributions in Malaysia over the past four decades?

Since we first set foot in Malaysia in 1984, AEON has grown from modest beginnings into one of the country's most trusted and well-loved retail brand – a recognition cemented by our recent victory at the Putra Brand Awards 2024. Jaya Jusco Stores Sdn Bhd opened its first AEON Store in Kuala Lumpur, introducing Malaysians to a fresh and unique Japanese retail concept that combined a department store and supermarket under one roof.

Over the last 40 years, we have worked hard to expand our presence across Malaysia, transforming the retail scene with innovative offerings and a strong commitment to quality. From our rebranding as AEON in 2004 to the launch of specialty outlets like AEON MaxValu, AEON Wellness, and DAISO, our focus has always been on meeting the changing needs of our customers.

As one of the first retailers to blend retail with lifestyle experiences, AEON has become synonymous with convenience, reliability, and great service. Today, our network spans shopping malls, department stores, supermarkets, and specialty outlets across Malaysia, making AEON a key lifestyle destination for millions of Malaysians.

But AEON is about more than just retail. Sustainability and community care are at the heart of everything we do. Guided by our 'Customers First' philosophy, we implemented green initiatives, supported local communities, and embraced digital transformation to make shopping easier and more seamless for everyone.

As we celebrate 40 incredible years in Malaysia, we take pride in how far we have come – enriching lives, supporting the economy, and delivering value to our customers, employees, and business partners. While we honour our past, we are also excited about the future ahead. With a commitment to innovation, sustainability, and shaping the future of retail in Malaysia, we look forward to continuing this journey together.



Q&A How would you describe the operating and business landscape for AEON CO. (M) BHD. in FY2024?

Reflecting on the year, it's evident that AEON has demonstrated resilience throughout FY2024, despite challenges stemming from the macroeconomic environment. Globally, declining economic activity, escalating geopolitical tensions, and instability in international markets have disrupted supply chains and impacted currency values. AEON's ability to navigate these complexities highlights its adaptability and strategic focus. On the domestic front, Malaysia economy grew by 5.1% in 2024 due to continued expansion in domestic demand and rebound in exports.

AEON operates within Malaysia's dynamic and competitive retail industry, which has been directly and indirectly impacted by ongoing macroeconomic challenges. Despite these obstacles, AEON emerged stronger in FY2024, thanks to the successful execution of our strategic priorities across the retail and property management services segments, creating sustainable long-term value for our shareholders.

FROM THE DESK OF THE MANAGING DIRECTOR

Q&A Despite the challenges facing the industry, AEON successfully delivered resilient results. How did AEON do it?

First and foremost, we focused on understanding and adapting to the changing needs of our customers. As financial pressures from macroeconomic challenges grew, we noticed a shift in spending priorities. Consumers began to prioritise essentials like food and necessities while holding back on big-ticket and discretionary items.

Let me take a step back to provide a clearer picture of the year. In the early months, consumer sentiment was marked by caution, driven by concerns over a potential economic slowdown, subsidy rationalisation, fears of a recession, and escalating geopolitical tensions. However, as the year unfolded, several key developments helped shift the mood. The introduction of EPF Account 3 in June 2024, along with the announcement of a civil servant salary hike and an increase in the minimum wage, alleviated some financial concerns and provided Malaysians with greater financial flexibility. Additionally, the recovery of the Ringgit Malaysia further bolstered overall consumer confidence. Together, these factors contributed to a noticeable uptick in consumers' willingness to spend.

In response to the changing times, we fine-tuned our approach, tailoring our marketing and promotional campaigns to meet these shifting demands. Initiatives like Everyday Fresh, Everyday Low Price, Thursday is Better than Friday and Time Out Day were designed to offer greater value to our customers, particularly for Foodline items. These efforts not only resonated with consumers but also reinforced our commitment to providing quality and affordable products in challenging times. In conjunction with our 40th Anniversary celebrations, we also offered special promotions to reward our loyal customers throughout the year.

Moreover, the expansion of our Private Brands – namely TOPVALU, HÔME CÔORDY, alongside our newly introduced Softline brands, have contributed to improving our margins. By ensuring these brands deliver both quality and value, they have helped us stand out in the market, build stronger brand loyalty, and offer more competitive pricing. Additionally, these Private Brands allow us greater control over quality and our overall product portfolio, further enhancing our ability to meet customer expectations effectively.



We understand the importance of being close to where our customers are. One of the initiatives to grow our customer base will be to explore potential areas to expand our presence in Malaysia. In FY2024, we opened new outlets across Malaysia, including an AEON Store in Setia Alam, three AEON Wellness outlets, six DAISO outlets, and one Petemo outlet to reach more customers. We also expanded our portfolio with the opening of our first Tsutaya Bookstore in AEON Mall Tebrau City this year. Tsutaya is Japan's largest retail bookstore, and we are honoured to debut this lifestyle

FROM THE DESK OF THE MANAGING DIRECTOR



bookstore, spanning an impressive 27,000 square feet in Johor Bahru.

Building a deep connection with and understanding our customers is also a key driver for expanding and retaining our customer base. With over 2.8 million AEON Member Plus members to date, we continue to strengthen this loyalty programme with exclusive, specially curated products at discounted prices to drive higher sales.

Q&A AEON has been actively renovating its malls, has this initiative contributed in any way to achieving the resilient results?

Yes. AEON's competitive advantage comes from having both its retail and property management services under one roof. This setup allows the two to complement one another, creating positive synergies as we expand our footprint to better serve Malaysians.

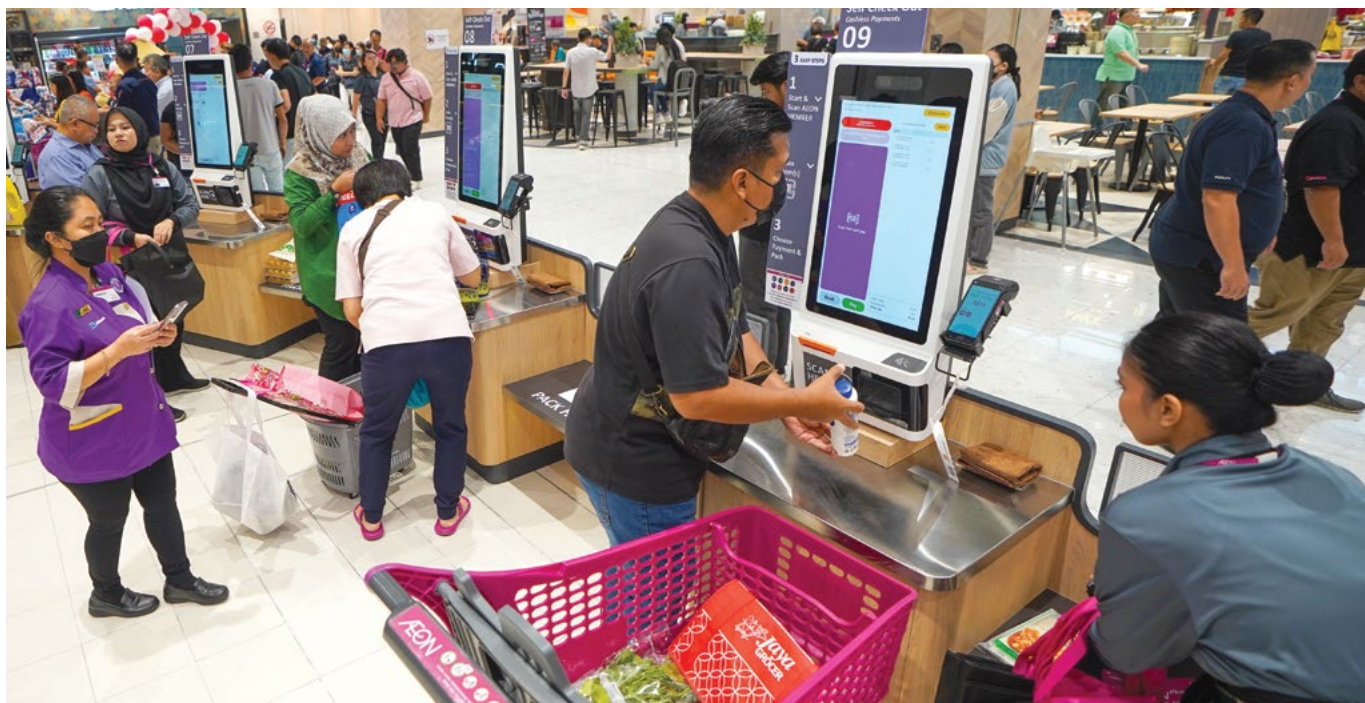
Based on the sustained positive outcomes observed from earlier mall rejuvenations at AEON Mall Cheras Selatan and AEON Melaka Shopping Centre, we have completed all renovation and facelift projects earmarked for FY2024 including AEON Bandar Puchong, supermarket floors at AEON Bukit Indah and AEON Ipoh Station 18, among others. These projects have not only enhanced the shopping experience for our customers but also attracted more visitors to our malls, creating a ripple effect of benefits for our tenant partners as well.

Underpinned by completed mall renovations, tenant space rezoning, and ongoing tenant mix optimisation, overall occupancy rate has increased to 96.9% in FY2024. We also achieved a rental renewal rate of 96%, bolstered by the addition of new tenants and popular brands joining our malls this year. We are pleased to share that we recorded a rent reversion of 8% in FY2024, thanks largely to the positive impact of these renovation projects.

We are also delighted to see that our ongoing stores and mall upgrades are driving sales growth for our tenants, with an 8.5% increase recorded in FY2024. Additionally, we onboarded over 390 new tenants in FY2024 and expanded F&B and Entertainment offerings across our malls, which have contributed to a steady increase in car visits, further highlighting the appeal and vibrancy of our malls.

As we progress, we remain committed to enhancing the retail experience through continuous innovation. We plan to introduce more experiential retail concepts, and digital integration to meet evolving consumer preferences. By leveraging technology and data analytics, we aim to optimise foot traffic and enhance overall shopper satisfaction. These initiatives will ensure that our stores and malls remain top destinations for both retailers and shoppers.

FROM THE DESK OF THE MANAGING DIRECTOR



Can you elaborate on how AEON plans to build upon its digital transformation efforts to drive business growth and enhance customer experiences?

In FY2024, we made notable progress in advancing our digital transformation, building on previous achievements to provide a more seamless shopping experience and improve operational efficiency.

The myAEON2go platform has become an integral part of our customers' shopping journey, seamlessly bridging online and in-store experiences. We also expanded the product range to include offerings from AEON Wellness and DAISO at in-store prices, with same-day delivery in as fast as 30 minutes. This strategy, coupled with unique online discounts, has fuelled double-digit growth as we continue to expand our SKUs.

On the retail front, we continue to prioritise efficiency and convenience by expanding self-checkout counters (SCO). With more SCOs now available across AEON Stores, AEON MaxValu, AEON Wellness and DAISO, we managed to reduce wait times and enhance the overall shopping experience, a significant improvement from last year, with utilisation rates rising from 28% to 40%.

We also rolled out vehicle licence plate recognition system in selected malls for greater customers' convenience. To date, seven AEON Malls are equipped with licence plate recognition system with plans to expand to other Malls gradually.

Looking ahead, AEON plans to accelerate its digital transformation by leveraging advanced technologies to streamline operations, improve efficiency, and deliver personalised customer experiences. This includes enhancing our myAEON2go e-commerce platform, adopting AI-driven analytics for deeper customer insights, and integrating omnichannel solutions to provide seamless online and in-store experiences.

Additionally, AEON will continue investing into automation, and supply chain optimisation to ensure scalability and agility, ultimately driving business growth and strengthening customer engagement. These efforts underscore our dedication to meeting customer needs, enhancing convenience, and fostering trust and loyalty as we continue to grow.

FROM THE DESK OF THE MANAGING DIRECTOR



Shifting our focus to financials, can you provide insights into the key drivers behind AEON's financial performance this year, particularly regarding revenue growth, profitability, and cost management?

Despite a challenging landscape, we delivered strong financial results in FY2024. Our revenue climbed to RM4,262 million, reflecting a 3% growth compared to RM4,129 million in FY2023. What is even more encouraging is that our profit after tax rose by 11% to RM128 million. You might wonder, what fuelled these positive outcomes?

I spoke about Private Brands expansion earlier which has strengthened the overall margin for our retail business. Having expanded product assortment of our Private Brands in FY2024, we are able to diversify our product assortment and offerings to improve margin, while also catering to a wider range of customer preferences and needs. Having a larger Private Brand portfolio decreases reliance on national brands, builds brand loyalty and allows more control over production cost, pricing and profitability.

Products and services at each AEON Store and specialty outlet are also carefully tailored to meet the unique needs of the surrounding community. By segmenting and customising our offerings based on the unique demands of each community where we operate, we are able to deliver a personalised yet diverse shopping experience. This approach helps us cater to a wide range of customers, addressing their unique preferences and needs effectively.

On top of that, effective marketing campaigns also contributed towards driving profitability by boosting sales, customer loyalty, and brand differentiation. We continue to capitalise on peak shopping periods by offering great deals during festivities such as Chinese New Year, Hari Raya, Deepavali and Christmas, drawing large crowds and boosting sales. Special promotions such as Time Out Day and A-Day were also penned-in especially during low seasons to attract foot traffic to our

stores and malls. Collectively, these contributed towards an increase in retail business revenue to RM3,525 million with segmental profit of RM76 million, up 10% in FY2024.

Fuelled by the combination of internal operational efficiency and external market conditions, our property management services revenue grew 9% reaching RM737 million in FY2024. While this growth was primarily driven by higher occupancy rates, positive rent reversions and successful tenancy renewals, it also underscores the strength of our management and our ongoing strategy to revitalise older malls and stores.

Maintaining strict cost discipline remained a key priority. In FY2024, we implemented tighter cost control measures to manage the impact of rising operating costs. One significant step was supplementing our electricity use with renewable energy sources, such as installing solar PV panels in our malls. Furthermore, we have rolled out close to 500 self-checkout counters by the end of FY2024 across our stores to ease the checkout process, reducing wait times for customers while redeploying valuable manpower to other areas of the business, successfully reducing reliance on temporary and casual workers, especially during peak seasons.

Beyond cost control, AEON remains committed to financial sustainability by leveraging innovative financing solutions to strengthen our balance sheet. In FY2024, AEON rolled out its Sukuk Wakalah programme to put in place a stable and cost-effective financing structure. The programme allowed AEON to secure funding in compliance with Shariah principles, ensuring access to a diverse pool of investors.

The proceeds from our first issuance was strategically used to optimise AEON's capital structure while building a stronger foundation to support long-term growth.

FROM THE DESK OF THE MANAGING DIRECTOR

Q&A Can you elaborate on AEON's key sustainability initiatives and plans ahead?

Certainly. At AEON, we view sustainability as an evolving journey of progress and resilience. In 2024, we conducted a thorough review of AEON sustainability and climate strategy to align with global standards and address emerging ESG challenges. This led to the enhancement of the AEON Sustainability Charter, sharpening our focus on measurable targets and actionable goals into our business strategy. Guided by the four core pillars of the AEON Sustainability Charter, our commitment is reflected across our operations, from adopting energy-efficient measures, improving waste and water management to implementing community-impact initiatives and upholding robust governance practices.

On the Environmental front, we continue assessing energy efficiency strategies across our operations to ensure we adopt a more comprehensive approach to conservation. We have been ramping up our efforts to power our malls more sustainably. To date, 11 of our malls are equipped with energised Solar PV, supplementing our electricity use. Additionally, we expanded EV charging facilities to 18 malls to provide added convenience to our customers, encouraging the adoption of electric vehicles while supporting Malaysia's transition to sustainable mobility.

In 2024, we also launched the #AEONResponsible Suppliers Program, becoming Malaysia's first retailer to introduce an ESG-focused supplier initiative which empowers our suppliers to enhance their ESG practices while strengthening trust with our customers by

cultivating a supply chain rooted in responsible and ethical practices. As we implement the programme's workplan, we will focus on tailored capacity-building sessions, facilitating access to sustainability-linked financing, and adopting innovative tools to improve ESG disclosures.

A key highlight of our community effort was our Tree Planting Programme, 'Planting Seeds of Growth for the Future: Creating Gardens in Schools.' AEON has planted more than 7,000 saplings across 28 schools located near AEON Malls, demonstrating our dedication to environmental conservation while fostering community development. This initiative also strengthens our connection with the communities surrounding our malls, reflecting our commitment to building lasting relationships with the people we serve while contributing to greener and healthier environments.

Looking ahead, sustainability will remain central to AEON's strategy. We aim to deepen our environmental initiatives, including the expansion of renewable energy and sustainable supply chain programs, while fostering strong community relationships through impactful social and governance practices. Guided by the AEON Sustainability Charter and aligned with our net-zero ambition for 2050, we are committed to driving meaningful change, delivering innovative solutions and creating long-term value, to meet the evolving needs of our customers and stakeholders.



FROM THE DESK OF THE MANAGING DIRECTOR

Q&A What can we anticipate from AEON in the future?

As we celebrate AEON's 40th anniversary in Malaysia this year, we reflect on our incredible journey—from the opening of our first store four decades ago to our current footprint of 28 malls, 35 stores, and 121 specialty outlets across the country. AEON remains dedicated to growing and solidifying our position as one of Malaysia's leading retailers and mall operators, with a continued commitment to expanding our presence and serving customers nationwide.

We are excited about the opportunities that lie ahead. As we look toward FY2025, AEON is committed to strengthen the AEON Living Zone ecosystem while driving growth by deepening our focus into our strategic pillars of growing our customer base, increasing foot traffic to our stores and malls, and accelerating sustainability initiatives. These priorities are underpinned by an emphasis on product innovation and technology development, aimed at enhancing the overall customer experience and making shopping more seamless and enjoyable.

In addition to expanding the product assortments of our Private Brands, we will also prioritise upgrading our existing malls and stores. This includes improving tenant management through effective tenancy renewals, rent reversions, and maintaining a diversified tenant mix to ensure the continued success of our malls.

By leveraging technology and data, we aim to deliver more personalised and seamless shopping experiences for our customers.

AEON is also set to expand its retail footprint with a robust pipeline of mall and store expansions in the medium term.

AEON Mall KL MidTown, strategically located near the affluent neighborhoods of Mont Kiara and Hartamas in Kuala Lumpur, is slated to open in FY2026. Meanwhile, AEON Mall Seremban 2 will undergo a major expansion, with a new two-storey shopping mall seamlessly linked to the existing structure. Once completed in FY2027/2028, the expansion will double the mall's size.

Additionally, AEON Mall Kinta City in Ipoh, Perak, will see an estimated 50% increase in retail space as part of an expansion project beginning in FY2025 and set for completion by FY2027. These developments underscore AEON's commitment to enhancing its retail offerings and meeting evolving consumer needs.

Operationally, we remain focused on enhancing efficiency. As we continue to grow our footprint in Malaysia, we plan to roll out more self-checkout counters and electronic shelf labels, adopt greener practices as well as optimise our supply chain across our business.

Q&A Any concluding remarks or acknowledgements?

On behalf of the Company, I would like to extend our deepest gratitude to our Chairman, Board members, and the AEON Leadership Council for their unwavering guidance, support, and strategic insights, which have been instrumental in driving our continued success. We also sincerely appreciate our valued customers, business partners, tenants, suppliers, regulators, and financiers for their trust, patronage, and confidence in AEON — key drivers of our growth and achievements.

A special thank you goes to our dedicated team of AEON People, whose commitment, resilience, and loyalty ensure that we consistently elevate the customer

experience, bringing joy and happiness to everyone who visits our stores.

Last but not least, to our esteemed shareholders, we are deeply grateful for your continued confidence in our vision. Your trust is the foundation of our resilience, and we remain committed to delivering value and excellence, driven by your unwavering support.

Together, let us continue creating smiles and connecting hearts, making every AEON experience meaningful for our customers and communities.

FASHION FORWARD

AEON's fashion offerings celebrate individuality across all ages and sizes, empowering customers to express themselves with confidence and style.

03 CREATING VALUE

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Key Business Risks	45





AEON

Planting Seeds of Growth
We are Aeon

VALUE CREATION MODEL

AEON's value creation model centers around its commitment to sustainable growth and societal contribution while aligning with the AEON Foundational Ideals of pursuing peace, respecting humanity, and contributing to local community, always with customers as our starting point. Harnessing our six capitals as inputs to fuel our economic value creation, we leverage the AEON Living Zone ecosystem to execute our strategic priorities, generating sustainable value for distribution to stakeholders and society.

INPUT



FINANCIAL CAPITAL

Our robust financial performance and sound balance sheet provide the foundation for delivering consistent shareholder value through dividends and reinvestment for sustainable growth. With strong access to financial markets and institutional lenders, we ensure the necessary resources to support our strategic initiatives and long-term business objectives.



INTELLECTUAL CAPITAL

Our trusted brand, established over four decades, is a cornerstone of our success. This includes our well-recognised home-grown Private Brands, innovative membership programmes, and longstanding partnerships with tenants and businesses, which collectively enhance customer loyalty and strengthen market leadership.



MANUFACTURED CAPITAL

Our expansive asset portfolio, including owned and leased malls, supermarkets, general merchandise stores, specialty outlets and food processing centre across Malaysia, forms the backbone of our operations. This extensive network enables us to effectively reach, market, and distribute our products to customers nationwide, ensuring accessibility and convenience.

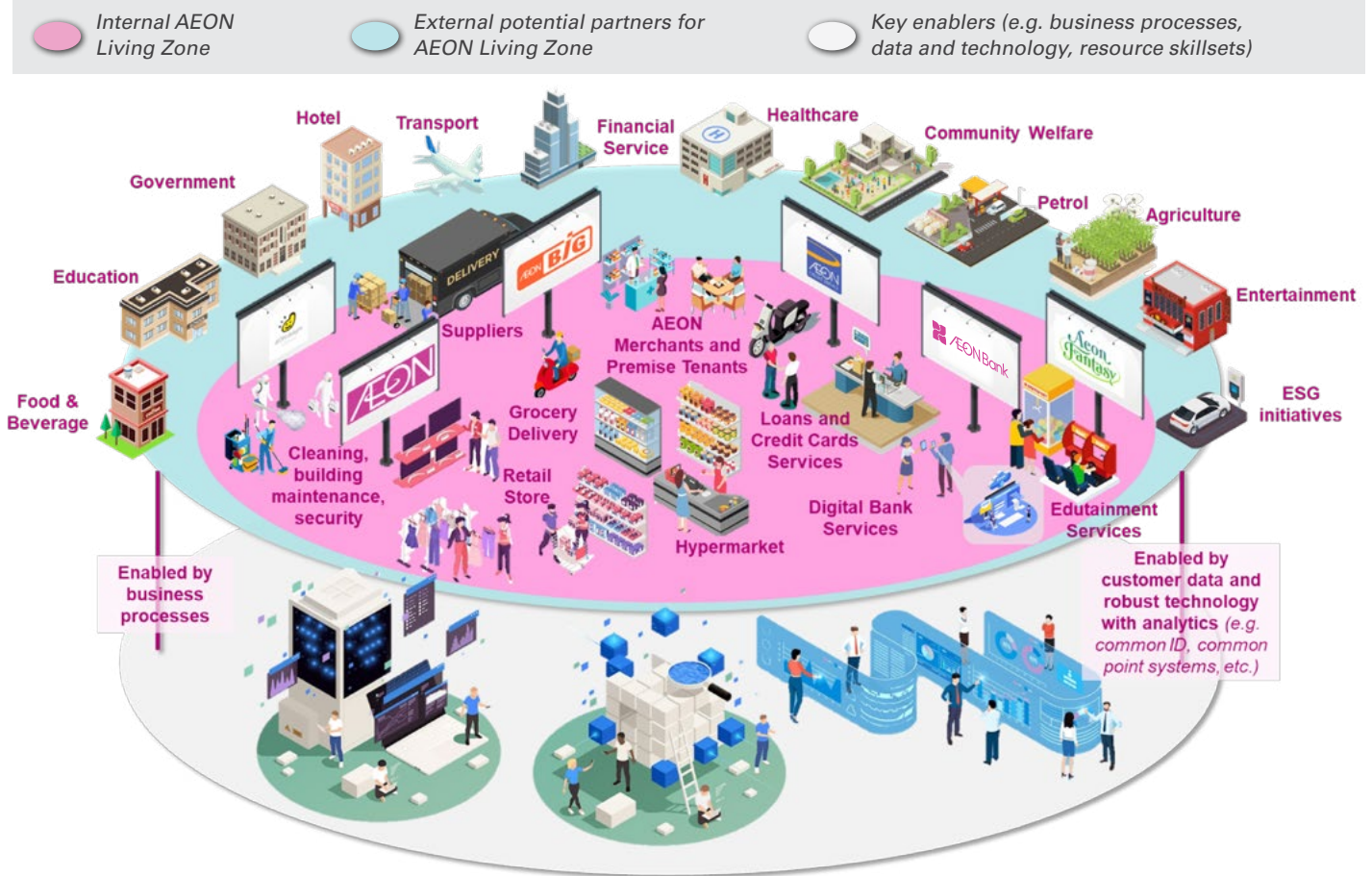


NATURAL CAPITAL

Committed to sustainability, we responsibly utilise natural resources and proactively manage our environmental footprint. Through ongoing efforts to reduce waste, conserve energy, and adopt eco-friendly practices, we aim to minimise environmental impact while contributing to a sustainable future.

VALUE CREATION

AEON Living Zone Ecosystem



VALUE CREATION MODEL



HUMAN CAPITAL

Our people are at the heart of our success. We foster a culture of learning, development, and inclusivity by actively recruiting, nurturing, and retaining talent. By empowering AEON People to achieve their full potential and champion diversity, we build a motivated and innovative workforce that drives our business forward.



SOCIAL & RELATIONSHIP CAPITAL

Strong relationships with our stakeholders are integral to maintaining our social licence to operate. By understanding and addressing their needs, we build trust and collaboration. Our ongoing ESG initiatives reflect our commitment to creating long-term positive impacts on the communities we serve, reinforcing our role as a responsible corporate citizen.

Strategic Priorities



RETAIL

Grow Customer Base

GCB1

Strengthen Customer Loyalty

GCB2

Broaden Private Brands

GCB3

New Store Opening and Store Facelifts



PROPERTY MANAGEMENT SERVICES

Increase Footfall and Traffic

IFT1

Mall Rejuvenation and Facelifts

IFT2

Diversify Tenant Mix

IFT3

Effective Tenant Management



SUSTAINABILITY

Champion Sustainable Practices



Sustainable Economics



Empowering People



Environmentally Focused



Efficiency & Integrity

OUTPUT



SUSTAINABLE ECONOMICS

Growing our customer reach and business performance to generate positive value for stakeholders

RM4.3b
Revenue

RM128.0m
Net Profit

4.5 sen
Proposed DPS

49%
Proposed Dividend Payout Ratio

28
AEON Mall

35
AEON Store

6
AEON MaxValu

64
AEON Wellness

47
DAISO

13.5m sq ft
Net Lettable Area

1,170
Tenant Partners

2.8m
AEON Member Plus



ENVIRONMENTALLY FOCUSED

Operating responsibly and contributing towards a greener planet

>557,000
Trees Planted To Date

8,877 MWh
Solar Energy Generated

↓17%
Absolute Emissions (Scope 1 & 2)
against base year 2019

11%
Rate of Waste Diverted from Landfill



EMPOWERING PEOPLE

Supporting the local community and economy

9,423
AEON People

107,824
Total Training Hours
By Employee

168
Persons with Disability
under AEON's Employment

RM1.2m
Community Investment



EFFICIENCY & INTEGRITY

Abiding by the principles of stewardship and managing the business and affairs of AEON to deliver long-term sustainable growth

Zero
Corruption Incident

Zero
Substantiated complaints
concerning breaches in
customer privacy or data loss

KEY MARKET TRENDS

The global macroeconomic environment exhibited a mix of stabilisation and persistent challenges in 2024. Geopolitical tensions stemming from the conflicts in the Middle East, trade and technology tensions between the US and China, ongoing Russia-Ukraine war, disrupted supply chains, global trade flows and investment patterns.

Back home, the Central Bank of Malaysia forecasts the country economy to grow between 4.5% and 5.5% in 2025, driven by positive labour market conditions, resilient household spending, and the continued implementation of approved investment projects. Reflecting the influence of external challenges, downside risks remain consistent with global market trends, including potential trade and investment restrictions, geopolitical tensions and rising operating costs.

Despite this, Malaysia's retail industry demonstrated resilience amid various macroeconomic influences. Capitalising on strong domestic demand, the industry grew by 3.8% in 2024 according to Malaysia Retail Industry Report dated March 2025 compiled and written by Retail Group Malaysia. During the year, the retail industry also experienced significant transformations driven by technological advancements and evolving consumer preferences.

AEON is dedicated to strengthening its position as one of Malaysia's leading retailers and mall operators by expanding its presence and enhancing customer service nationwide. A key focus is reinforcing the AEON Living Zone ecosystem to deepen customer loyalty while driving growth. This will be achieved by prioritising three strategic areas, namely, growing the customer base, increasing foot traffic to AEON Stores and Malls, and championing sustainable practices.

To support these efforts, AEON will leverage product innovation and technology to create a more seamless and enjoyable shopping experience. At the same time, optimising operational efficiencies will remain a priority, ensuring agility in adapting to market shifts and macroeconomic changes. As the retail landscape evolves, AEON will stay vigilant in assessing key industry trends and economic factors that may impact its business, strengthening its resilience in a dynamic market.

Key market trends observed include:

1

INFLATION AND ECONOMIC OUTLOOK: STABILITY AMID POLICY REFORMS

The Central Bank of Malaysia maintained its key interest rate at 3.00% throughout 2024, striking a balance between strong economic growth and controlled inflation. This stability allowed consumers to manage spending and borrowing effectively, preventing excessive price increases. Additionally, the Malaysian government's targeted subsidies and price controls on key goods, particularly fuel and essential food items, helped curb cost-push inflation and support household spending.

The Malaysian economy grew by 5.1% in 2024, improving from 3.6% in 2023, while domestic spending remained stable without overheating. As a result, headline and core inflation averaged 1.8%, down from 2.5% in 2023 and below the pre-pandemic average of 2.0% (2011–2019).

Looking ahead to 2025, the Central Bank of Malaysia expects inflation to remain manageable, supported by easing global cost conditions and stable domestic demand. Lower global commodity prices are likely to

moderate cost pressures in the near term. Meanwhile, the government's recent policy reforms — including a shift from broad-based fuel and electricity subsidies to targeted assistance for low-income households — are expected to help contain inflationary pressures.

However, subsidy rationalisation plan and new taxes introduced in Malaysia Budget 2025, aimed at strengthening fiscal health, may impact consumer spending and retail pricing strategies. In response, consumers may adopt a more cautious approach to discretionary spending, prioritising essential purchases while seeking greater value in their transactions.

Our Invested Capitals



Key Business Risks



KEY MARKET TRENDS

2

ECONOMIC RECOVERY STRENGTHENED BY LABOUR MARKET RESILIENCE

The resurgence of economic activity is closely linked to labour market conditions, which play a key role in driving household spending and reflecting overall economic health. Malaysia's labour market is set for further improvement in 2025, building on the positive trends seen in 2024. The Department of Statistics Malaysia (DOSM) reported a decline in unemployment rate by 0.1 percentage point to 3.3% in 2024. The Ministry of Finance Malaysia projects the unemployment rate will continue to decline to 3.1% in 2025 — if materialise, will be the lowest level in a decade — driven by strong economic momentum and structural reforms aimed at improving labour market efficiency.

Economic activity is expected to remain strong in the coming year, supported by resilient domestic spending. Employment and wage growth, along with policy

measures such as the upward revision of the minimum wage and civil servant salaries, will further bolster household spending. This steady domestic demand is expected to sustain household expenditures across both essential and discretionary goods.

As the recovery continues, navigating these evolving dynamics will be crucial in fostering a resilient and stable business environment.

Our Invested Capitals



Key Business Risks



3

EVOLVING CONSUMER BEHAVIOUR RESHAPING MALAYSIA'S RETAIL LANDSCAPE

Shifts in Malaysian consumer behaviour have revealed distinct shopping habits and patterns across income and age groups, reshaping the retail landscape. The rising economic influence of younger, tech-savvy consumers has introduced new retail dynamics as they prioritise quality and health-conscious products over price, making traditional retail models increasingly less effective.

Digitalisation continues to transform purchasing behaviour, with a growing number of consumers conducting extensive online research before making purchases. This trend is also driving a shift toward higher online purchasing rates, underscoring the importance of e-commerce platforms in the retail ecosystem.

At the same time, health and wellness have become focal points for consumers, leading to increased demand for related products and services. This shift requires retailers to adapt by providing targeted, health-focused products both online and in physical stores to meet the evolving preferences of health-conscious consumers.

To remain competitive in this dynamic environment, retailers must innovate and provide personalised experiences that cater to the diverse needs of Malaysian consumers across all demographics. A seamless omnichannel strategy that integrates digital convenience with traditional retail experiences will be essential in responding to these nuanced market demands. Retailers that stay attuned to these trends and demonstrate agility in adapting will be well-positioned to thrive in Malaysia's evolving retail landscape.

Our Invested Capitals



Key Business Risks



KEY MARKET TRENDS

4

GROWING PRESSURE FOR DIGITAL AND TECHNOLOGICAL INNOVATION

Digitalisation and technological advancements are transforming how retailers engage with customers and build lasting relationships. Social media platforms and online communication channels have become essential tools for connecting with consumers, fostering real-time interaction, and enhancing brand visibility.

The integration of generative artificial intelligence (AI) and big data analytics is revolutionising the retail sector by providing deeper insights into customer behaviour and purchasing patterns. This has led to a stronger focus on leveraging data to gain a competitive edge through targeted marketing and personalised experiences. However, as data-driven strategies gain traction, the need for robust data protection measures has become more critical to maintain consumer trust and comply with regulatory requirements.

Retailers are also increasingly adopting an omnichannel approach, seamlessly integrating physical stores,

e-commerce platforms, and digital touchpoints to enhance consumer shopping experience. By providing multiple purchase options and interactive engagement touchpoints, businesses are blurring the lines between traditional retail and digital commerce, ensuring a more flexible and convenient consumer journey.

To remain competitive in this evolving landscape, retailers must continuously innovate, embrace emerging technologies, and prioritise data security, ensuring they meet the growing expectations of modern consumers.

Our Invested Capitals



Key Business Risks



5

INTENSIFIED FOCUS ON SUSTAINABILITY

The escalating impact of climate change has heightened scrutiny on sustainable business practices from stakeholders across the board, including policymakers, regulators, financiers, consumers, and non-profit organisations (NGOs). Sustainability is also an area of growing interest among investors, as ESG factors play an increasingly crucial role in investment decisions.

As major economies translate their ESG commitments into concrete policies and legislation, businesses are placing greater emphasis on sustainability as a driver of long-term value creation. Companies are allocating more resources to ensure their sustainability agendas, policies, and programmes align with stakeholder expectations, recognising that responsible and ethical business practices are no longer optional but essential.

By integrating sustainability into core business strategies, organisations can enhance resilience, build stakeholder trust, and secure long-term growth in an era where corporate responsibility is a key competitive differentiator.

Our Invested Capitals



Key Business Risks



BUSINESS OPPORTUNITIES AND STRATEGIC RESPONSES

Key market trends often serve as catalysts for new business opportunities. In today's rapidly evolving landscape, agility is essential for companies to seize these opportunities effectively. At AEON, we recognise that identifying and responding to these trends is crucial for long-term growth and maintaining a competitive edge. By closely monitoring shifting consumer preferences, technological advancements, and global market dynamics, we continuously refine our strategies to capitalise on emerging opportunities.

Throughout the year, AEON has proactively adapted to key trends, including the evolving operating landscape, changing consumer demands, the rapid acceleration of digital transformation, and the growing emphasis on sustainability. Rather than viewing these shifts as challenges, we embrace them as opportunities to drive business growth. By aligning our responses with strategic priorities across retail and property management services businesses, we ensure our initiatives not only meet market demands but also enhance customer experience and operational efficiency.

Sustainability remains at the heart of our strategy. As consumers increasingly prioritise environmental and social responsibility, AEON has made significant strides in embedding sustainable practices across our operations. From reducing carbon emissions and minimising waste to sourcing responsibly produced goods, we are committed to aligning our business with global sustainability goals. This dedication not only supports long-term growth but also reinforces our positive contribution to the environment and society.

The following key business opportunities have been identified based on observed market trends in FY2024, along with their respective strategic responses.

1

UNLOCKING GROWTH: DELIVER HIGH-VALUE, CONSUMER-RELEVANT PRODUCTS

At AEON, we are dedicated to enriching the lives of our customers by providing high-value, relevant products that cater to their everyday needs. Through a seamless blend of affordability, quality, and innovation, we continuously enhance the shopping experience across AEON Stores, AEON MaxValu, AEON Wellness, DAISO, and our e-commerce platform, myAEON2go.

Our customer-first approach ensures that fresh, high-quality products remain accessible at consistent and affordable prices. Initiatives such as Everyday Fresh, Everyday Low Price and Thursday is Better than Friday offer great deals throughout the year, reinforcing our commitment to value-driven shopping.

Beyond affordability, we continue to expand our product offerings to meet evolving consumer preferences. Our diverse Private Brands portfolio — including TOPVALU, HÔME CÔORDY, innercasual, La Boheme, Delicatessen and more — delivers trusted household essentials as well as food and beverages at competitive price points, striking a balance between quality and affordability.

Innovation is at the core of our retail experience. We expanded TOPVALU product assortments with a focus on Malaysian consumers' taste and preference, broadened the range of products under HÔME CÔORDY, and introduced various Softline brands that caters to different apparel needs of our customers. We have also revitalised numerous La Boheme outlets, refreshing its brand image and broadening its selections to cater to diverse tastes. At the same time, most of our Delicatessen food hall have been transformed into welcoming, family-friendly destinations, offering a wide range of value-for-money food and beverage options for customers. By continuously evolving our offerings and staying attuned to consumer needs, AEON remains a trusted retail partner — delivering exceptional value, quality, and innovation every day, for everyone.

Addressing Key Market Trend

Inflation and Economic Outlook: Stability Amid Policy Reforms

Align to Strategic Priorities

RETAIL

Grow Customer Base

GCB1 GCB2 GCB3

BUSINESS OPPORTUNITIES AND STRATEGIC RESPONSES

2 ELEVATING RETAIL SPACES TO MEET EVOLVING CONSUMER NEEDS

As the economy recovers, supported by a resilient labour market, AEON continues to evolve to meet the changing needs of consumers. With rising consumer confidence and spending power, AEON is making strategic investments in store and shopping centre renovations to enhance shopping experiences and drive greater footfall.

By revitalising our Stores and Malls, AEON creates inviting, modern, and functional spaces that align with the evolving expectations of shoppers. These upgrades not only improve customer convenience and introduce engaging in-store experiences but also reinforce AEON as a preferred shopping destination. The increased footfall not only benefits AEON but also our tenant partners, driving higher sales and fostering mutual growth.

Beyond physical enhancements, we're optimising our tenant mix to reflect evolving consumer behaviours. By diversifying our offerings — from lifestyle and fashion to technology and dining — we ensure our shopping centres stay dynamic, relevant, and appealing to a wide audience. This strategy maximises space utilisation, fosters tenant synergies, and cultivates a vibrant retail ecosystem.

AEON tailors each store's offerings to meet the unique needs of its surrounding community, delivering a diverse and personalised shopping experience. By continually evolving our spaces and refining our tenant mix, we remain focused on growth, deeper customer engagement, and reinforcing our position as a trusted retailer and mall operator in Malaysia.

Addressing Key Market Trend

Economic Recovery Strengthened by Labour Market Resilience

Align to Strategic Priorities

RETAIL

Grow Customer Base

GCB2 GCB3

PROPERTY MANAGEMENT SERVICES

Increase Footfall and Traffic

IFT1 IFT2 IFT3

3 REDEFINING RETAIL THROUGH EXPERIENTIAL SHOPPING

As consumer behaviour continues to evolve, Malaysia's retail landscape is undergoing a profound transformation. Today's shoppers seek more than just products — they crave meaningful experiences, engagement, and personalised interactions. In response to this shift, AEON is redefining retail by focusing on experiential shopping, creating immersive environments that go beyond transactions to build deeper connections with our customers.

By redefining our Stores and Malls, we are introducing innovative concepts to elevate the overall shopping experience. From interactive in-store experiences and curated lifestyle zones to engaging pop-up events and community-driven activities, we are transforming our retail spaces into destinations where customers can shop, dine, socialise, and be entertained — all under one roof.

4 EMBRACING DIGITAL AND TECHNOLOGICAL INNOVATION TO ENHANCE CUSTOMER EXPERIENCE

As digital and technological advancements continue to shape the retail landscape, AEON remains at the forefront by embracing innovation and understanding the evolving needs of our customers. In an era where convenience, personalisation, and seamless interactions define shopping behaviour, we are committed to integrating digital solutions that enhance customer experiences across all touchpoints.

By leveraging technology-driven experiences, we create a more convenient and engaging shopping journey for our customers. Digital innovation such as self-checkout counters, electronic shelf labels, licence plate recognition parking system, and interactive displays ensure a more efficient and personalised in-store experience for customers. Beyond in-store enhancements, at the heart of our strategy is the seamless integration of online and offline physical retail. AEON is expanding its omnichannel ecosystem, ensuring that customers

BUSINESS OPPORTUNITIES AND STRATEGIC RESPONSES

We are also reshaping our tenant mix to complement this experiential approach, introducing brands that offer immersive retail concepts, unique dining experiences, and lifestyle-driven services that cater to Malaysia's diverse consumer base. Our commitment to offering greater variety is reflected in the expansion of our Private Brands portfolio, which continues to grow with new product assortments tailored to customer needs. In addition, AEON has introduced a curated lifestyle zone in AEON Mall Tebrau City, featuring a food hall and the renowned lifestyle bookstore, Tsutaya Books, which also features a Japanese-inspired café within, blending retail with cultural experiences. These additions provide customers with more engaging and enriching retail environments, reinforcing AEON as a destination that goes beyond shopping. With the growing number of health and wellness enthusiasts, demand for related products and services has also risen. To cater to this increasing demand, AEON expanded its specialty outlets footprint with new AEON Wellness outlets, offering a holistic approach to health and beauty through an extensive range of products and services.

By embracing experiential retail, AEON is not merely adapting to change—we are leading the way in reshaping Malaysia's retail landscape, creating spaces that inspire, engage, and enrich the lives of our customers while fostering lasting loyalty.

Addressing Key Market Trend

Evolving Consumer Behaviour Reshaping Malaysia's Retail Landscape

Align to Strategic Priorities

RETAIL

Grow Customer Base

GCB1 GCB2 GCB3

PROPERTY MANAGEMENT SERVICES

Increase Footfall and Traffic

IFT1 IFT2

can enjoy a seamless transition between online and offline shopping. Our myAEON2go e-commerce platform offers convenience through online ordering, in-store pickup, and efficient delivery services, catering to the modern shopper's preference for flexibility.

To further strengthen customer relationships, we continue to enhance our AEON Member Plus programme, introducing exclusive rewards, personalised promotions, and enhanced digital services that make shopping with AEON more rewarding than ever. Leveraging customer data insights, we provide targeted offers, ensuring a shopping experience that is customised to individual preferences and needs. Meanwhile, our strong social media presence and digital marketing initiatives allow us to engage customers in real time, offering tailored promotions and updates that resonate with their interests.

By embracing emerging technologies and leveraging data-driven insights, AEON is redefining the retail experience

with greater personalisation, efficiency, and innovation. By integrating online and offline data, we enhance first-party insights to drive targeted marketing, forecast demand, and tailor shopping experiences to individual preferences. Through continuous innovation and digital adoption, AEON is committed to creating a smarter, more connected, and future-ready retail ecosystem.

Addressing Key Market Trend

Growing Pressure for Digital and Technological Innovation

Align to Strategic Priorities

RETAIL

Grow Customer Base

GCB1 GCB2 GCB3

PROPERTY MANAGEMENT SERVICES

Increase Footfall and Traffic

IFT1 IFT2

BUSINESS OPPORTUNITIES AND STRATEGIC RESPONSES

5 INTEGRATING ESG PRACTICES FOR A GREENER FUTURE AND STRONGER BUSINESS GROWTH

As consumer expectations and market trends continue to evolve, AEON recognises that the integration of ESG principles is not only a corporate responsibility but also a strategic imperative that drives sustainable growth and long-term success. Consumers today increasingly prioritise transparency, ethical sourcing, and sustainability, and AEON is committed to embedding these principles into its core operations. By integrating ESG considerations across our business, we enhance brand loyalty, drive operational efficiencies through energy conservation and waste reduction, and strengthen our long-term resilience in an increasingly competitive marketplace.

AEON leverages the opportunities presented by ESG by embedding sustainability into its strategic priorities. We are actively investing in renewable energy solutions and optimising our supply chain to promote responsible sourcing and ethical procurement. Additionally, we are deepening our commitment to social responsibility by supporting local communities and advancing fair labour practices. These initiatives reinforce AEON's position as a leader in responsible retail while creating long-term value for all stakeholders.

Furthermore, as regulatory frameworks and investor expectations surrounding ESG continue to expand, AEON is enhancing its governance structures to ensure compliance, mitigate risks, and strengthen transparency. Businesses with strong sustainability frameworks are increasingly regarded as lower-risk, future-proof investments, and AEON is strategically positioning itself to capitalise on this shift by reinforcing investor confidence and fostering sustainable growth.

Beyond regulatory compliance and financial performance, AEON's ESG-driven strategy is a catalyst for innovation and resilience. By aligning with global sustainability trends and embedding ESG at the heart of our operations, AEON is not only addressing the challenges of today but also shaping the future of responsible and sustainable retail.

Addressing Key Market Trend

Intensified Focus on Sustainability

Align to Strategic Priorities

SUSTAINABILITY




Champion Sustainable Practices



KEY BUSINESS RISKS

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


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

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

KEY BUSINESS RISKS

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

KEY BUSINESS RISKS

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

SUSTAINABLE FUTURE

AEON is dedicated to sustainability, focusing on reducing our environmental impact and fostering positive change for a better future.

04 CHAMPIONING SUSTAINABILITY

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OUR SUSTAINABILITY APPROACH

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

In 2022, we established the AEON Sustainability Charter (ASC), a foundational framework designed to translate these principles into actionable goals that drive sustainable practices across our operations.

Building on this foundation, in 2024, we embarked on a comprehensive review of our sustainability strategy and framework, focusing on refining our priorities, setting measurable targets, and aligning our goals with global sustainability standards. This process was driven by our commitment to continuous improvement and our responsibility to address emerging environmental, social, and governance (ESG) challenges.

The outcome of this review is our enhanced AEON Sustainability Charter. This updated framework reflects our renewed focus on meaningful impact, strengthened by clear targets and actionable goals that are integrated into our business strategy.

We are proud to present this new charter and its key elements in this report, which demonstrates our ongoing commitment to driving sustainable progress for a brighter, more resilient future.



OUR SUSTAINABILITY APPROACH

The agenda was enhanced to align with the global and national ESG agenda and evolving regulatory requirements. The process involved assessing current and future sustainability programmes and initiatives, defining clear targets and goals, and ensuring measurable impact across our operations. The following factors were taken into consideration:

1. Gathering insights from external third party on AEON's ESG profile, risk exposure and enhancing readiness for emerging challenges.
2. Refining core sustainability pillars with time-bound, measurable targets to track progress and demonstrate impact.
3. Engaging key business units to ensure alignment with the sustainability strategy and effective implementation.
4. Benchmarking against industry peers, recognised sustainability frameworks, global ESG ratings, and best practices to maintain alignment with global and national standards.
5. Conducting regular stakeholder engagements, particularly with regulators and key investors, to align with their requirements and expectations.

The ASC was deliberated by AEON Leadership Council (ALC) and Sustainability and Risk Management Committee (SRMC) and was subsequently approved by the Board.

The ASC comprises four core pillars, each aimed at addressing different facets of sustainability:












Through these four pillars, AEON embeds sustainability into our daily operations, demonstrating our commitment to delivering long-term value for stakeholders while actively supporting global and national sustainability goals.

STAKEHOLDER ENGAGEMENT











As one of Malaysia's leading retailers and mall operators, AEON's operations influence a diverse group of stakeholders. We recognise that stakeholder engagement is a vital aspect of our business, enabling us to gather valuable insights and input to ensure our strategies, sustainability policies, and initiatives align with the interests and needs of those we serve.

Through regular and consistent dialogue — both formal and informal — with our stakeholders, we gain a deeper understanding of their expectations and perspectives. This feedback not only informs our materiality analysis but also highlights areas for improvement, fostering stronger relationships and trust. These efforts underpin our commitment to long-term value creation.

A comprehensive overview of our key stakeholder groups, engagement methods, key discussion topics, and our responses to these matters is presented in the table below.

Stakeholders	Modes of Engagement	Matters Discussed by Stakeholder	Our Response
Customers  	<ul style="list-style-type: none"> • Store and Mall visits • myAEON2go platform • Promotions and marketing campaigns • Website and social media platforms • Customer service counter • AEON Careline touchpoints • Newsletters 	<ul style="list-style-type: none"> • Product pricing, quality and safety • Customer service, engagement, convenience, comfort and satisfaction • Privileges, benefits and added value • Online shopping • Data privacy 	<ul style="list-style-type: none"> • Customer engagement activities • Timely response to customer enquiries • Regular surveys of Net Promoter Score (NPS) and customer satisfaction • Innovative service offering on myAEON2go platform • Reliable customer service • Compliance with Personal Data Protection Act 2010 (PDPA)
Shareholders and the Investment Community    	<ul style="list-style-type: none"> • Annual General Meeting • Integrated Annual Reports • Results announcements and analyst briefings • Company announcements on Bursa Malaysia • Conferences and non-deal roadshows • Regular meetings and teleconference calls • Corporate website • Store and Mall visits 	<ul style="list-style-type: none"> • Business outlook and strategic direction • Operational efficiencies • Cash utilisation and dividends • Governance and business ethics • Returns to shareholders • Sustainability strategy and initiatives 	<ul style="list-style-type: none"> • Regular investor engagements • Timely updates on material business developments, strategy and performance • Engagement with ESG rating agencies
Employees   	<ul style="list-style-type: none"> • Onboarding programme • Monthly morning assembly • AEON Leadership Council meeting • Head of Division and Department meeting • Learning and development programmes • Surveys • Emails and iAEON app 	<ul style="list-style-type: none"> • Remuneration structure • Employee benefits and welfare • Learning and career development opportunities • Strategic direction and business growth • Conducive working environment • Health and safety procedures at work • Employment equality • Opportunity to contribute towards sustainability initiatives 	<ul style="list-style-type: none"> • Career development opportunities • Employee benefits • OSH training and activities • Learning and development programmes • Job rotations • Employee engagement platforms • Employee volunteering opportunities

STAKEHOLDER ENGAGEMENT

Stakeholders	Modes of Engagement	Matters Discussed by Stakeholder	Our Response
Regulators and Governmental Authorities  	<ul style="list-style-type: none"> Regular stakeholder dialogue Review of policies and procedures Regular engagement with government bodies Store and Mall visits, forums, meetings, roundtables & briefings Corporate website 	<ul style="list-style-type: none"> Direct and indirect contribution to the local economy Growth and challenges of the local retail industry Compliance with laws and legal framework Sustainable business practices Environment and Climate Change Human Rights Governance and Business Ethics 	<ul style="list-style-type: none"> Uphold good corporate governance through robust policies such as the AEON Corporate Commitment and Anti-Bribery and Corruption Policy to ensure regulatory compliance Adhere to responsible and sustainable practices to protect stakeholders' interests
Suppliers  	<ul style="list-style-type: none"> Clear procurement and payment policies and SOPs Whistleblowing channel Supplier Audits Store and Mall visits Joint-marketing collaborations Formal and social events Regular stakeholder dialogue 	<ul style="list-style-type: none"> Ethical business practices Clear and concise trading terms Prompt and timely payments Strategic partnerships Product and promotion support Human Rights Technology and Digital Transformation Cybersecurity 	<ul style="list-style-type: none"> Fair and transparent dealing Partner with suppliers on shared opportunities
Community  	<ul style="list-style-type: none"> Malaysian AEON Foundation (MAF) activities Festive celebrations Corporate Social Responsibility (CSR) events and programmes Job opportunities Kiosk and temporary space set-ups at shopping malls 	<ul style="list-style-type: none"> CSR programmes and initiatives Community support and aid Environmental awareness and education Business and job opportunities 	<ul style="list-style-type: none"> CSR engagements and donations Impactful programmes and initiatives
Media  	<ul style="list-style-type: none"> Media releases and conferences Media interviews Media collaborative programmes Online and offline media campaigns Editorial, advertorial and branded content 	<ul style="list-style-type: none"> Product offerings and launches Business performance Business milestones and industry updates Sustainable business practices Perception management and crisis communication 	<ul style="list-style-type: none"> Regular media engagements Announcements on material business developments, strategy and performance
Industry  	<ul style="list-style-type: none"> Meetings/forums/roundtables with Malaysia Retailers Association (MRA), Malaysia Shopping Malls Association and industry players Regular stakeholder dialogue Formal and social events 	<ul style="list-style-type: none"> Industry outlook and issues Retail sales performance Government policies Mutual interest issues 	<ul style="list-style-type: none"> Regular stakeholder engagements Partner with suppliers on shared opportunities Adhere to responsible and sustainable practices to protect stakeholders' interest

Legend:

Frequency of Engagement



Ongoing



Monthly



Quarterly



Annually

STAKEHOLDER ENGAGEMENT

MEMBERSHIP AND ASSOCIATION

AEON values the connections and insights gained through our memberships and associations, which help us stay ahead of industry trends and remain aligned with regulatory changes. Active participation in these networks enables us to exchange knowledge, access specialised expertise, and strengthen partnerships that support our sustainability and business objectives.

In 2024, AEON continued its role as an elected panel advisor for Climate Change within the 'Trade and Industry' cluster under the Ministry of Natural Resources and Environmental Sustainability (NRES). Through focus group discussions, AEON provided retail-specific insights that helped shape key topics presented at the Malaysian Pavilion during the 29th United Nations Climate Change Conference (COP29) in Baku, Azerbaijan. This engagement reinforces AEON's position as a climate action advocate in the retail industry, supporting national climate policies and strengthening our commitment to sustainable business practices and environmental responsibility.

Being part of local and global associations also enhances AEON's ability to collaborate with key stakeholders, driving collective progress in areas such as sustainability, responsible business practices, and industry innovation. Our engagement in these networks reflects our commitment to continuous improvement and strategic growth within the retail and property management services sectors.



United Nations Global Compact Malaysia & Brunei (UNGC MYB)

As the world's largest corporate sustainability initiative, the United Nations Global Compact (UNGC) promotes ethical business conduct across human rights, labour, the environment, and anti-corruption. By aligning with the UNGC's Ten Principles, AEON integrates these values into our business strategies, operations, and corporate culture. Since becoming a member in 2022, AEON has aligned its sustainability approach with the UNGC MYB and in 2024, AEON contributed to this

agenda by sharing insights on the topic of 'Leadership at the Intersection of Human Resources & Sustainability', presented by our Chief Human Resource Officer at the GO ESG Symposium 2024 held in November 2024. This engagement reflects our commitment to strengthening industry collaboration and sustainability leadership as we strive to actively participate and share insights in the future.



CEO Action Network in Malaysia

The CEO Action Network (CAN) is a peer-driven coalition of CEOs and Board members advocating for sustainability, capacity building, and ESG integration. CAN aims to shape future-ready, ESG-driven business models and ecosystems through dedicated working groups and active member participation.

AEON has been a member of CAN since 2022, engaging in discussions and initiatives to advance sustainable business practices. As part of our commitment, AEON participates in CAN's workstreams and advocacy efforts.

In 2024, AEON was part of the Programme Taskforce for Sustainability Leaders Apprenticeship for Youth (SLAY) Programme, collaboration with Jane Goodall's Roots and Shoots Malaysia Award (RASMA), an initiative which offers RASMA graduates an opportunity to immerse themselves in meaningful ESG roles within CAN member companies, strengthening the pipeline of sustainability-minded professionals while driving corporate innovation in alignment with national development goals. Through CAN, we collaborate with industry peers to drive sustainable development and responsible business growth within Malaysia's business ecosystem.



Malaysia Retailers Association (MRA)

As Deputy President of the MRA, AEON plays an active role in shaping the retail industry's growth and development. MRA serves as a collaborative platform for industry players, working closely with government agencies and stakeholders to address regulatory matters, market trends, and industry challenges.

Through advocacy, networking, and capacity-building initiatives, MRA supports its members by providing industry insights, policy recommendations, and strategic guidance. As part of its leadership role, AEON remains committed to enhancing the sustainability and resilience of Malaysia's retail sector while driving innovation and best practices within the industry.

MATERIAL MATTERS

During the year under review, the Company undertook a materiality revalidation exercise to evaluate and prioritise key issues that are critical to AEON and its stakeholders. This exercise focused on identifying issues based on their relevance to our current priorities, strategic direction, stakeholder concerns, and material risks—factors integral to our value creation process.

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



1. Review & Identification

For 2024, the Company has refined its sustainability focus, updating its material matters to align with the evolving business environment and global priorities. This exercise resulted in a streamlined list of 14 key sustainability matters, compared to 18 in 2023. The refinement process was guided by several key factors, including:

- Mapping against global standards to ensure alignment with international best practices;
- Aligning with AEON's organisational strategy to integrate sustainability into business priorities; and
- Analysing investors' expectations to address the growing importance of ESG factors in decision-making.

'Energy Efficiency' and 'Preserving Biodiversity' as standalone material matters have now been merged into 'Climate Change' and inclusion of one new matter - 'Sustainable Packaging'. Priority Matters largely remains as previously, except for 'Climate Change' as a new priority matter, replacing 'Energy Efficiency' which has been merged into 'Climate Change'. The changes reflect a more focused approach while maintaining comprehensive coverage of essential sustainability aspects.

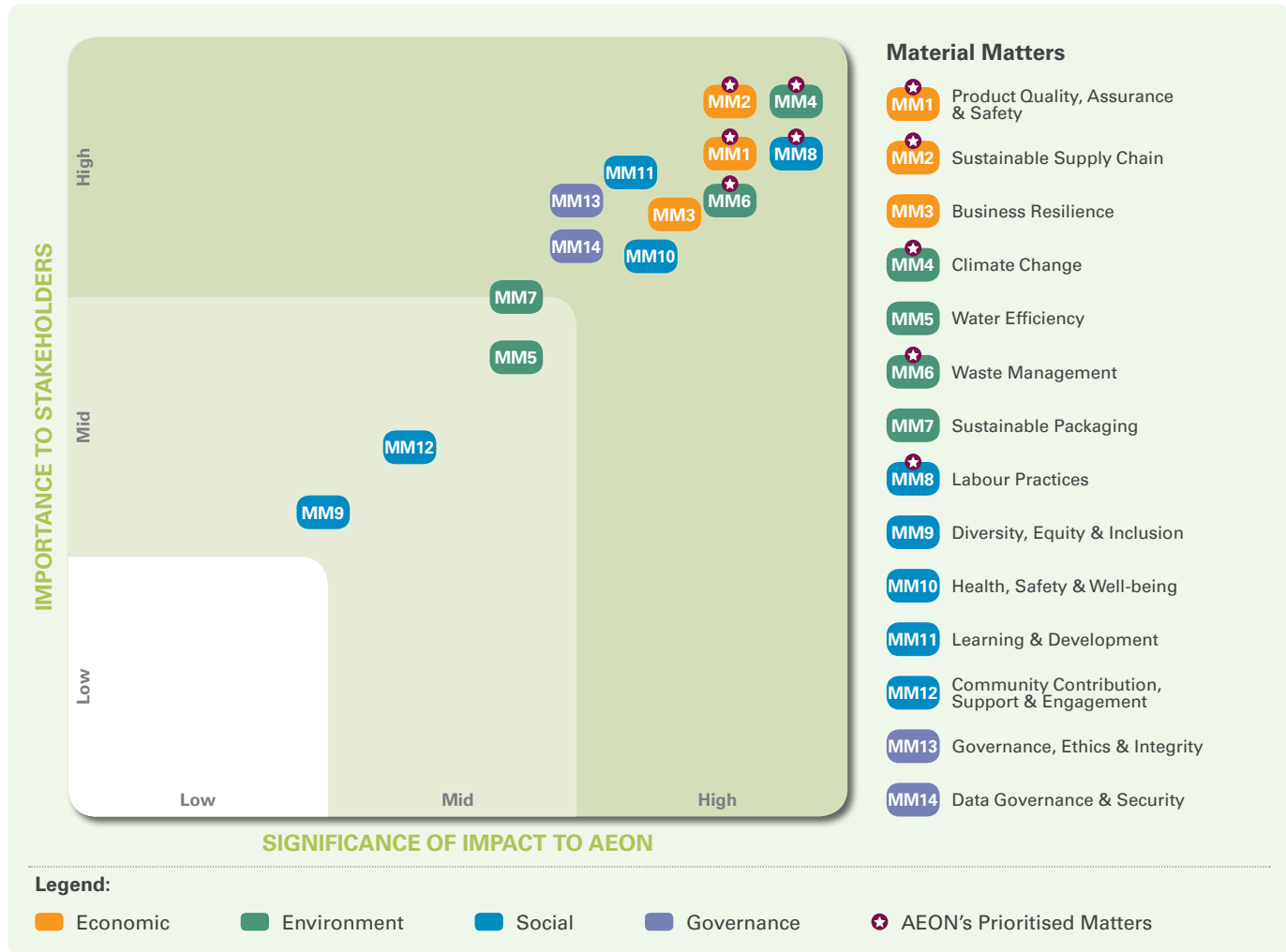
2. Stakeholder Engagement

In 2024, AEON strengthened its stakeholder engagement by conducting a survey with key business leaders alongside regular stakeholder dialogues. These efforts provided valuable insights into evolving expectations, priorities, and areas for improvement. The feedback gathered played a critical role in refining our materiality analysis, ensuring alignment with stakeholder needs and business goals. By incorporating these insights, we aim to enhance our sustainability efforts and deliver long-term value to all stakeholders.

3. Prioritisation of Material Matters

We have prioritised five key material matters by evaluating their impact on the Company and their importance to stakeholders. This approach enables AEON to concentrate on areas that are most vital to its business performance and stakeholder expectations.

MATERIAL MATTERS



4. Positioning & Validation

The assessment identified 'Sustainable Supply Chain' and 'Product Quality, Assurance, and Safety' as ongoing high-priority areas, valued particularly by business partners, and customers. These areas present significant opportunities for AEON to drive positive impact and enhance stakeholder trust.

'Labour Practices' continued to emerge as a rising priority among stakeholders, reflecting its increasing relevance to AEON's operations. Additionally, 'Climate Change' and 'Waste Management' were highlighted as critical issues due to their associated risks and potential opportunities for the business.



As part of AEON's annual materiality review, the Sustainability Steering Committee (SSC) deliberated the AEON's material sustainability matters, focusing on their relevance to AEON. The findings were reviewed by the SRMC and approved by the Board for inclusion in this IAR 2024.

Looking ahead, AEON remains committed to monitoring sustainability trends and will continue to review material matters annually, where relevant. This ensures our sustainability initiatives remain aligned with evolving stakeholder expectations and business objectives.




AEON SUSTAINABILITY TARGETS AND PERFORMANCE

As expectations for corporate transparency continue to grow, we understand the growing importance of publicly disclosed sustainability targets. Setting and communicating these targets reflects our commitment to accountability, enabling us to manage risks, measure progress, and evaluate our ESG impacts effectively.

In 2024, we refined the AEON Sustainability Charter, setting clear and time-bound targets, and crafting a concrete roadmap to achieve AEON's overall sustainability. These targets serve as a foundation for tracking our progress and identifying areas for improvement, ensuring we remain aligned with our sustainability commitments. The following table defines the Company's aspirations and targets as well as our progress/performance in FY2024:

ASC	Focus Area	Material Matters	Aspiration & Targets	FY2024 Performance
SUSTAINABLE ECONOMICS 	Foster Sustainable Business Partnership	MM2	<ul style="list-style-type: none"> 50% and 100% tenant adherence to ESG guidelines by 2030 and 2040, respectively. 100% suppliers adherence to AEON Supplier Code of Conduct by 2040. Empower micro, small and medium businesses for sustainable economic development. 	<ul style="list-style-type: none"> New target set in 2024; performance tracking will begin in subsequent fiscal years. New target set in 2024; performance tracking will begin in subsequent fiscal years. 99% proportion of spending on local suppliers <i>Refer to page 61 for more information.</i>
	Enhance Product Quality	MM1	<ul style="list-style-type: none"> Prioritise the safety and well-being of our customers by delivering high-quality products. Promote sustainable procurement through suppliers' adherence to AEON procurement principles. 	<ul style="list-style-type: none"> Achieved HACCP and Halal certification. <i>Refer to page 63 for more information.</i> New target set in 2024; performance tracking will begin in subsequent fiscal years.
	Improve AEON's Agility to Meet Customer Needs	MM3	<ul style="list-style-type: none"> 40% utilisation of Self-Checkout counters (SCOs) by 2025. 	<ul style="list-style-type: none"> Achieved SCOs utilisation at 40% in 2024. <i>Refer to page 66 for more information.</i>
ENVIRONMENTALLY FOCUSED 	Reduce Carbon Footprint	MM4	<ul style="list-style-type: none"> 70% absolute emissions reduction for Scope 1 and 2 by 2035 compared to base year 2019. All new buildings completed in 2025 onwards to be green-building certified. 	<ul style="list-style-type: none"> Achieved emissions reduction by 17% for Scope 1 and Scope 2 in 2024 compared to base year 2019. <i>Refer to page 78 for more information.</i> New target set in 2024; performance tracking will begin in subsequent fiscal years.
	Minimise Water Consumption	MM5	<ul style="list-style-type: none"> 15% reduction in water consumption by 2030 compared to base year 2019. 	<ul style="list-style-type: none"> Reduced 7% water consumption in 2024 compared to base year 2019. <i>Refer to page 79 for more information.</i>
	Reduce Waste	MM6	<ul style="list-style-type: none"> 15% of total waste diverted from landfill by 2030. 50% reduction of food waste in AEON's operations by 2040. 	<ul style="list-style-type: none"> 11% of total waste was diverted from landfill. <i>Refer to page 82 for more information.</i> New target set in 2024; performance tracking will begin in subsequent fiscal years.

AEON SUSTAINABILITY TARGETS AND PERFORMANCE

ASC	Focus Area	Material Matters	Aspiration & Targets	FY2024 Performance
ENVIRONMENTALLY FOCUSED (CONT'D) 	Enhance Biodiversity Conservation	MM4	<ul style="list-style-type: none"> Plant additional 30,000 trees by 2027. 	<ul style="list-style-type: none"> New target set in 2024; performance tracking will begin in subsequent fiscal years.
	Promote Sustainable Packaging	MM7	<ul style="list-style-type: none"> 50% sustainable packaging by 2030. Eliminate single-use plastic across value chain by 2040, where feasible. 	<ul style="list-style-type: none"> New target set in 2024; performance tracking will begin in subsequent fiscal years. New target set in 2024; performance tracking will begin in subsequent fiscal years.
EMPOWERING PEOPLE 	Promote Diversity, Equity & Inclusivity	MM9	<ul style="list-style-type: none"> Maintain at least 30% women representation in AEON Board and AEON Leadership Council (ALC). Maintain at least 50% women representation in Management. 2% of AEON's workforce to include Persons With Disabilities (PWD) by 2030.* 	<ul style="list-style-type: none"> Achieved 40% women representation in AEON Board and 40% of ALC are women. 59% of Management roles are held by women at managerial level. PWD at 1.8% representing number of 168 PWD hired in 2024. <i>Refer to page 88 for more information.</i>
	Respect Human & Labour Rights	MM8	<ul style="list-style-type: none"> Conduct human rights due diligence and address identified gaps by 2030. 	<ul style="list-style-type: none"> New target set in 2024; performance tracking will begin in subsequent fiscal years.
	Enhance Health, Safety & Well-being	MM10	<ul style="list-style-type: none"> Commit to protecting AEON employees' health, safety and well-being. 	<ul style="list-style-type: none"> Zero fatalities recorded in 2024. Lost Time Injury Rate (LTIR) of 1.64 recorded. <i>Refer to page 90 for more information.</i>
	Empower Employee Learning & Development	MM11	<ul style="list-style-type: none"> Implement future-skills training aligned with market trends. 	<ul style="list-style-type: none"> New target set in 2024; performance tracking will begin in subsequent fiscal years.
	Community Engagement & Development	MM12	<ul style="list-style-type: none"> Contribute at least RM1 million annually to external beneficiaries. 	<ul style="list-style-type: none"> RM1.2 million contributed for 41,987 beneficiaries in 2024. <i>Refer to page 95 for more information.</i>
EFFICIENCY & INTEGRITY 	Promote Integrity & Anti-Corruption	MM13	<ul style="list-style-type: none"> Zero cases related to bribery and corruption. Achieve ISO37001 Certification.* 	<ul style="list-style-type: none"> Zero cases related to bribery and corruption. <i>Refer to page 98 for more information.</i> In progress to achieve ISO37001 certification by end of 2025.
	Strengthen Data Governance & Security	MM14	<ul style="list-style-type: none"> Zero incident of privacy and data leaks. 	<ul style="list-style-type: none"> Zero incidents related to privacy/data leaks. <i>Refer to page 99 for more information.</i>

* Revised targets

AEON is committed to periodically reviewing and enhancing our targets to focus on key priorities and adapt to the evolving sustainability landscape, regulatory requirements, and stakeholder expectations, where relevant. This ensures that we stay on track to deliver meaningful outcomes for our business and the communities we serve.



SUSTAINABLE ECONOMICS

GOAL Build a resilient and sustainable value chain by 2040

AEON's resilient financial performance forms the foundation for long-term value creation and business sustainability, enabling the Company to navigate dynamic market conditions with resilience. As one of Malaysia's leading retailers and mall operators, AEON contributes to economic growth by creating employment opportunities and driving community initiatives.

To uphold strong economic performance, AEON employs a strategic business approach focused on staying ahead of market trends, maintaining a robust balance sheet, and leveraging digitalisation to adapt to changing customer

preferences. Risk management is a key priority, ensuring the business remains resilient and positioned for sustained success.

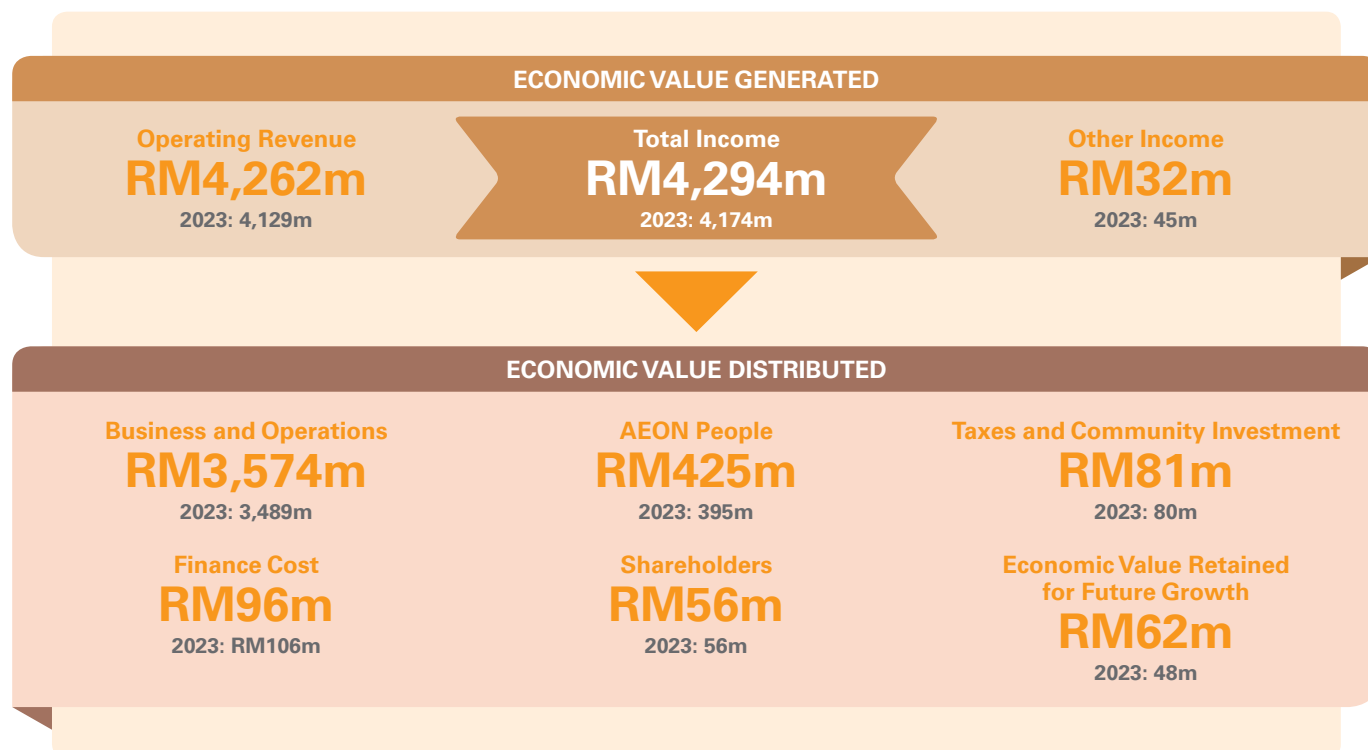
Our Value Creation Model, detailed on pages 36 to 37 of this IAR, highlights how AEON leverages six capitals – Financial, Manufactured, Intellectual, Natural, Human, and Social and Relationship – to drive economic performance. Sustainability initiatives are integral to our strategy, reinforcing AEON's ability to create financial value while addressing societal and environmental needs.

DELIVER RESILIENT ECONOMIC PERFORMANCE



GRI 201-1 **MM3**

In 2024, AEON recorded a total revenue of RM4.3 billion, with 83% derived from our Retail business segment. The table below indicates the economic value generated and distributed to our stakeholders.



The financial results presented in the table are derived from the audited financial statement, which is available in our IAR 2024 on pages 150 to 207.

SUSTAINABLE ECONOMICS

FOSTER SUSTAINABLE BUSINESS PARTNERSHIP

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

MM2



Commitment:

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

WHY IT MATTERS

Building a sustainable business ecosystem requires strong, responsible partnerships. As a leading retailer and mall operator with 184 outlets across Malaysia, AEON recognises the importance of maintaining long-term, ethical relationships with both suppliers and tenants. Ensuring sustainability within our supply chain and commercial partnerships are key to maintaining operational resilience and delivering value to our stakeholders. At AEON, we recognise the need for continuous improvement in our supply chain by ensuring ethical business practices, legal compliance, and environmental stewardship at every stage. Customers are also increasingly prioritising responsible sourcing in their purchasing decisions, reinforcing the importance of supply chain accountability.

OUR APPROACH

AEON has established policies and guidelines that promote responsible business practices. Our approach includes embedding ESG considerations into supplier engagements, implementing responsible leasing practices, and ensuring compliance with sustainability frameworks. By setting clear expectations and fostering collaboration, we aim to create a business environment that not only drives economic growth but also upholds social and environmental responsibility. Below are the list of our policies:

1. AEON Supplier Code of Conduct
2. AEON Responsible Sourcing Policy
3. AEON Animal Health and Welfare Policy

These policies can be viewed at <https://aeongroupmalaysia.com/sustainability-policies/>. For a comprehensive view of our expectations and guidelines for suppliers, please refer to the AEON Supplier Code of Conduct which is accessible on our website in 18 languages at <https://www.aeon.info/en/sustainability/social/coc/>



OUR INITIATIVES IN 2024

1. AEON Supplier Code of Conduct (CoC) Audit

The AEON Supplier Code of Conduct (CoC) was established by AEON CO., LTD., Japan in 2003 as a foundational framework for responsible business practices. On the local front, our Company adheres to this CoC to promote ethical operations, fair working conditions, and social responsibility among the supply chain partners for AEON's Private Brand, TOPVALU. The AEON Supplier CoC outlines 13 key requirements, including compliance with national and regional laws - related to environmental laws, respect for human rights, and ensuring safe and healthy workplaces. We currently require suppliers of TOPVALU brand to comply with AEON Supplier CoC, and we improve issues through supplier audits.

As at end 2024, all 136 suppliers under our Private Brand, TOPVALU, have adhered to the AEON Supplier CoC, reinforcing our commitment to responsible sourcing and ethical business practices. Audit for AEON Supplier CoC is conducted every two years in compliance to the local regulation and requirements on labour practices, environmental laws and occupational safety and health management systems. In 2024, we conducted the following audit:

AEON SUPPLIER COC AUDIT

52
2023

66
2024

SUSTAINABLE ECONOMICS

2. Cultivating a Sustainable Supply Chain for Micro, Small and Medium Enterprises

Supporting micro, small and medium enterprises (MSMEs) in retail is crucial for sustainability as it stimulates local economies, cultivates job creation, promotes diversity and innovation and enhances supply chain resilience. We continue to support local businesses by mainly sourcing from local suppliers, as this not only supports the local economy but also helps in reducing our carbon footprint. In 2024, the proportion between local and foreign suppliers in AEON is as follows:

No. of Suppliers	2022	2023	2024
Local suppliers	3,578*	3,898*	3,563
Foreign suppliers	98*	127*	110
Proportion of local suppliers	97%	97%	97%

Note:

* This number has been restated due to the expansion of suppliers' categories.

In FY2024, local suppliers accounted for 99% of AEON's total procurement spend.

To support local MSMEs, AEON provides prime shelf space in our supermarkets, ensuring market access for their products by enabling them to collaborate with a trusted retail brand while encouraging consumer support for homegrown businesses. Beyond retail, we continue to collaborate with various ministries and government agencies, through AEON Malls to offer MSMEs a broader platform to showcase their products nationwide, driving greater visibility and growth opportunities. In 2024 we collaborated with the following government agencies through several programmes:

- i. **Federal Agricultural Marketing Authority (FAMA)**
AEON collaborated with FAMA in Melaka, Negeri Sembilan, and Selangor, hosting events such as FAMA Agro Fiesta 2024 and Jualan Agro Madani. These initiatives connected farmers directly with consumers, reducing costs and ensuring access to fresh, high-quality produce.

AEON Malls involved	Entrepreneurs supported
5	293
Total sales	
RM2,512,000	

- ii. **Ramadan Bazaar**

Selected AEON Stores celebrated the fasting season with indoor Ramadan Bazaars, offering food, beverages, clothing, accessories, and Raya essentials. The indoor setting ensured a comfortable, weather-proof shopping experience for both sellers and customers.

AEON Malls involved	Entrepreneurs supported
5	89
Total sales	
RM950,000	

- iii. **Festival Kala Kelate Maghi 2024**

AEON Mall Shah Alam, in collaboration with Perbadanan Kemajuan Iktisad Negeri Kelantan (PKINK), hosted an event showcasing products from Kelantan entrepreneurs. This initiative provided them with greater market exposure, expanding their reach beyond their home state while highlighting local craftsmanship and businesses.

Entrepreneurs supported	Total sales
17	RM161,000

- iv. **Showcase Usahawan Sarawak**

In collaboration with the Ministry of International Trade, Industry and Investment Sarawak (MINTRED), we hosted the Showcase Usahawan Sarawak at AEON Mall Tebrau City. This event provided a valuable platform for entrepreneurs from Sarawak to showcase their products to a wider audience.

Entrepreneurs supported	Total sales
37	RM412,000

SUSTAINABLE ECONOMICS

v. *Promosi Kraftangan Malaysia*

AEON partnered with Perbadanan Kemajuan Kraftangan Malaysia, Negeri Sembilan, to showcase local crafts at AEON Mall Nilai, providing artisans with a platform to reach a wider audience and promote Malaysia's rich cultural heritage.

Entrepreneurs
supported
16

Total sales
RM185,000

vi. *Malaysia Fair – Taste of Malaysia*

AEON, in collaboration with the Ministry of Domestic Trade and Cost of Living, facilitated the participation of 32 Malaysian entrepreneurs in a product showcase held across six AEON Stores in Japan. This initiative provided them with an international platform to present their products, expanding market opportunities and promoting Malaysian brands to Japanese consumers.

Entrepreneurs
supported
32

Total sales
RM65,000



Showcasing Malaysian products in Japan

In addition to our ongoing support for MSMEs, we continue to foster sustainable ecosystems and inclusivity. In 2024, we shared insights with MSMEs entrepreneurs in the 2024 MSME Sustainability Series: Charting the ESG Path for MSMEs, organised by SME Corp Malaysia. This initiative provided MSME entrepreneurs with valuable insights on sustainable supply chain practices including kickstarting their ESG journey, helping them align with broader sustainability goals.

3. **Launch of #AEONResponsible Suppliers Program**

In December 2024, AEON launched the #AEONResponsible Suppliers Program, a pioneering initiative that underscores our effort in promoting ESG principles within Malaysia's retail industry. Recognising the critical role our supply chain plays in our sustainability journey, this programme is designed to promote responsible sourcing practices, strengthen supplier capabilities, and align with AEON's vision of building a resilient and sustainable value chain by 2040. Through this programme, AEON collaborates with other partners to provide tailored capacity-building opportunities to help suppliers enhance their ESG practices. Key initiatives include workshops, training sessions, and knowledge-sharing platforms aimed at equipping suppliers with the tools to adopt sustainable practices. Additionally, the programme facilitates access to sustainability-linked financing, empowering suppliers to make impactful investments in their operations. To enhance transparency and accountability, AEON is also facilitating the utilisation of ESG tools to support suppliers in improving their ESG disclosures, ensuring alignment with global sustainability standards.

In 2025, AEON will focus on implementing the programme's comprehensive workplan. This includes rolling out capacity-building initiatives for suppliers, introducing ESG performance tracking systems, and ensuring that suppliers have access to the necessary resources and financing to meet sustainability objectives. By prioritising the execution of this workplan, we aim to establish a robust framework to promote responsible and ethical supply chains that align with our net-zero ambition.



Launch of #AEONResponsible Supplier Program

SUSTAINABLE ECONOMICS

ENHANCE PRODUCT QUALITY

GRI 416-1, 417-1

MM1

**Commitment:**

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

WHY IT MATTERS

At AEON, product quality, safety, and assurance are fundamental to customer satisfaction, brand reputation, and long-term sustainability. We uphold strict safety and quality standards, comply with local and national regulations, and promote responsible marketing to maintain customer trust and market leadership. With over one million SKUs across 35 stores, AEON is committed to ensure the safety and quality of every product we offer. By ensuring stringent quality controls, we not only deliver safe and quality offerings to our customers but also enhances supply chain resilience through responsible sourcing practices.

OUR APPROACH

AEON is guided by policies and principles that uphold compliance to ensure that our products meet stringent safety and regulatory requirement, while making well-informed decisions and advocating for responsible marketing and advertising practices. To further uphold consumer trust, we emphasise transparency in product information, enabling customers to make informed choices while safeguarding them against misleading practices. Additionally, we are developing a sustainable procurement principle based on our existing policies, further strengthening our commitment to ethical sourcing. In the domestic context, our operations adhere to the Food Act 1983 and the Halal Assurance Management System, as mandated by the Department of Islamic Development Malaysia (JAKIM). Within AEON, we are guided by a set of specific policies:

1. AEON Food Safety and Quality Policy
2. AEON Halal Policy
3. AEON Customer Responsibility Policy



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

OUR INITIATIVES IN 2024

ADHERING TO SAFETY AND QUALITY STANDARDS

1. HACCP Certification



Since 2008, AEON has been the only supermarket in Malaysia to achieve and maintain Hazard Analysis and Critical Control Point (HACCP) Certification, reflecting our unwavering commitment to food safety. Our voluntary pursuit of this certification reinforces our dedication to upholding the highest safety and quality standards for our customers. To maintain our HACCP Certification, we conduct regular internal and external audits across our stores, ensuring continuous compliance with food safety standards and evolving consumer needs. Our efforts are guided by Good Manufacturing Practice and Hazard Analysis Critical Control Points, reinforcing our commitment to excellence. As of 2024, 34 out of 35 AEON Stores are HACCP-certified, demonstrating our dedication to the highest food safety standards.

AEON STORES CERTIFIED

34*

AEON Stores certified in 2024

* AEON Setia Alam is in the process of getting certified in 2025

2. Halal Certification



Since 2010, AEON's Halal Policy has been integral to our operations, ensuring strict compliance with JAKIM's guidelines. Through the AEON Halal Assurance Scheme, we uphold Halal standards across our supply chain, requiring supplier adherence and reinforcing ethical business practices.

SUSTAINABLE ECONOMICS



To ensure compliance, our Quality Management Department conducts bi-annual internal Halal audits at all outlets. We also provide Halal awareness training, ensuring each outlet has at least one JAKIM-certified Halal officer. In 2024, we completed internal Halal audits across all 35 AEON Stores and conducted training to strengthen compliance.

As at the end of December 2024, we obtained Halal certification for all our stores, including the new AEON Setia Alam. AEON remains committed to maintaining the highest Halal standards, ensuring quality, trust, and compliance across our operations.



The decrease in the number of Halal-certified F&B outlets in 2024 was due to several store renovations undertaken during the year. As a result, some certificates were returned to JAKIM and re-applied to comply with updated layout requirements.

As the demand for halal-certified products continues to grow, we remain committed to engage with stakeholders to raise awareness and explore market opportunities.

Aimed at strengthening consumer confidence in imported halal products, we hosted *Makanan Halal: Selera Sedunia* at AEON Mall Shah Alam in 2024. The event focused on raising awareness on halal certification, market opportunities and compliance

among participants. It also provided a platform to support and encourage local businesses to explore opportunities beyond Malaysian shores.

Through expert-led discussions, exhibitions, and interactive activities, participants gained valuable insights into halal integrity, supply chain compliance, and global sourcing processes. AEON's Private Brand, TOPVALU also took the opportunity to share its halal sourcing process. By connecting consumers with industry leaders, the event reinforced trust in halal-certified products and contributed to the growth of the halal market.

3. TOPVALU Supplier Compliance and Quality Assurance

To ensure product safety and quality, AEON mandates that suppliers producing and manufacturing under the TOPVALU brand undergo the AEON Factory Audit for Food and Non-Food Products. Additionally, these suppliers are required to strictly adhere to and being audited against AEON Supplier CoC Standard which aligns with business values. These evaluations were crucial to ensure our suppliers continue to meet our stringent quality standards, ethical guidelines, and policies. Factory Audit on Food Safety Management System (FSMS) and Quality Management System (QMS) are conducted on a yearly basis. In 2024, we conducted the following audits:



ENCOURAGING INFORMED DECISION-MAKING

At AEON, we hold a strong conviction that consumers should have access to precise and impartial information about the products and services they purchase. This transparency empowers them to make choices that align with their needs and preferences while safeguarding them against unfair or deceptive practices by businesses. To reinforce this belief, we established the AEON Customer Responsibility Policy, outlining the principles, commitment and guidance on AEON's position with regards to consumer rights.



The AEON Customer Responsibility Policy can be viewed at <https://aeongrouppmalaysia.com/sustainability-policies/>

SUSTAINABLE ECONOMICS

1. Nutrition Information

AEON embraces the diversity of our customers and remains committed to transparency in product information. In 2024, we continue to focus on clear labelling for food products, ensuring customers have access to detailed information on ingredients, nutritional content, calorie count, and allergens. This empowers consumers to make informed food choices while mitigating potential health risks.

To ensure full compliance with product labelling regulations, AEON adheres to strict guidelines across all product categories. These include sourcing transparency, safe usage instructions, content disclosures—especially for substances with environmental or social impact—and disposal considerations. We also ensure compliance with critical requirements such as Halal certification, HACCP standards, and accurate nutritional labelling.



2. Responsible Marketing and Advertising

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

COMMITMENT TO QUALITY AND SUSTAINABILITY IN THE AEON TOPVALU RANGE

In 2023, our Private Brand, TOPVALU transitioned all paper products to FSC-certified materials, reinforcing our commitment to responsible sourcing. The Forest Stewardship Council (FSC) certifies wood products and paper manufactured with timber from properly managed sustainable forests.

Building on this progress, in 2024, we expanded our sustainable product offerings under TOPVALU brand by incorporating additional responsibly sourced materials across a broader range of product categories. This initiative underscores our dedication to promoting sustainability through our product portfolio while meeting the evolving expectations of our customers.

As part of AEON's commitment to ethical sourcing and environmental responsibility, we are developing a sustainable procurement guideline, aligned with the broader sustainability vision set by our headquarters in Japan. Recognising the importance of responsible procurement, we aim to adopt and implement practices that are most relevant to AEON, ensuring they are suited to our local business landscape, regulatory environment, and stakeholder expectations. Building on our existing policies, this principle will serve as a framework to guide sustainable decision-making across our supply chain, starting with our Private Brands. It will reinforce our commitment to ethical business practices, responsible sourcing, and environmental stewardship, strengthening supplier engagement and transparency.

To measure our progress, we have established targets to track and increase the availability of sustainable products across our supply chain. These efforts reflect AEON's dedication to providing high-quality, responsibly sourced products while supporting a more sustainable retail ecosystem. Moving forward, we will assess and integrate best practices while tailoring our approach to meet Malaysia's evolving sustainability landscape. This initiative reflects our ongoing efforts to align global sustainability commitments with local implementation, driving positive change across our operations and supply chain.

SUSTAINABLE ECONOMICS

IMPROVE AEON'S AGILITY TO MEET CUSTOMER NEEDS

GRI 2-6

MM3



Commitment:

- 40% utilisation of Self-Checkout counters by 2025

WHY IT MATTERS

Customer expectations are rapidly evolving, and agility is key to staying ahead in a dynamic retail landscape. By leveraging digital tools and technologies, AEON enhances customer experiences through personalised and engaging services, while also driving operational efficiency. Digitalisation not only improves market responsiveness and cost efficiency but also supports sustainability efforts by enabling resource optimisation and informed decision-making.

Innovation plays a crucial role in driving efficiency and competitiveness. By fostering a culture of continuous improvement, AEON encourages new ideas and solutions that enhance operations, streamline processes, and optimise customer experiences.

Customer relationship management is equally vital in building long-term trust and loyalty. Through data-driven insights and personalised engagement, AEON strengthens customer connections, ensuring that products and services align with evolving preferences and expectations.

OUR APPROACH

AEON integrates innovation, digital transformation, and customer relationship management to enhance engagement and business resilience.

- Dedicated team to look at innovation through the Ventures Department.
- Leverage on customer relationship management tools and digital analytics to better understand customer preferences and behaviours, enabling us to provide personalised services, targeted promotions, and seamless shopping experiences across multiple touchpoints.
- Strengthen digital transformation by continuously optimising our online and offline customer interactions, AEON ensures a responsive and adaptive approach that meets the evolving needs of our consumers.

Through these efforts, AEON remains committed to innovation-driven solutions and customer-centric strategies, ensuring we stay agile in a rapidly changing retail landscape.

OUR INITIATIVES IN 2024

DIGITALISATION EFFORTS

1. Self-Checkout Counters (SCOs)

As part of our goal to elevate customer convenience, AEON continues to install SCOs at our various stores and outlets. To date, close to 500 SCOs were installed across AEON Stores, AEON MaxValu, AEON Wellness and DAISO outlets, enabling us to achieved our 2025 utilisation target of 40%, ahead of time in 2024. This also marks a significant increase from 28% utilisation rate in 2023.

Moving forward, we hope to roll out more SCOs to ensure continued improvements in customer experience and operational efficiency.

2. E-Documentation

As part of AEON's ongoing digital transformation journey, AEON continues to expand e-documentation usage, supporting the shift towards a sustainable, paperless future. As part of our ongoing improvements, we are set to implement e-invoicing functionality, aligning with upcoming government regulations. Currently, over 90% of invoices from suppliers are submitted electronically via our Supplier Portal, positioning AEON at the forefront of Malaysia's e-invoicing initiative and enhancing both operational efficiency and environmental responsibility.

In addition, AEON has introduced the option for customers to choose a QR code version of their receipt printout, replacing the full itemised version. This initiative not only reduces paper usage but also aligns with our commitment to promoting sustainable retail practices.

DRIVING INNOVATION FOR SUSTAINABLE GROWTH

1. AEON Corporate Venture Capital

AEON Corporate Venture Capital (AEON CVC) was established in 2024 to position the Company at the forefront of retail innovation. As the Company's innovation and investment arm, AEON CVC drives

SUSTAINABLE ECONOMICS

corporate innovation, securing a first-mover advantage in emerging technologies, and cultivates ecosystem synergies to shape the future of retail.

Focusing on early-to-growth stage companies across Southeast Asia, AEON CVC invests in high-potential ventures in retail-adjacent sectors. Prioritising companies with strong product-market fit and revenue potential, AEON CVC enables strategic collaboration, technology adoption, and enhances value creation, ensuring the Company's sustained competitive edge in an evolving retail landscape.



For more information on AEON CVC, please visit <https://aeongroupmalaysia.com/about-aeon-corporate-venture-capital/>

2. AEON Pulse

In 2024, the Company launched AEON Pulse, its inaugural innovation challenge designed to empower AEON People to drive innovation, reimagine possibilities, and shape the Company's future. Guided by the vision of 'Shaping the Future of Retail Through Innovation in Our DNA', AEON Pulse provided a structured transformative journey – from idea submission to mentorship, bootcamps, and pitch development – culminating in a final presentation to the ALC.

More than just a crowdsourcing initiative, AEON Pulse represents a strategic commitment to embedding innovation into AEON's workforce, fostering a culture where bold ideas are championed and transformed into tangible impact.

The first cohort attracted 34 submissions, with five standout finalists presenting their innovative solutions to the ALC. The winning idea will enter an incubation phase for pilot development with a pathway towards commercialisation and implementation – ensuring that innovation moves beyond ideation into real-world impact.



ENHANCING CUSTOMER LOYALTY AND EXPERIENCE

AEON Careline

AEON has developed an integrated platform to capture the voice of our customers, consolidating feedback across four key categories: Enquiries, Complaints, Compliments, and Suggestions. Customers can share their feedback through multiple channels, including the AEON Careline hotline 1300-80-2366, email, social media platforms, online live chat, and QR code forms at our physical outlets. This multi-channel approach ensures we remain accessible, responsive, and engaged with our customers across all touchpoints.

In 2024, AEON recorded an increase in customer feedback, with the majority falling under the 'Enquiries' category. This underscores our customers' growing engagement and trust in AEON's service channels, reinforcing our commitment to continuous improvement and customer satisfaction.

Category	2022	2023	2024
Enquiries	40,834	57,963	88,838
Complaint	9,723	6,520	6,363
Compliments	6,428	4,302	5,167
Suggestions	664	546	411
Total	57,649	69,331	100,779

Our primary focus is on prompt and thorough complaint resolution, ensuring every issue is attended to efficiently and satisfactorily. We also prioritise proactive follow-ups, ensuring that customers who have lodged complaints receive timely updates and that their concerns are fully resolved to their satisfaction.

AEON's Net Promoter Score (NPS) Programme, introduced in 2022, continues to play a key role in measuring customer loyalty and satisfaction. In 2024, we expanded the programme to cover all business units, collecting feedback through QR codes at our malls and stores as well as email surveys. The programme ran until 31 December 2024, allowing us to gain valuable insights into customer experiences and expectation, achieving a score of +83. We are committed to enhancing our NPS score by continuously improving and expanding our customer loyalty programme, offering greater value, personalised experiences, and seamless engagement to strengthen customer satisfaction and long-term loyalty.

NET PROMOTER SCORE

+75
2023

+83
2024



ENVIRONMENTALLY FOCUSED

GOAL Achieve net-zero emissions by 2050



Solar panels installed on the ground carpark of AEON Mall Shah Alam

AEON aims to achieve net-zero emissions by 2050 and as part of our ongoing journey towards greater transparency and accountability, AEON is aligning with IFRS S2: Climate-related Disclosures standard (IFRS S2). This step ensures that we address critical climate-related risks and opportunities in a way that is consistent with global best practices and stakeholder expectations.

IFRS S2 provides a framework for disclosing how climate change impacts our business strategy, operations, and financial performance. Our alignment with this standard enhances transparency in disclosing governance, strategy, risk management, and climate-related metrics, including Scope 1, Scope 2, and relevant Scope 3 greenhouse gas emissions.

AEON's initial alignment with IFRS S2 focuses on qualitative assessments, strengthening transparency and providing stakeholders with clearer insights into climate risks and opportunities (CROs). We collaborated with external experts to assess disclosure gaps, identify material CROs based on geographical and business considerations, and define

suitable climate scenarios for the quantitative assessments in the future. We have put in place these foundational efforts to facilitate a strong climate response year-on-year, and thus reinforce our commitment to integrating climate resilience into business strategy.

We are committed to progressively enhancing our climate disclosures, moving towards more quantitative assessments over time. These include closing disclosure gaps, refining CROs assessment methodologies, and improving data quality to align with global best practices, all of which will enable a smoother transition towards a more effective quantitative scenario analysis. As we advance in our sustainability reporting journey, we will continue to strengthen our climate-related insights and transparency.

GOVERNANCE

We strive to embed sustainability into our management and daily operations, reflecting our commitment to responsible business practices in alignment with Bursa Securities MMLR and the MCCG guidelines.

ENVIRONMENTALLY FOCUSED

BOARD'S OVERSIGHT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES

While the Board of Directors holds ultimate accountability in key decision-making on all sustainability-related matters including CROs, responsibilities are delegated through the SRMC. In addition to the SRMC's oversight of AEON's overall sustainability strategy, issues, targets and performance, they also hold responsibility over the Company's CROs, along with the relevant climate strategies in place to address it. Comprising four Board Directors, the SRMC meets at least four times a year and is supported by SSC which includes the ALC, Sustainability Department, and relevant Heads of Departments ensuring a cohesive approach to addressing climate challenges.

For more information on the roles of SRMC and SSC, please refer to page 124.

Additionally, the Risk Management Committee (RMC) reviews, monitors, and assesses the effectiveness of the Company's risk treatment and mitigation action plans for managing key risks, including sustainability and climate-related risks with oversight from the SRMC. The RMC also stays abreast on new and emerging sustainability and climate-related risks as well as other potential threats, ensuring proactive risk management and resilience.

For more information on the roles of RMC, please refer to page 138.

MANAGEMENT'S ROLE IN ASSESSING AND MANAGING CLIMATE-RELATED RISK AND OPPORTUNITIES

Management plays a critical role in assessing and managing CROs by integrating them into AEON's strategic planning and risk management frameworks. The RMC and SSC, which consists of ALC and relevant Heads of Departments, and chaired by the Deputy Managing Director, meet quarterly to discuss progress made with AEON's key sustainability initiatives, which include climate-related plans and programmes. Through regular monitoring, cross-department collaboration, and stakeholder engagement, Management ensures that CROs are effectively addressed to enhance business resilience, regulatory compliance, and long-term value creation.



The Sustainability & Climate Change Policy can be viewed on our website at <https://aeongroupmalaysia.com/sustainability-policies/>

Next Steps

We are committed to continuously improving our approach to climate governance in alignment with the IFRS S2. Moving forward, we will regularly review, and update roles and responsibilities as needed to ensure the effective integration of CROs into our business strategies and financial planning.

As part of our commitment to integrating CROs into our risk management framework, we plan to incorporate Climate Risks into our enterprise risk management (ERM) and enhance our reporting on GHG emissions (Scope 1, 2, and 3) as key risk indicators. Once implemented, we will provide quarterly updates to the SRMC to strengthen oversight.

STRATEGY

APPROACH

AEON identifies and assesses climate-related risks and opportunities across short, medium and long-term horizons, considering both physical risks (e.g. extreme weather events, supply chain disruptions) and transition risks (e.g. regulatory changes, carbon pricing, shifting consumer preference). This proactive approach allows AEON to not only mitigate potential negative impacts but also to strategically leverage emerging climate-related opportunities.

In alignment with the Company's Sustainability & Climate Change Policy, we continue to advance our commitments across our four sustainability pillars. Our climate strategy is centred on achieving net-zero emissions by 2050. Climate action is embedded within our Environmentally Focused Pillar, reflecting interconnectedness between climate change, resource efficiency, and sustainable consumption. As one of the leading retailer, AEON has the capacity to drive meaningful change by promoting low-carbon operations, responsible sourcing, and circular economy practices.

In 2024, AEON conducted a CROs assessment to identify and evaluate climate-related risks and opportunities relevant to our operations, including retail, property management services, and supply chain activities. This assessment provided insights into potential impacts and will help inform our strategic response to ensure business resilience and sustainable growth.

ENVIRONMENTALLY FOCUSED

The following approach was taken to assess climate risks and opportunities relevant to AEON:



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AEON'S CLIMATE-RELATED RISKS AND OPPORTUNITIES

The material risks and opportunities were identified and assessed in terms of their level of materiality, as well as the potential qualitative impacts to our business. These impacts were assessed through impact pathways, which showcase the linkage between each risk and opportunity, their drivers and the business and financial impacts to AEON. The risks and opportunities, along with some examples of these impacts are outlined in the table below:

Risk Category	Risks Relevant to AEON	Potential Impacts to AEON (Non-exhaustive)
TRANSITION RISKS		
Policy & Legal Risks Implementation of governmental policies designed to tackle climate change	<ul style="list-style-type: none"> Carbon pricing Mandates on and regulations of existing products and services 	<ul style="list-style-type: none"> Higher carbon prices will lead to higher expenses from emissions-related activities across operations and supply chains Higher compliance requirements and costs
Technology Risks Write-offs for investments in obsolete technologies/ investments in new technologies as well as lower emissions products and services	<ul style="list-style-type: none"> Transition to lower emissions technology, products and services 	<ul style="list-style-type: none"> Increased investments in infrastructure, R&D and workforce upskilling for both AEON and supply chain partners
Market Risks Market shifts in supply and demand for certain commodities, products and services	<ul style="list-style-type: none"> Changing customer behaviour and/or investor expectations 	<ul style="list-style-type: none"> Untapped opportunities arising from new stakeholder demands Higher risk of losing access to capital markets due to lower market valuation and failure to meet financial providers' climate-focused expectations Potential loss of revenue from reduced demand for current product offerings due to reduced competitive advantage against more climate-conscious brands
Reputational Risks Damage to brand value or reputation	<ul style="list-style-type: none"> Increased stakeholders concern or negative shareholder feedback 	<ul style="list-style-type: none"> Potential decline in reputation and market valuation if expectations are not met
PHYSICAL RISKS		
Acute Physical Risks Exposure to increasingly frequent and severe extreme weather events	<ul style="list-style-type: none"> Increased severity of extreme weather events (e.g. floods, tropical cyclones, water scarcity/ stress, droughts, heatwaves) 	<ul style="list-style-type: none"> May damage infrastructure and impact workforce health, safety and commute, which can lead to more frequent and severe service disruptions, which results in higher spending on repairs and compensation
Chronic Physical Risks Exposure to longer-term, incremental shifts in climate patterns	<ul style="list-style-type: none"> Changes in precipitation patterns and extreme variability in weather patterns Rising mean temperatures Rising sea levels 	<ul style="list-style-type: none"> May result in lower consumer traffic across malls and stores, which will impact revenue May increase demand for cooling facilities, resulting in higher energy costs and lower lifespan, as well as impact workforce health (e.g. more prone to heat stress or certain illnesses) which can lead to service disruptions and poorer quality of services

ENVIRONMENTALLY FOCUSED

Opportunity Category	Opportunities Relevant to AEON	Potential Impacts to AEON (Non-exhaustive)
OPPORTUNITIES		
Resource Efficiency Use of more resource efficient processes and equipment to optimise consumption of energy, water, waste and materials	<ul style="list-style-type: none"> • Use of more efficient production and distribution processes 	<ul style="list-style-type: none"> • May reduce operating costs due to lower resource consumption and lower carbon prices incurred, whilst increasing value of fixed assets (e.g. from having a highly-rated energy efficient building) • May also have access to lower cost of funds to implement resource efficiency initiatives
Energy Source Use of green or renewable sources of energy, and exploration of carbon trading platforms	<ul style="list-style-type: none"> • Use of low-emissions sources of energy • Participation in carbon markets 	<ul style="list-style-type: none"> • May increase AEON's access to renewable energy infrastructure, leading to long-term cost reductions in terms of energy purchase and carbon taxes incurred • May also have access to lower cost of funds to implement clean or alternative energy initiatives • May purchase voluntary carbon credits to meet climate goals and / or sell excess credits as an additional source of income
Products & Services Development of low-emissions goods and services, as well as climate adaptation and mitigation solutions	<ul style="list-style-type: none"> • Transition to low-emissions products and services 	<ul style="list-style-type: none"> • May facilitate the expansion of low carbon product and service offerings, which can lead to additional revenue sources, higher reputation, as well as increased access to a more climate-conscious customer base and sustainable finance instruments
Energy Source Exploration of new markets and avenues for lower financing costs with low carbon products and services	<ul style="list-style-type: none"> • Access to new markets across more climate-conscious consumers • Increased reputation from collaboration and proactive response to shifts in consumer and investor demand • Use of public sector incentives 	<ul style="list-style-type: none"> • May help deliver new value and stay ahead in the competition, including attracting and retaining a new, evolving group of consumers (which expands the customer base and increases demand, leading to higher revenues), as well as workforce (which can improve quality of services and save costs related to high turnover rates) • May provide a competitive advantage that can help capture additional sales, enhance profits and obtain lower cost of funds • May provide increased capital to fund projects around improving climate resilience and adaptation
Resilience Increase in adaptive capacity to respond to climate change	<ul style="list-style-type: none"> • Participation in renewable energy programmes and energy labels for energy efficient products and services • Improved community and consumer resilience • Achievement of sustainability certifications and energy labels for energy efficient products and services 	<ul style="list-style-type: none"> • May provide increased capital to fund projects around improving climate resilience and adaptation • May contribute to indirect cost reductions • May achieve long-term cost savings, increase the value of physical assets, boost transparency and reputation, as well as prepare for potential compliance risks if such labels or certifications were made mandatory in the future • May increase market valuation while protecting goods, business operations, customers and the workforce, including that of the supply chain

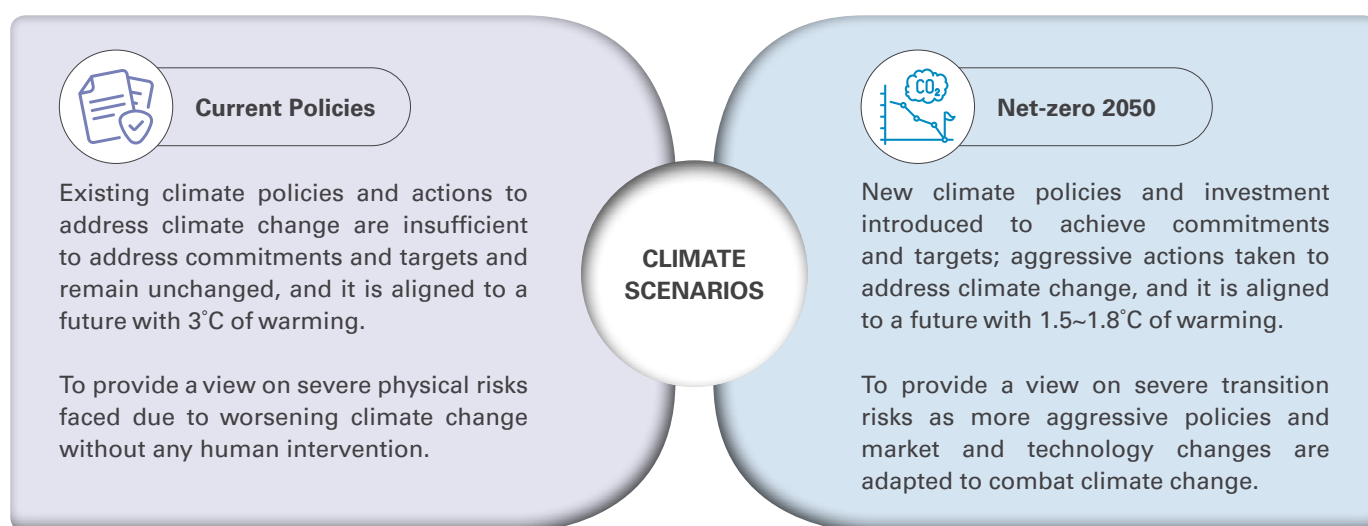
Progressively, we will assess the potential impact of these identified CROs on our financial performance, reputation, and strategic objectives. This assessment will incorporate scenario analysis, alongside quantitative and qualitative evaluations, to determine the range and materiality of potential impacts.

ENVIRONMENTALLY FOCUSED

CLIMATE SCENARIO ANALYSIS

Conducting climate scenario analysis is essential for understanding the potential business impacts of climate change. Over the next few years, we will prioritise this approach to identify, assess, and manage risks and opportunities. By leveraging scenario analysis, we aim to model the potential effects of various climate scenarios on our operations, financial performance, and value chain.

In 2024, we selected two climate scenarios which we will be aligning with when conducting our scenario analysis against our climate risks and opportunities moving forward:



These selected climate scenarios correspond to those that are outlined by the NGFS that accounts for projections from both physical and transition risks, enabling a more holistic view on climate-related risks. NGFS is also recommended by the Central Bank of Malaysia to be applied by financial institutions in Malaysia, enabling AEON to align its scenario projections with the climate expectations of lenders and regulators. The guide covers a time frame of up to 2050, which is in line with Malaysia's target to be net-zero by 2050. While we will be aligning with NGFS as our foundational guide, we may leverage data from other guidelines such as the Intergovernmental Panel on Climate Change (IPCC) and International Energy Agency (IEA) to supplement risks and opportunities assessments going forward.

Next Steps

AEON will continue to enhance our climate strategy as part of our climate resilience development. Some of the measures we plan to take include:

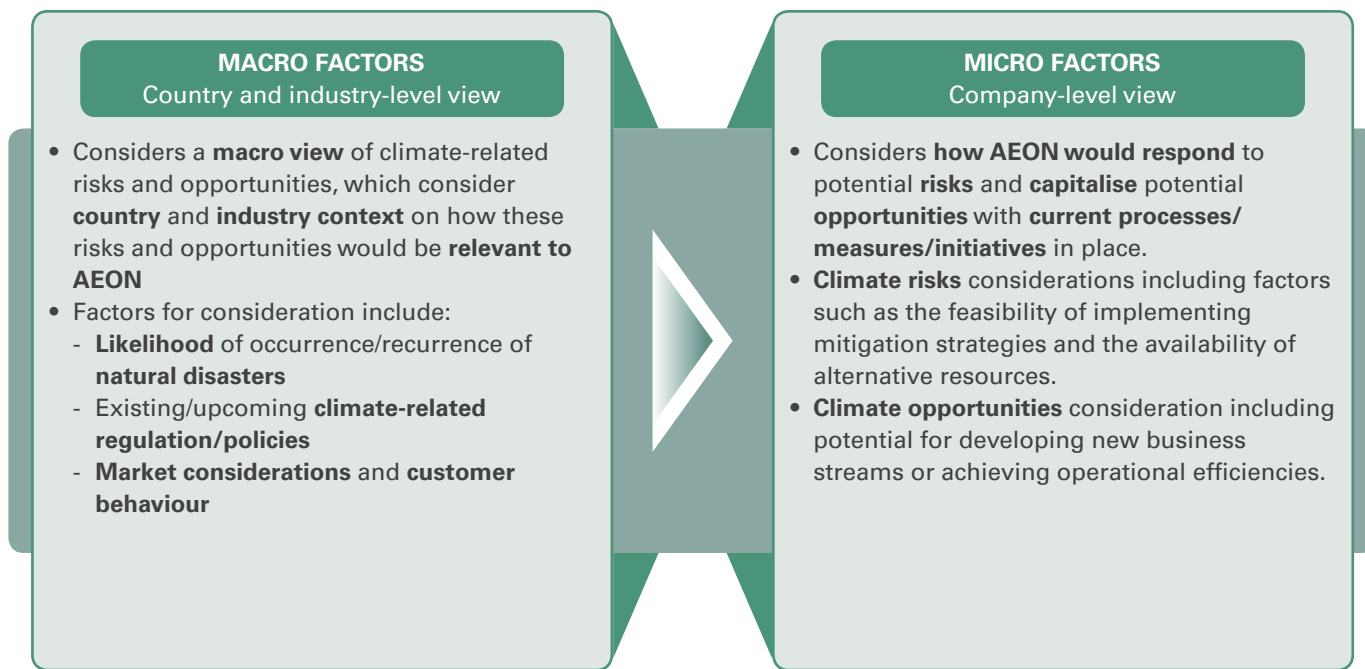
- Strengthen CROs management by defining short, medium, and long-term climate risk horizons
- Conduct scenario analysis to evaluate potential business impacts under the two projected climate conditions
- Integrate quantitative climate-related analysis and using the relevant outcomes to formulate action plans. The action plans will be used to address climate matters as part of AEON's net-zero decarbonisation roadmap and will be integrated into our corporate strategy and financial planning.

ENVIRONMENTALLY FOCUSED

RISK MANAGEMENT

As part of our CROs assessment, AEON undertook a structured approach to evaluate the materiality of climate-related risks and opportunities across our core business segments, including retail, property management services, and supply chain operations. This assessment helps us understand potential climate impacts and supports the development of mitigation and adaptation strategies to enhance business resilience. The following steps were taken to assess climate risks and opportunities relevant to AEON.

Shortlisted risks and opportunities relevant to AEON



While the assessment was conducted at the Company level, the ALC were engaged to provide feedback and validate the findings. This assessment enables relevant business unit to monitor its vulnerability to climate risks and potential opportunities, represented through materiality heat maps. These insights will guide progressive actions to mitigate identified risks and capitalise on emerging opportunities.

AEON's Sustainability Department oversees the progress of business units in addressing climate-related matters and provide guidance where necessary. This effort is further supported by a climate working group comprising representatives from risk, strategy, finance, and operations, ensuring a structured and collaborative approach to climate risk management.

Next Steps

Moving forward, AEON will strengthen the integration of climate-related risks into our ERM framework, including policies, risk appetite, and management strategies. This includes aligning climate risk assessment with our materiality analysis and incorporating physical and transition risks into our risk taxonomy.

We are committed to standardising our climate risk assessment process to ensure consistency across business units. Once finalised, this framework will be communicated across AEON, enabling proactive risk management and opportunity identification.

ENVIRONMENTALLY FOCUSED

METRICS AND TARGETS

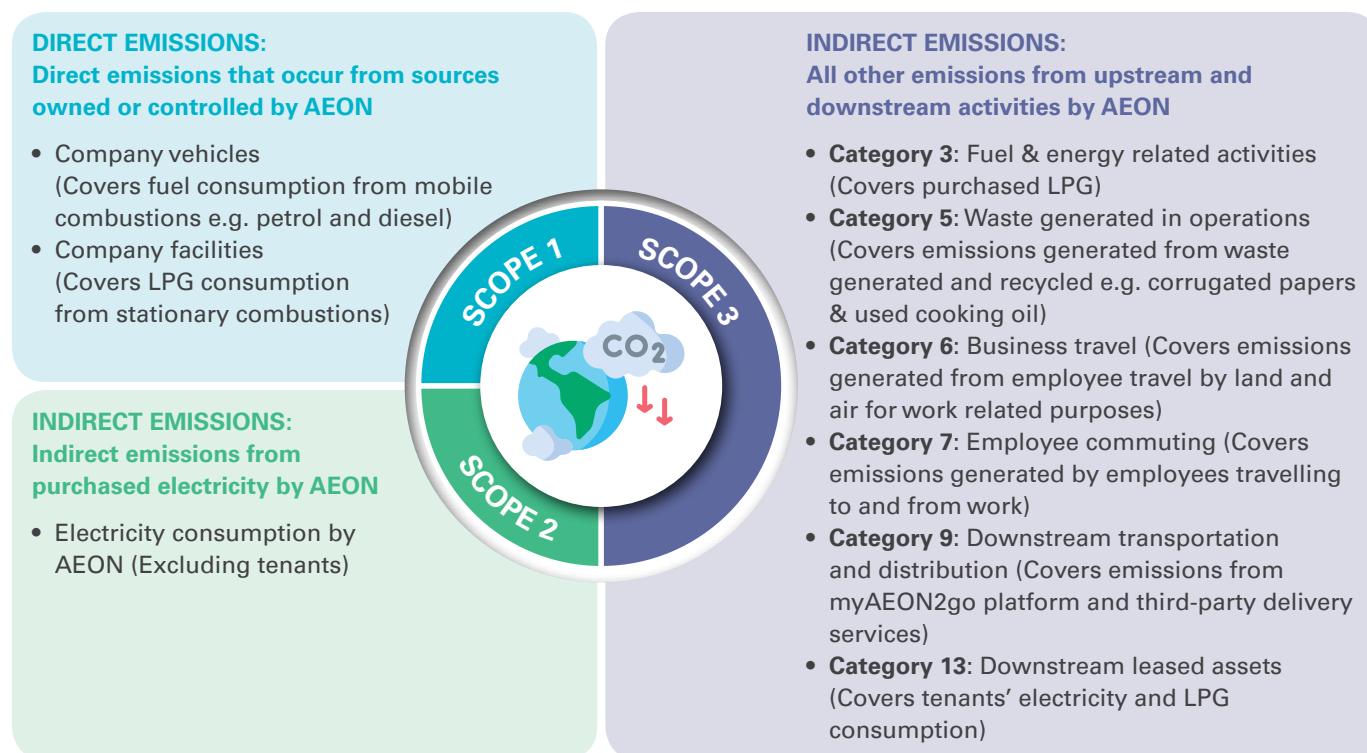
Setting clear targets, monitoring climate-related metrics, and regularly reviewing our approach is essential to achieving AEON's climate ambition and effectively addressing emerging climate risks and opportunities.

Our current climate-related metrics include energy consumption, Scope 1, Scope 2 and Scope 3 GHG emissions. To further strengthen our commitment, AEON is developing a net-zero decarbonisation roadmap, which will outline our mid to long-term climate targets and strategies to accelerate our transition towards net-zero 2050.

In 2024, we continued to monitor our GHG emissions closely based on Scope 1, 2 and 3, using best emissions reporting practices. Our GHG emissions were calculated with reference to the GHG Protocol, a globally recognised accounting and reporting standard. To this end, we recognise the pertinent role of our suppliers, tenants, workforce and customers in reducing our carbon footprint and persist in capacity building and collaborating with them.

Prior to the launch of the National Sustainability Reporting Framework, we have begun developing an internal data collection and management processes with various business units to ensure data completeness and accuracy.

To this end, we have disclosed Scope 1 and 2 emissions, and six out of the 15 categories of the Scope 3 GHG emissions. We will strive to progressively enhance the Scope 3 emissions disclosure.



For more information on AEON's climate-related metrics and targets, refer to pages 57- 58.

Next Steps

AEON is committed to continuously enhancing the monitoring and tracking of our climate impacts, ensuring measurable progress toward a positive environmental impact. As part of our efforts, we will expand our climate-related metrics and targets beyond GHG reduction to include quantified financial impacts, such as capital expenditure allocated for climate initiatives. This broader approach will provide deeper insights into the financial and operational implications of climate risks and opportunities, reinforcing AEON's commitment to sustainable growth and resilience.

ENVIRONMENTALLY FOCUSED

REDUCE CARBON FOOTPRINT

GRI 302-1, 302-2, 302-4, 305-1, 305-2, 305-3, 305-5

MM4



Commitment:

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

WHY IT MATTERS

AEON acknowledges the climate impact of our energy use and carbon footprint. This understanding encompasses not only our direct business operations but also extends to our extensive value chain. As a result, we are deeply committed to reducing our carbon footprint and transition our business toward a resilient and sustainable low-carbon economy.

OUR APPROACH

A key aspect of AEON's climate strategy is to drive the growth of both renewable energy (RE) and energy efficiency (EE) initiatives. This dual approach is critical not only within AEON's operations but also in supporting Malaysia's net-zero ambition, contributing to the broader energy transition and the reduction of GHG emissions needed to combat climate change and global warming. By prioritising EE alongside RE, AEON aims to optimise energy use while advancing sustainable practices across its value chain. In alignment with AEON Sustainability Charter, AEON has set climate target, aiming for net-zero emissions by 2050 with mid-term target to reduce 70% absolute emissions for Scope 1 and Scope 2 GHG emissions by 2035, compared to base year 2019. In line with AEON's business strategy expansion of current and new malls, we are also committing to ensure that all new buildings completed in 2025 onwards to be green-building certified.



EV charging facilities at AEON Mall Shah Alam

AEON's commitment extends beyond our immediate operations which not only serves AEON's goals but also supports sustainable practices among our customers. In 2024, we have installed a total of 62 EV charging bays across AEON's 18 malls nationwide, with plans to roll out to more sites in 2025. This initiative makes charging electric vehicles more convenient and supports the wider adoption of EV in Malaysia.

OUR DECARBONISATION INITIATIVES IN FY2024

RENEWABLE ENERGY

Since 2022, AEON has been actively installing solar photovoltaic (PV) systems across our malls to generate RE. To date, our RE capacity has been expanded to 11 AEON Malls with all of them being powered up and actively generating solar power.

In 2024, our solar PV systems generated 8,877 MWh collectively, supplementing our electricity use. Our goal is to complete solar PV systems installations at nine other AEON malls by the end of 2025.

In addition to this, AEON has continued to subscribe to the Green Energy Tariff (GET), reinforcing our commitment to supporting sustainable energy sources. In 2024, we generated a total of 66,790 MWh of RE and avoided 39,780 tonnes of CO₂e emissions through RE generated by our solar PV systems and GET subscriptions.

ENERGY EFFICIENCY

Improving EE is one of the most crucial efforts in decarbonisation as our business operations utilise high energy consumption. To this end, AEON's Facility Department is tasked to closely monitor our energy consumption to ensure that we consume electricity efficiently. Additionally, we actively engage with our stakeholders to increase awareness on improving EE.

AEON has adopted a strategic approach to significantly reduce the Company's energy consumption, implementing energy-efficient strategies across 28 AEON Malls.

ENVIRONMENTALLY FOCUSED

In 2024, AEON implemented several energy conservation initiatives to optimise our daily operational needs which includes the following:

- i. Adjusted our Mall's chillers operation control to ensure that our air conditioning usage operate efficiently and only during business hours.
- ii. Scheduled travellers and escalators operation times according to set hours daily.
- iii. Scheduled lighting operation hours according to set hours daily.
- iv. Replaced conventional lights with LED lights.
- v. Utilised smart meter systems.
- vi. Installed energy-saving system in 17 Malls, an additional three Malls in 2024 to enhance energy efficiency.



During the year, AEON also established a dedicated task force to assess and implement a comprehensive EE plan tailored to the diverse needs of its properties. With 28 Malls of varying ages and structural designs, the task force recognises the importance of developing a strategy to address the energy demands of each mall. As part of this initiative, the plan is to focus on selected malls as a pilot in 2025 to help refine and optimise solutions before considering a broader scale implementation.

In terms of awareness, we take part in Earth Hour annually to mark AEON's commitment to combat climate change. Across our malls, lights are switched off one hour to spread awareness about energy savings measures.

PERFORMANCE

In 2024, AEON's electricity consumption increased by 0.4% from 2023 particularly due to opening of new outlets. AEON remains steadfast in its commitment to EE and RE initiatives, as well as our net-zero emissions commitment, principles that will continue to guide the development of new outlets and the retrofitting of existing ones. The following table summarises the Company's energy consumption for the financial year 2024:

Parameter	Units	2022	2023	2024
Electricity				
Total Electricity Consumption	Megawatt	521,414 ¹	524,739 ¹	528,298
AEON Consumption ²	Megawatt	412,368 ¹	402,220 ¹	403,840³
Tenants Consumption	Megawatt	109,047	122,519	124,458
Renewable Energy				
Solar PV Generation	MWh	1,982	3,922	8,877
Green Electricity Purchased via Green Electricity Tariff (GET)	MWh	387,495	290,230	57,913⁴
Fuel				
LPG Consumption by AEON	m ³	172,429 ¹	190,755 ¹	186,914
LPG Consumption by AEON's Tenants	m ³	621,978 ¹	634,692	709,218
Diesel Consumption ⁵	Litre	-	-	53,119
Petrol/Gasoline Consumption	Litre	210,411	227,720	142,738

Notes:

¹ This number has been restated following data update to ensure accuracy in reporting.

² FY2024 AEON electricity consumption from DAISO and AEON Wellness outlets in Mayang Mall were not accounted due to unavailability of data (opened in December 2024).

³ This data has been independently assured. Please refer to the Independent Limited Assurance Report on pages 220 to 222.

⁴ The decrease in GET subscriptions in 2024 reflects the adjusted subscription amount and the May-December coverage period.

⁵ Diesel consumption data is not available in 2022 and 2023 due to a revised approach and calculation methodology to ensure accuracy and consistency in future reporting.

ENVIRONMENTALLY FOCUSED

We report our GHG emissions with reference to the GHG Protocol Corporate Standard. Our GHG emissions inventory covers all business activities under our financial and operational control. For details on the Company's GHG emissions please refer to the following table:

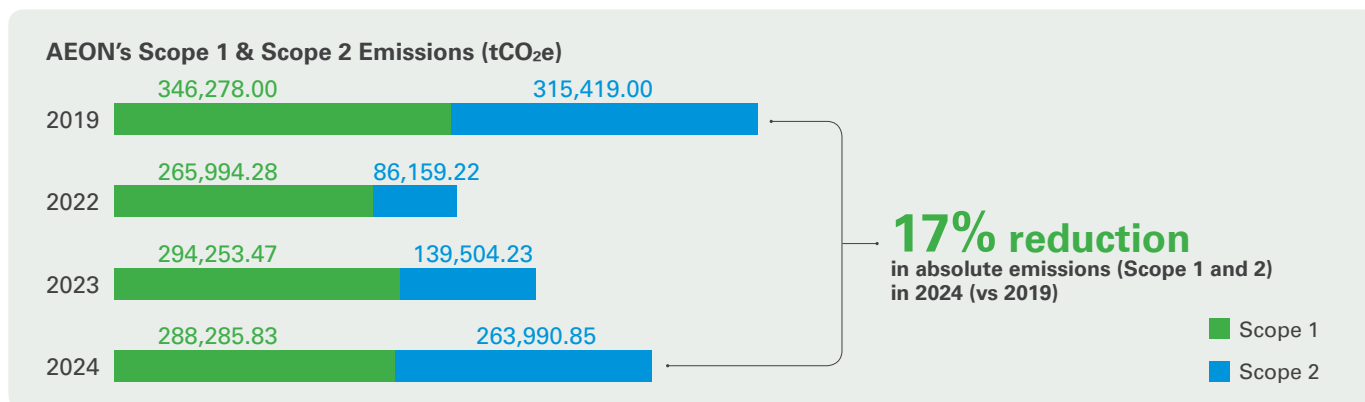
GHG Emissions

	Units	2022	2023	2024
Scope 1 Emissions	tCO ₂ e	265,994.28 ¹	294,253.47 ¹	288,285.83⁵
Scope 2 Emissions ²	tCO ₂ e	86,159.22 ³	139,504.23 ³	263,990.85⁵
Scope 3 Emissions	tCO ₂ e	1,008,914.01 ⁴	1,055,446.92 ⁴	1,211,978.85⁵
Category 3: Fuel- and Energy-Related Activities	tCO ₂ e	4,042.85	6,779.08	6,929.62⁵
Category 5: Waste Generated in Operations	tCO ₂ e	26,979.50	28,882.23	26,884.63⁵
Category 6: Business Travel Employee Commuting	tCO ₂ e	191.54	252.09	552.89⁵
Category 7: Employee Commuting	tCO ₂ e	1,346.16	1,355.49	1,420.86⁵
Category 9: Downstream Transportation & Distribution	tCO ₂ e	242.92	324.49	362.71⁵
Category 13: Downstream Leased Asset	tCO ₂ e	976,111.04	1,017,853.54	1,175,828.15⁵

Notes:

- ¹ This number has been restated following a revision in LPG gas density conversion.
- ² Under Scope 2 (FY2024), emissions from DAISO and AEON Wellness outlets in Mayang Mall were not accounted due to unavailability of electricity consumption data (opened in December 2024).
- ³ This number has been restated due to the application of the latest grid emissions factor.
- ⁴ This number has been restated due to additional categories disclosed in Scope 3 emissions.
- ⁵ This data has been independently assured. Please refer to the Independent Limited Assurance Report on pages 220 to 222.

For more information on approach and emissions sources of Scope 1, Scope 2 and selected Scope 3, refer to page 75.



Building on our commitment to develop decarbonisation strategies and assess Scope 3 emissions, AEON has made progress in laying the groundwork for impactful climate action. As we move into 2025, we are developing a net-zero decarbonisation roadmap to accelerate our GHG emissions reduction efforts. This roadmap will provide a clear path for achieving our sustainability targets, aligning with global best practices and emerging industry standards.

Simultaneously, we are assessing our Scope 3 emissions to identify and prioritise opportunities to reduce GHG emissions across our value chain. By addressing both direct and indirect emissions, AEON is reinforcing its commitment to sustainable operations and contributing to the broader global effort to combat climate change.

ENVIRONMENTALLY FOCUSED

MINIMISE WATER CONSUMPTION

GRI 302-4, 303-5

MM5



Commitment:

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

WHY IT MATTERS

AEON recognises the increasing challenge of water scarcity, driven by climate change. As fresh, clean water is essential to our operations, we are committed to responsible water stewardship across our value chain—from raw materials and suppliers to malls, store operations, and food preparation processes.

By reducing water consumption, we not only contribute to environmental conservation but also enhance energy efficiency and lower operational costs. To this end, AEON is dedicated to implementing water management initiatives that prioritise sustainable usage and efficiency, ensuring the long-term preservation of this vital resource.

OUR APPROACH

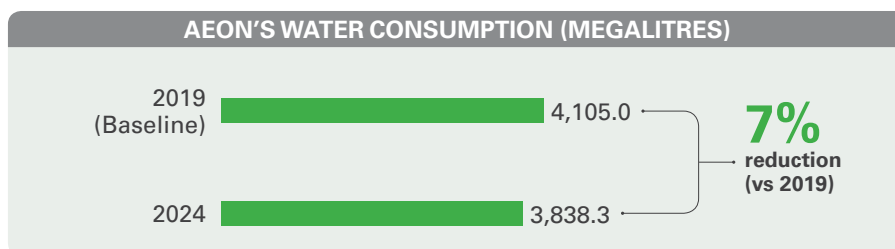
As per our other environmental initiatives, AEON's water management strategies are guided by the Company's Sustainability & Climate Change Policy. Water withdrawn from municipal sources are assured of their quality and is compliant with the Drinking Water Quality Standards, published by the Ministry of Health, Malaysia. Air Selangor, one of our municipal water sources, regularly monitors the quality of raw and treated water at various sampling points through in-house laboratories which have been accredited with ISO 17025 (Laboratory Accreditation) Certification. In line with our objective to minimise the

environmental impact of our operations, we have committed to a water reduction strategy with a goal to reduce our water usage by 15% by 2030 from our 2019 levels.

OUR INITIATIVES IN 2024

In 2023, we initiated efforts to improve the maintenance of our water facilities across operations to prevent leaks. This included retrofitting facilities with water-efficient faucets and toilets, as well as installing scale removal and prevention systems in cooling tower to optimise water usage and improve heat transfer resulting in energy efficiency. We continued to expand our water efficiency measures in 2024 by implementing company-wide energy-saving measures, incorporating water conservation initiatives to further align our efforts toward sustainability and operational resilience.

In 2024, there were zero incidents of non-compliance with water quality / quantity permits, standards and regulations. The total water consumption in 2024 is as follows:



AEON remains committed to strengthening its water management strategies to align with our water reduction targets. Moving forward, we will continue to review and enhance our water management plans across all operations to ensure they remain effective and adaptable to evolving challenges. A key focus is on the continuous monitoring and maintenance of facilities, particularly mall and store toilets, to minimise water waste.

Additionally, we are exploring scalable water conservation initiatives, including exploring alternative water sources to reduce reliance on municipal water supplies. Where necessary, we will install modified water taps with lower flow rates to improve efficiency without compromising functionality.

Beyond infrastructure improvements, AEON will continue to engage in awareness campaigns to encourage water-saving practices among customers and employees, fostering a culture of responsible water use across our operations.

ENVIRONMENTALLY FOCUSED

REDUCE WASTE



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

MM6

Commitment:

- 15% of total waste diverted from landfill by 2030
- 50% reduction of food waste in AEON's operations by 2040

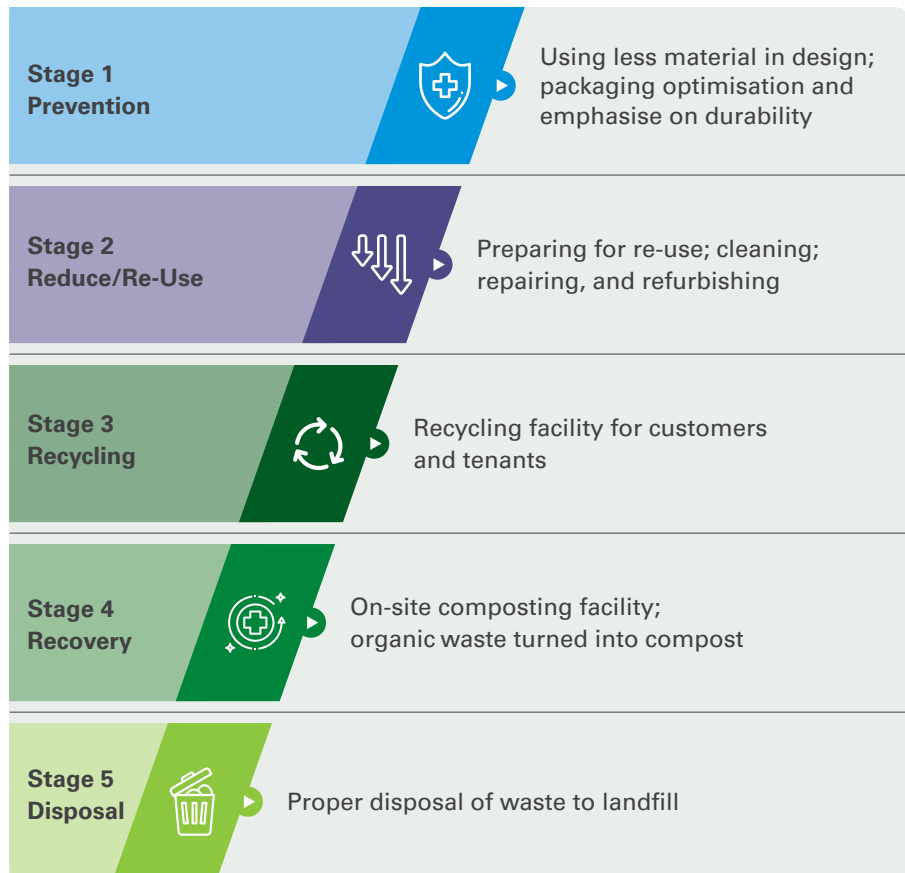
WHY IT MATTERS

Effective waste management is a key pillar of AEON's sustainability strategy, particularly within our retail and property management services operations. We recognise that our business activities can impact the environment and local communities, making pollution control a critical priority. Failure to manage these impacts effectively could expose us to reputational, legal, and financial risks, as well as potential threats to our operating licences.

OUR APPROACH

Our approach to waste management prioritises waste reduction, recycling awareness and responsible disposal practices. To ensure that we are managing our waste in compliance with best practices and legal requirements, AEON adheres to the Environmental Quality Act 1974 and Solid Waste and Public Cleansing Management Act 2007 (Act 672). Internally, AEON has a Waste Management Policy which serves as a guideline to fulfil both its ethical and legal obligations for responsible waste management. The implementation of this Policy ensures that AEON's waste management practices are not only compliant and safe but also environmentally sound and financially viable.

AEON is also embracing the principles of a circular economy, focusing on streamlining processes to minimise waste and maximise the recycling of materials. The following infographic illustrates the Company's waste management process:



Starting with prevention and reduction, we actively work towards minimising waste generation. We also emphasise re-use and recycling practices by ensuring that materials are given a second life whenever possible to save on resources. Our commitment extends to recovery efforts, extracting value from discarded materials. Final responsible disposal methods are employed for any remaining waste, completing our holistic approach to waste management. We ensure we maximise our efforts by finding the best method to manage our waste before disposing as our last resort.



The Waste Management Policy can be viewed on our website at <https://aeongroupmalaysia.com/sustainability-policies/>

ENVIRONMENTALLY FOCUSED

OUR INITIATIVES IN 2024

PREVENTION

Waste prevention is a fundamental aspect of our waste management strategy, aimed at eliminating waste at its source. We actively work to reduce or avoid the procurement of single-use materials across our retail and mall operations. When new materials are necessary, we prioritise sourcing sustainable alternatives, ensuring they align with our commitment to responsible consumption and circular economy principles. Our suppliers play a crucial role in this effort, providing insights into the availability of eco-friendly options and supporting AEON in making environmentally responsible purchasing decisions.

AEON continues to implement practical solutions to reduce plastic dependency, including:



Food waste avoidance by implementing 'Repriced To Clear' for products that are nearing its 'use by' date.



Promoting a 'Say No to Single-Use Plastics' approach among tenants and F&B outlets in our malls; to encourage customers to bring their own shopping bags.



Expanding plastic-free initiatives in our bakery operations.



Eliminating plastic straws from our Delica and Delicatessen sections to further reduce unnecessary plastic waste.



Encouraging employees to bring their own containers for food and beverages, fostering a culture of sustainability within our operations.

REDUCE/RE-USE

We minimise waste generation at the source while reducing reliance on non-sustainable materials. We continuously explore alternative solutions to lower environmental impact and embed circular economy practices across our operations. In addition to our efforts to phase out single-use plastics, AEON continued its initiatives to drive waste reduction, including:

- **Reusable and Refillable Solutions** – We offer refill stations in select locations, allowing customers to purchase household essentials like detergents.

- **Bakery Waste Reduction** – Beyond eliminating plastic carrier bags, we are optimising production planning in our bakery operations to minimise surplus and reduce food waste.
- Our mall operations reuse decorations for festive celebrations and only incorporate new additions as needed.



RECYCLING

AEON continues to strengthen its recycling programmes, reinforcing our commitment to responsible waste management and circular economy principles. We continue to optimise our recycling efforts across our operations, focusing on key materials such as carton boxes, used cooking oil, and post-consumer plastic waste.

In terms of customer awareness programme, AEON Mall Alpha Angle continues to serve as a key hub for recycling and repurposing initiatives with its Buy-Back Centre to encourage greater participation in sustainable waste practices by making recycling more accessible for our customers and tenants.

In 2024, we continued our awareness initiatives, working with existing and new partners to drive impactful recycling efforts.

ENVIRONMENTALLY FOCUSED

EMBRACING CIRCULARITY WITH PARTNERS IN 2024



PET Bottles Recycling

Building on the success of last year's 'Recycle Me!' Campaign, AEON together with its partners Trash4Cash Malaysia, Coca-Cola Malaysia and Hiroyuki Industries, proudly launched the 2024 edition of this community-driven recycling initiative, resulting in the collection of 2,322kg of PET (polyethylene terephthalate) bottles.



Fabric Recycling Initiative

AEON and KLOTH collaborated on fabric recycling programme, resulting in the collection of total 252,732kg of unwanted textiles and clothing from across participating AEON Malls.



HDPE Recycling and Reward Programme

350kg of HDPE plastic (high-density polyethylene) containers were collected from selected AEON Mall, in collaboration with Kao Malaysia.



Paper and E-waste Recycling

AEON, partnering with Recircle Malaysia, achieved a successful single-day collection of approximately 2,000kg of mixed paper and e-waste from two malls, and plans to extend the programme to more locations in 2025.

RECOVERY



Composting

AEON Mall Alpha Angle continued to utilise the composting machine to convert organic waste into valuable compost. In 2024, we refined our organic waste management processes, particularly enhancing waste segregation to improve organic waste collection efficiency across our operations, including tenants' waste at AEON Mall Alpha Angle.

DISPOSAL

We ensure responsible and compliant disposal through appointed contractors, strictly adhering to local laws and regulations. The results of our endeavours for the year under review are as follows:

Waste	Units	2022	2023	2024
Total Waste	Metric tonnes	58,238	62,260	58,023
Non-recycled	Metric tonnes	52,287	55,507	51,688
Recycled*	Metric tonnes	5,951	6,753	6,355
Rate of Waste Diverted From Landfill	%	10	11	11

Note:

* Mainly carton boxes and used cooking oils

Building on our ongoing efforts, AEON will enhance waste management across all malls and stores in 2025. We will improve waste segregation at source, explore innovative solutions, and stakeholder collaborations to advance circular economy practices. By optimising processes and strengthening partnerships, AEON aims to minimise environmental impact, optimise resource efficiency, and lead sustainable waste management in the retail sector.

ENVIRONMENTALLY FOCUSED

ENHANCE BIODIVERSITY CONSERVATION

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

MM4

MM7

**Commitment:**

- Plant additional 30,000 trees by 2027
- 50% sustainable packaging by 2030
- Eliminate single-use plastic across value chain by 2040, where feasible



AEON rehabilitated former tin mine area in Bidor by planting 30,000 trees through the Malaysia-Japan Friendship Forest Programme

WHY IT MATTERS

As consumer awareness of sustainability grows, ethical and responsible sourcing is becoming a key driver of retail operations. Biodiversity loss poses significant risks to key sectors such as agriculture, forestry, and fisheries, which are essential to the retail supply chain. Protecting biodiversity ensures the long-term availability of resources, supports ecosystem resilience, and fosters positive relationships with local communities. Retailers that integrate biodiversity conservation into their business strategies not only enhance brand reputation but also meet the rising expectations of eco-conscious consumers.

OUR APPROACH

AEON is committed to integrating biodiversity conservation into our sourcing practices, ensuring that we contribute to environmental stewardship while supporting business sustainability. Our approach includes:

- Investing in conservation efforts to protect natural ecosystems.
- Prioritising responsible sourcing by working with suppliers who adhere to sustainable practices.
- Collaborating with local communities to promote initiatives that support both the environment and livelihoods.
- Aligning with ethical and strategic business imperatives, ensuring that sustainability is embedded in our value creation efforts.

To prioritise responsible sourcing, AEON has established a Responsible Sourcing Policy, which guides our procurement decisions to ensure that suppliers adhere to ethical, environmental, and social standards. This policy reinforces our commitment to sourcing sustainably produced goods, promoting supply chain transparency, and reducing negative environmental and social impacts.

ENVIRONMENTALLY FOCUSED

By championing biodiversity conservation and adhering to our Responsible Sourcing Policy, AEON not only meets evolving consumer expectations but also contributes to a more responsible and resilient retail industry.



The Responsible Sourcing Policy can be viewed on our website at <https://aeongroupmalaysia.com/sustainability-policies/>

OUR INITIATIVES IN 2024

PLANTING SEEDS OF GROWTH

Tree planting has always been at the heart of AEON's sustainability efforts. To date, we have planted more than 557,000 trees through two major programmes since our inception, reinforcing our commitment to biodiversity conservation and environmental stewardship.

In 2024, AEON focused on community-driven tree planting efforts, engaging schools and local communities in sustainability initiatives. Through this effort, more than 7,000 saplings were planted across 28 schools surrounding 28 AEON Malls, fostering environmental awareness and instilling a culture of sustainability among students and educators.

For 2025 onwards, AEON has set a target to plant an additional 30,000 trees by 2027, further strengthening our dedication to urban greening and ecological restoration. By continuously expanding our reforestation efforts and community engagement, AEON remains committed to fostering a greener, more sustainable future.

Building on the success of previous Malaysia-Japan Friendship Forest Programme in Bidor, Perak, AEON will be launching a new three-year (2025-2027) partnership with Forest Research Institute Malaysia (FRIM) focused to plant approximately 30,000 trees in Johor. Complementing this, AEON will be involved in a 12-month Firefly Conservation Initiative in partnership with FRIM at Sungai Selangor, Kuala Selangor, focusing on restoring firefly habitat by planting Berembang and Rumbia trees. Both initiatives reinforce AEON's sustainability leadership, support conservation efforts and align with the Greening Malaysia Programme through 100 Million Tree Planting Campaign. These initiatives also offer opportunities for customer and employee engagement.

ADVANCING SUSTAINABLE PACKAGING

As part of AEON's commitment to responsible consumption and waste reduction, we aim to achieve 50% sustainable packaging by 2030 and eliminate single-use plastics across our value chain by 2040, where feasible. Moving forward, we will establish a baseline assessment to evaluate our packaging materials, enabling us to track and monitor progress while identifying key areas for improvement. Our focus includes:

- Explore sustainable materials by increasing the use of recyclable, biodegradable, and compostable packaging, starting with our Private Brands.
- Collaborate with suppliers to implement sustainable packaging solutions across our supply chain.
- Educate consumers on sustainable packaging choices through in-store and digital platforms.

Beyond operational changes, AEON continues to engage with stakeholders and policymakers to drive impactful change. We actively collaborate with Ministry of Housing and Local Government, offering retail sector insights to support the advancement of circular economy policies and sustainable waste management frameworks. By integrating these initiatives, AEON reinforces its role as a leader in sustainable retail, ensuring that our business practices align with long-term environmental stewardship.

AEON signed a pledge towards government's goal of eliminating single-use plastics nationwide by 2030. Starting 1 October 2024, AEON and 15 other retail chain operators no longer provide single-use plastic bags to customers. In line with this initiative, AEON had already begun its efforts, eliminating single-use plastic bags at all its counters nationwide since 1 January 2023.





EMPOWERING PEOPLE

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



AEON is committed to empower its 9,423 employees and the communities it serves. Guided by UN SDGs 3, 5, 8, and 10, we focus on health, decent work, and reducing inequalities to ensure a safe, inclusive, and professional workplace.

We prioritise employee well-being through health, safety, and wellness programmes, including mental health support and workplace enhancements. We also invest in talent development to equip employees with skills for the future.

As part of our diversity efforts, we aim to maintain for at least 30% women representation in AEON Board and ALC as well as maintain at least 50% women representation in Management. The Company also commit to a 2% employment rate for PWD by 2030.

Beyond the workplace, AEON supports communities through CSR initiatives and the Malaysian AEON Foundation (MAF), focusing on education, healthcare, and social welfare.

PROMOTE DIVERSITY, EQUITY & INCLUSIVITY

GRI 2-7, 405-1

MM9



Commitment:

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

WHY IT MATTERS

AEON sees diversity and inclusivity as both ethical and strategic imperatives, enabling us to meet the needs of our diverse stakeholders. In 2024, we strengthened our commitment to building a workplace that reflects the multicultural society we serve, ensuring equal opportunities for all.

OUR APPROACH

AEON's Diversity Policy ensures decisions are based on merit and free from bias related to age, gender, ethnicity, or other personal characteristics. We maintain a zero-tolerance policy on discrimination and disrespectful behavior, ensuring a safe, respectful, and inclusive environment.



The AEON Diversity Policy can be viewed on our website at <https://aeongroupmalaysia.com/sustainability-policies/>

EMPOWERING PEOPLE

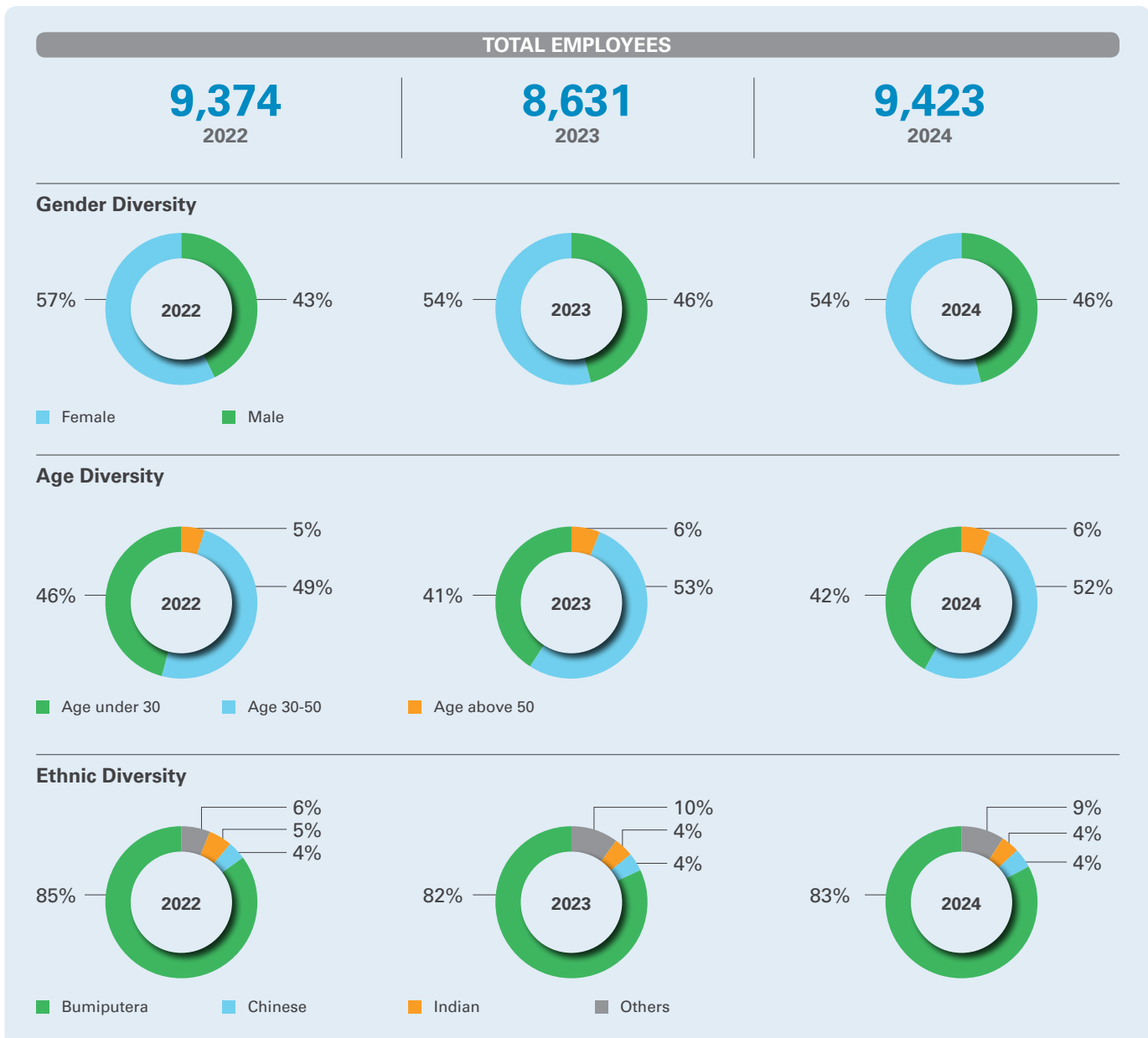
OUR INITIATIVES AND PERFORMANCE IN 2024

AEON has taken proactive steps to diversify its workforce, recognising that varied skills, perspectives, and ideas drive innovation. In 2024, we expanded partnerships with diverse communities and organisations to attract under-represented talent through targeted recruitment programmes. We also strengthened our Recruitment Policy to reinforce fairness and inclusive hiring.

The composition of our workforce is as illustrated in the following charts.

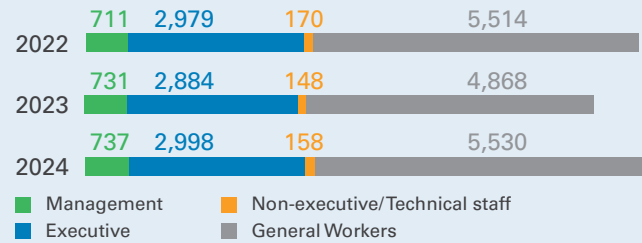
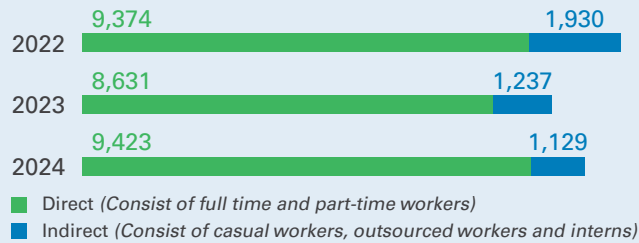
For a more detailed insight into the composition of our Board of Directors, please refer to pages 106 to 111.

WORKFORCE PROFILE

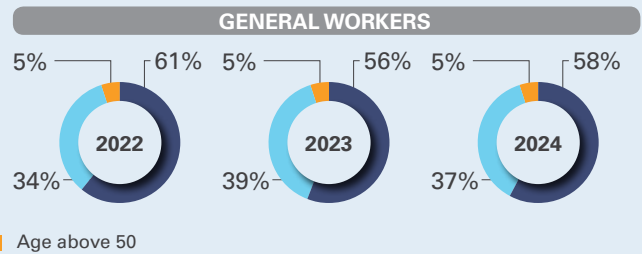
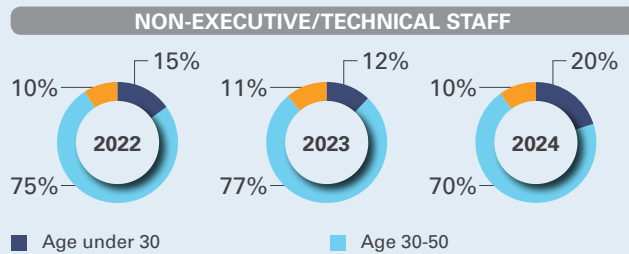
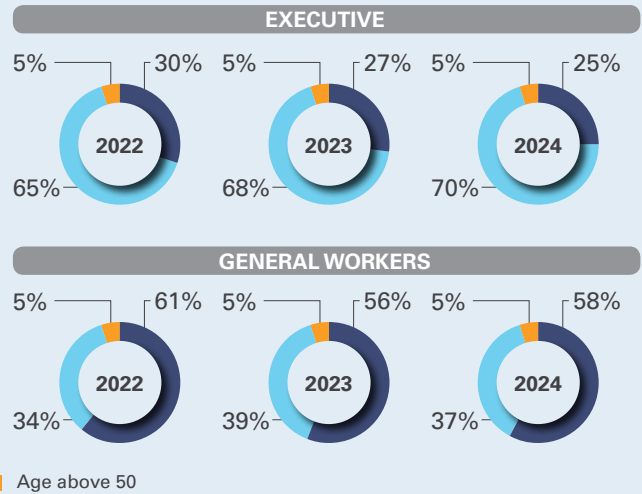
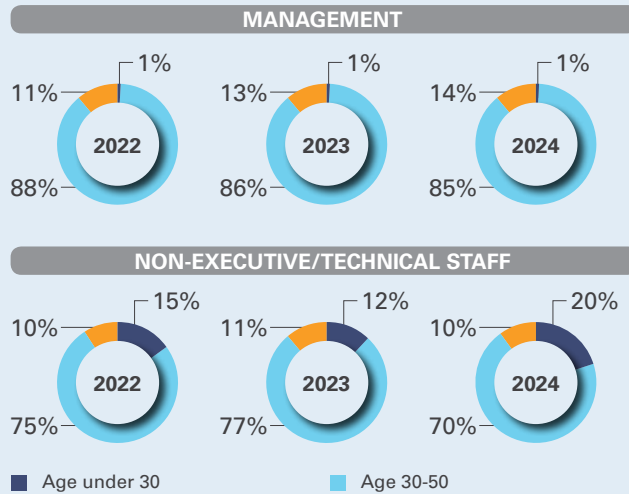


EMPOWERING PEOPLE

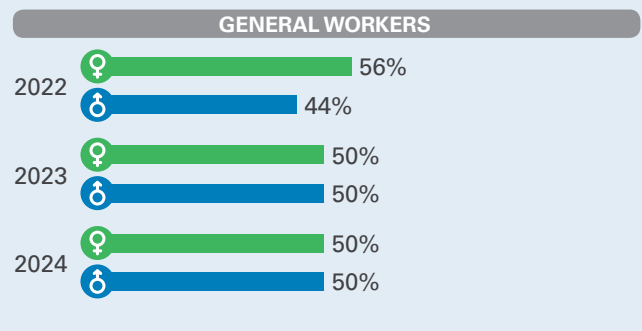
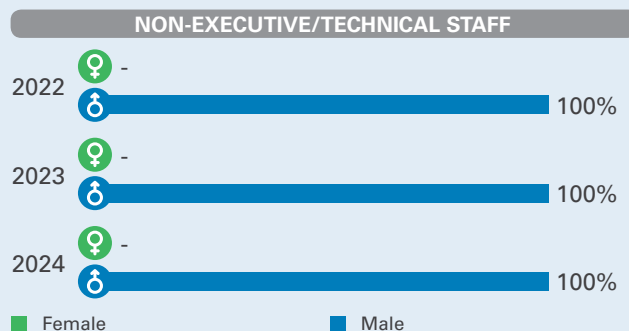
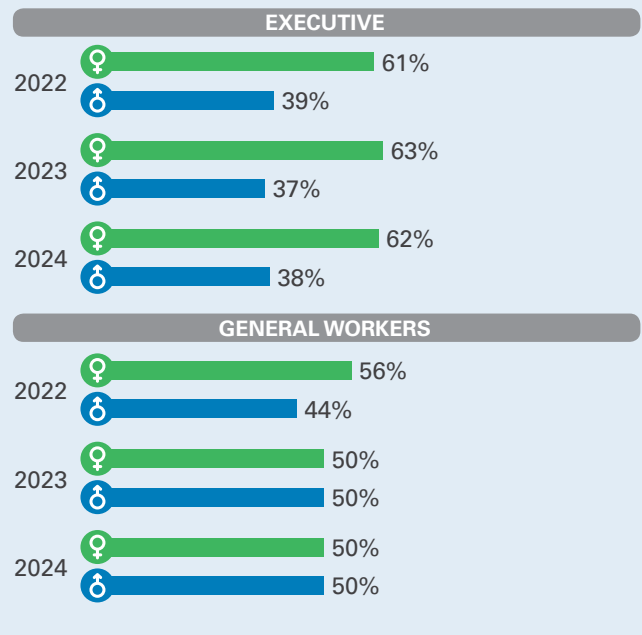
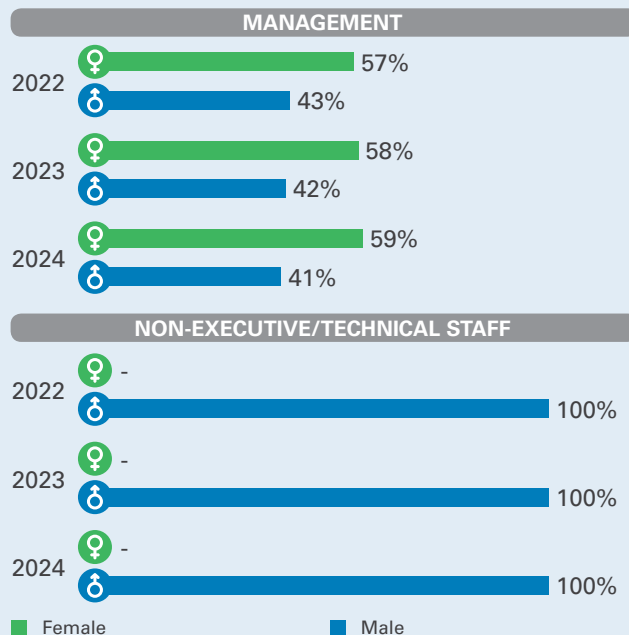
Employee Composition



Age Diversity by Employee Category



Gender Diversity by Employee Category



EMPOWERING PEOPLE

ADVANCING DIVERSITY, EQUITY, AND INCLUSION

AEON is committed to creating a diverse, equitable, and inclusive workplace, ensuring opportunities for all employees to thrive. In 2024, we achieved our targets, achieving 40% women representation on our Board and 40% of ALC are women. In addition, we achieved 59% women representation in Management.

Our commitment to supporting PWD remain strong, with a 1.8% PWD employment rate as we progress toward our 2% target by 2030. In 2024, we conducted 64 hours of training for 151 PWD employees and their supervisors.

To further promote inclusivity, we are expanding initiatives that support diversity and professional growth. In 2025, the Young Leaders Programme will be launched to develop leadership at all levels.

Moving forward, AEON remains committed to building a sustainable, inclusive future. By nurturing a sense of belonging, we strengthen our workplace and create positive change for stakeholders and communities.

	2022	2023	2024
Number of PWD employed	123	184	168
% against total workforce	1.3%	2.1%	1.8%

RESPECT HUMAN & LABOUR RIGHTS

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

MM8



Commitment:

- Conduct human rights due diligence and address identified gaps by 2030

WHY IT MATTERS

AEON is committed to respecting human and labour rights as core elements of our organisational culture. With over 9,000 employees, we uphold fair treatment, safe working conditions, and equal opportunities. Ethical employment practices enhance workforce engagement, strengthen operational resilience, and build trust among employees, customers, and stakeholders. By integrating these principles into our culture and supply chain, we support long-term business sustainability while complying with evolving regulations.

OUR APPROACH

AEON is guided by its Human and Labour Rights Policy which aligns with international standards and local regulations, ensuring equal treatment and respect for all employees. AEON upholds the United Nations Global Compact's Ten Principles, the Universal Declaration of Human Rights, and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work.

Given the labour-intensive nature of retail, AEON enforces fair labour standards across all levels, adhering to laws such as the National Minimum Wage Policy, the Minimum Retirement Age guidelines, and the Employment Act of 1955. Compliance ensures fair wages, safe working conditions, and access to training programmes for skill development.

In 2024, AEON revised its Code of Conduct (ACOC) into the AEON Corporate Commitment, reinforcing clear ethical standards for employees and external stakeholders. Reporting platforms include the AEON Compliance Hotline, with a separate Legal Attorney Hotline for cases involving misconduct by management at Senior General Manager level and above. Committed to zero human rights-related incidents, AEON works closely with employee unions to ensure fair collective bargaining agreement. For employees outside this agreement, the Company remains dedicated to adhering to local labour laws and workforce regulations.

OUR INITIATIVES AND PERFORMANCE IN 2024

In 2024, we took steps to strengthen our policies, practices, and initiatives to ensure a workplace that values fairness, dignity, and the well-being of all employees. We reinforced



The AEON Human Rights Policy can be viewed on our website at <https://aeongroupmalaysia.com/sustainability-policies/>

EMPOWERING PEOPLE

our adherence to all relevant labour laws and policies, including the National Minimum Wage Policy, the Minimum Retirement Age guidelines and the Employment Act 1955. Aligned with the regulatory requirements, the Company revised the minimum working hours from 48 to 45 hours, and maternity leave from 60 days to 98 days.

ENSURING FAIR LABOUR PRACTICES

To further support fair employment practices, AEON has strengthened our collaboration with employee union, fostering open dialogue and constructive negotiations to finalise the collective agreement. Through this agreement, we ensure that the rights and interests of all workers are adequately represented. As of December 2024, 21% of our workforce is covered under the collective agreement and 37% more are eligible to join the union, demonstrating our commitment to fair representation and worker empowerment.



Signing of the first Collective Agreement

ZERO-TOLERANCE FOR HUMAN RIGHTS VIOLATIONS

AEON upholds a safe, respectful, and inclusive workplace with a zero-tolerance policy for human rights violations, including harassment and misconduct. To reinforce this, we have implemented preventive measures that promote awareness, accountability, and ethical behaviour across all levels. Sexual harassment prevention remains a key priority,

with mandatory awareness sessions included in new staff orientation programmes. Additionally, 'Zero-tolerance for Sexual Harassment' posters are displayed at all AEON operating sites, ensuring continuous reinforcement of our commitment.

In 2024, a total of 42 cases were reported through the AEON Compliance Hotline, with 9 substantiated cases related to human rights violations. Each case underwent a thorough review and investigation, ensuring due process and accountability. Where necessary, appropriate disciplinary actions were taken, including official warning, suspension and/or dismissal, where necessary. These actions reflect AEON's proactive approach to addressing workplace concerns and maintaining a safe and ethical workplace for all employees.

TOTAL CASES (THROUGH THE AEON COMPLIANCE HOTLINE)

31
2022

42
2023

42
2024

NUMBER OF SUBSTANTIATED CASES CONCERNING HUMAN RIGHTS VIOLATION

9*
2022

7*
2023

9
2024

* This number has been restated due to revised categorisation

To further strengthen our ethical governance, AEON enhanced its whistleblowing channels that provide employees with a secure and confidential platform to report concerns. By cultivating a transparent and accountable corporate culture, we empower our workforce to speak up against any misconduct.

Moving forward, AEON is committed to strengthening its human rights practices with a new target to conduct human rights due diligence (HRDD) and address identified gaps by 2030. As part of this commitment, the Company plans to establish a HRDD framework and will conduct assessments to identify risks, implement necessary remediation measures, and enhance monitoring frameworks.

EMPOWERING PEOPLE

ENHANCE HEALTH, SAFETY & WELL-BEING

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

MM10



Commitment:


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

WHY IT MATTERS

At AEON, workplace health, safety, and well-being are top priorities. We are committed to protecting our employees, and stakeholders while ensuring business continuity. A safe and supportive work environment is not just a legal and moral responsibility—it also strengthens talent retention, productivity, and long-term sustainability.

OUR APPROACH

AEON's commitment to health and safety is anchored in the AEON Health, Safety, and Environmental (HSE) Policy, which serves as a guiding framework for workplace safety standards.

 The AEON Health, Safety and Environment Policy can be viewed on our website at <https://aeongroupmalaysia.com/sustainability-policies/>

We have Occupational Safety and Health Committees across all AEON operation sites, ensuring collaboration between employees and Management to identify and mitigate hazards. These committees meet quarterly to review safety performance, implement improvements, and oversee training. Our goal remains zero workplace fatalities, supported by enhanced risk assessments, emergency drills, and a structured incident reporting system.

OUR INITIATIVES IN 2024

ENSURING SAFE WORKPLACE

In 2024, we strengthened workplace safety with enhanced governance, industry best practices, and stricter protocols. We introduced a safety leadership engagement programme where relevant leaders conduct site visits and safety walkthroughs to reinforce compliance and encourage employee participation.

AEON upholds a store ownership principle, where each business unit takes full responsibility for risk management. We have improved hazard communication, ensuring employees can report safety concerns through a structured digital system. This has led to a more proactive approach in identifying and addressing risks before they escalate.

We are committed to full transparency in reporting and addressing workplace incidents. All reported cases, regardless of severity, are investigated to determine root causes and corrective actions. Our expanded near-miss reporting mechanism encourages employees to highlight potential risks early, strengthening preventive measures across operations.

Parameter	2022	2023	2024
Health & Safety Training			
No of employees trained of safety	1,185	888	1,133
No of employees trained on safety as part of general training or induction	680	344	827
Lost Time Incident Rate (LTIR), including contractors*	1.18	1.23	1.64
No of work-related fatalities for employees	0	0	0
No of work-related fatalities for contractor	1	0	0

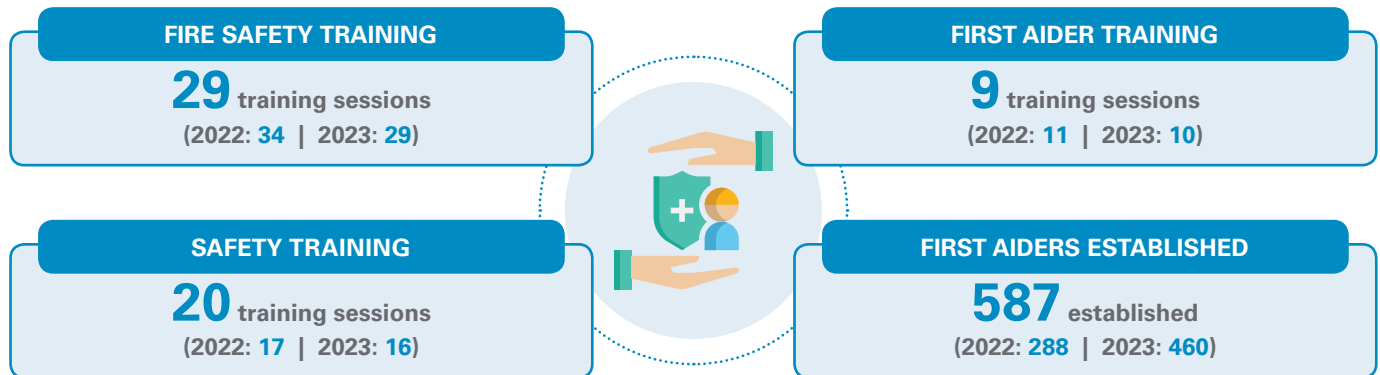
Note:

* Refers to LTIR (times 200,000 hours) against total case and total AEON Employees

All investigation findings are compiled into an annual safety performance review, ensuring continuous learning and improvement while maintaining confidentiality. To complement this, we have introduced safety dashboards at all operational sites, providing real-time insights into incident trends and corrective measures. These enhancements allow for data-driven decision-making, helping identify patterns and improve overall workplace safety.

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In addition, we conduct annual trainings on health and safety:



SUPPORTING EMPLOYEE WELL-BEING

Employee Engagement Survey

To ensure our well-being initiatives effectively meet employee needs, we conducted workplace experience surveys, with a 52% response rate, gathering insights into job satisfaction, engagement, and overall workplace conditions.

Summary from the 2024 Employee Survey:

STRENGTHS



Work Environment

94% of employees are happy working at AEON.



Company Culture & Values

92% feel comfortable with AEON's culture and values.



Sense of Belonging

97% are proud to be part of AEON.



Learning & Development

95% feel they have good opportunities for growth at AEON.



Commitment to AEON

88% plan to stay with AEON for the next two years.

Employee Benefits

At AEON, we prioritise the well-being and growth of our employees, offering a comprehensive benefits programme designed to support career development, health, and work-life balance:



HEALTH AND WELLNESS

- Outpatient & In-patient Medical Coverage
- Health Screening
- Dental Coverage
- Optical Coverage



EMPLOYEE SUPPORT

- Marriage Leave & Token
- Maternity Leave
- Paternity Leave
- New Born Token
- Compassionate Leave & Bereavement Cash Relief
- Calamity Leave & Cash Relief



CAREER MOBILITY

- Individual Motivation Scheme
- Leader Housing Allowance Scheme
- Relocation Allowance
- Movement Expenses



BENEFITS

- Employee Purchase Programme
- Profit-sharing Bonus
- Retirement Gratuity Payout
- Additional Company EPF Contribution for Long Service Employees

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

EMPOWERING PEOPLE

Health and Well-Being

A positive work environment is key to employee satisfaction and organisational success. In 2024, AEON introduced several initiatives to enhance employee well-being.

To promote proactive healthcare, AEON organised Wellness Days in collaboration with insurance providers and AEON Wellness, offering:

- ▶ Biometric assessments
- ▶ Cardiovascular health checks
- ▶ Musculoskeletal evaluations
- ▶ Postural screenings
- ▶ Vision tests



AEON Wellness Day 2024

For mental well-being, AEON hosted a stress management health talk, equipping employees with practical resilience strategies. We also conducted onboarding medical benefit briefings with our healthcare insurance partners, ensuring employees understand their coverage and have digital access to pharmaceutical services.

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

Zakat Wakalah

AEON encourages employees to contribute to Zakat by offering salary deduction option. AEON will then administer the Zakat Wakalah funds to provide financial assistance to eligible employees. This initiative reflects our dedication to fostering a caring and inclusive workplace, ensuring that our employees receive the necessary support during challenging times.



In 2024, **RM108,000** was distributed to eligible beneficiaries, under four key categories:



ZAKAT PERUBATAN

Supporting employees in covering medical treatment costs.



ZAKAT MUSIBAH

Assisting employees affected by hardships such as natural disasters, personal accidents, theft, or robbery.



ZAKAT PENDIDIKAN

Easing the financial burden of employees in covering their children's education expenses at primary, secondary, and tertiary levels.



ZAKAT KECEMASAN

Providing immediate financial aid for urgent situations such as power outages, water disruptions, and home damages.

AEON remains committed to uplifting employee well-being, offering timely assistance to those facing difficulties, and ensuring that financial hardships do not hinder their quality of life.


EMPOWERING PEOPLE

Employee Engagement

AEON takes pride in celebrating the unwavering dedication of its employees through the AEON Long Service Awards. This tradition not only acknowledges their contributions but also reinforces AEON's culture of appreciation, strengthening the bond between the company and its workforce. By celebrating career milestones, AEON continues to support employees at every stage of their professional journey, fostering a sense of belonging and shared purpose.

In 2024, a total of 1,532 employees were recognised for their unwavering commitment through the AEON Long Service Awards.



 **1,532** employees awarded Long-Service Awards

Beyond tenure recognition, AEON also acknowledges top-performing individuals through the Best Employee 2024 Award based on business outcomes, KPIs, and competencies, rewarding them with:

- ▶ Cash incentives
- ▶ Certificates of recognition
- ▶ An overseas study trip
- ▶ Career Development programmes

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

AEONation Club key pillars and its 2024 programmes are as below:

AEONationClub

Jaringan Hati

Employee Welfare



Good fortune, happiness, well-being, or prosperity of the employee programmes

Programmes:

Employee Birthdays

Raya Aidilfitri

Merdeka Campaign

Wellness & Sports



Fitness and wellness programmes

Programmes:

Wellness Day

Futsal Tournament

Engagement & Volunteerism



Bonding among employees activities

Programmes:

You Make Me Smile Campaign

ASEAN Best Cashier Skill Tournament

EMPOWERING PEOPLE

EMPOWER EMPLOYEE LEARNING & DEVELOPMENT

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

MM11



Commitment:

- Implement future-skills training aligned with market trends

WHY IT MATTERS

At AEON, we believe that investing in employee learning and development is key to building a skilled and future-ready workforce. By fostering a culture of continuous growth, we create an environment where talent is nurtured, supported, and retained. This commitment strengthens our competitive edge and long-term success, recognising that our people are at the core of our progress.

OUR APPROACH

AEON's approach to workforce development is guided by our Agile, Genba, and Entrepreneurial (A.G.E.) values, reinforced through the 3H (Head, Hand & Heart) framework. This holistic approach ensures employees grow intellectually, develop practical skills, and remain engaged emotionally.

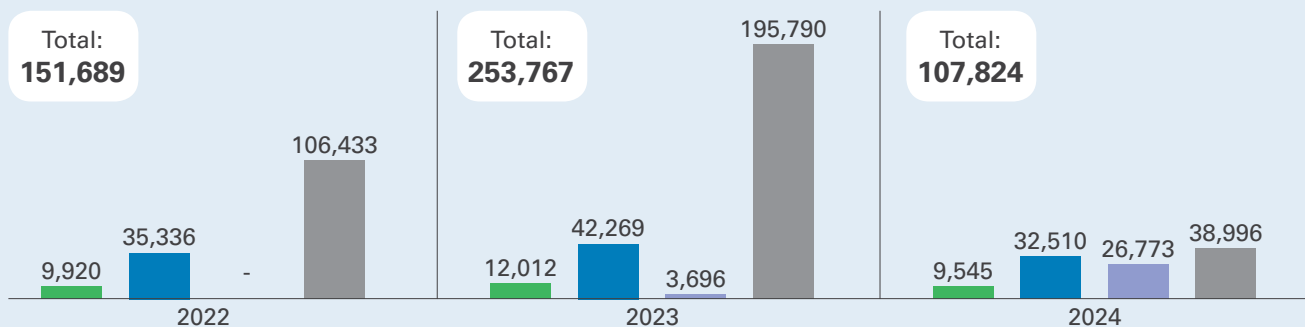
We actively provide employment and upskilling opportunities for Malaysians from diverse backgrounds, including those without tertiary education. By equipping employees with new skills, particularly in digital capabilities, we foster a high-performance culture across the organisation.

OUR INITIATIVES IN 2024

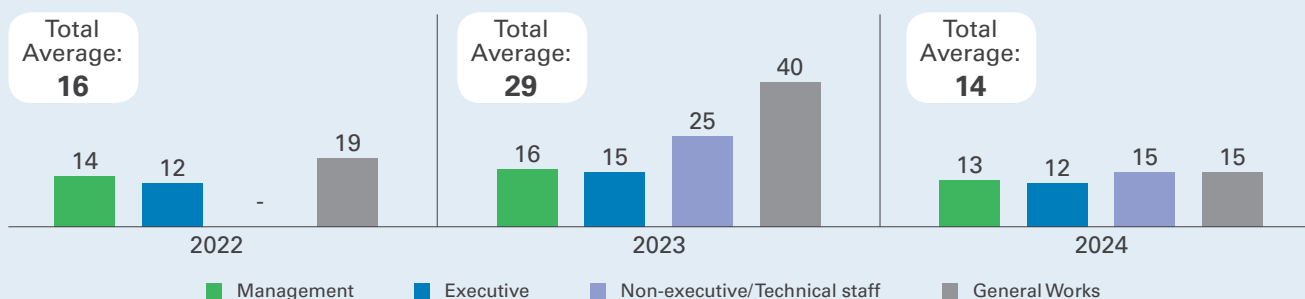
In 2024, AEON invested RM1.45 million in internal and external training programmes to enhance workforce skills and career development. The table below provides details on the training initiatives conducted throughout the year.

In 2024, total training hours declined as certain programs, including customer service training, were restructured to enhance content effectiveness and alignment with business needs. However, training frequency increased, prioritising key areas such as compliance, service excellence, and operational skills to ensure continuous employee development.

TOTAL HOURS OF TRAINING BY EMPLOYEE (IN HOURS)



AVERAGE TRAINING HOURS PER EMPLOYEE (IN HOURS)



EMPOWERING PEOPLE

EMPLOYEE RETENTION AND ATTRITION

AEON's Talent Management Framework is an integral part of the Company's strategy to ensure that every employee can grow and succeed within the company. Alongside the learning and development training provided to shape a high-performing culture, performance reviews and evaluation are conducted to ascertain appropriate merits and awards are accorded. The reviews and evaluations are conducted semi-annually, where KPIs are an integral part of assessment tools used, based on the Company's strategic priorities.

Building on the 2023 initiative to enhance succession planning, AEON further strengthened its Talent Management framework by collaborating with external experts to develop a tailored leadership programmes for key critical positions, supporting succession planning efforts. As a result of these initiatives, a comprehensive talent review was conducted, leading to the promotion of 368 employees in 2024.

Performance Review	2022	2023	2024
Employees formally appraised (annually)	100%	100%	100%
One-on-one performance review for year-end-evaluation	100%	100%	100%

COMMUNITY ENGAGEMENT & DEVELOPMENT

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

MM12



Commitment:

- Contribute at least RM1 million annually to external beneficiaries

WHY IT MATTERS

AEON's commitment to sustainable business success is rooted in building strong community connections and enhancing well-being through Corporate Social Responsibility (CSR). We recognise that our growth is tied to the prosperity of the communities we serve. By supporting their development, we create shared value that drives long-term progress.

OUR APPROACH

AEON CSR efforts are driven by the Corporate Communications Department and also through contribution to the Malaysian AEON Foundation (MAF). Our social responsibilities are fulfilled through direct engagement with our customers and local communities. A key part of this approach is fostering a culture of volunteerism, encouraging employees to actively participate

in community-focused initiatives. AEON has set clear targets to strengthen these initiatives, committing a minimum of RM1 million annually to external beneficiaries.

OUR INITIATIVES IN 2024

NURTURING COMMUNITIES

In 2024, AEON fostered environmental awareness through 'Creating Gardens in the Schools' tree planting project, working with 28 schools nationwide as part of the 40th anniversary celebration. Additionally, the Corporate Communications Department and all AEON Malls collaborated with surrounding communities to prepare and distribute bubur lambuk to customers during Ramadan. Through various contributions and sponsorships, AEON also extended support to selected communities, reinforcing its dedication to social well-being and sustainability.

Community Investment Performance Data	2022	2023	2024
Total amount invested where the target beneficiaries are external to AEON (in RM)	1,000,000	1,073,979	1,232,671
Total number of beneficiaries of the investment in communities	37,471	21,489	41,987

EMPOWERING PEOPLE

EMPOWERING LIVES

MAF was established in 2004 as the CSR arm of AEON group of companies in Malaysia. To date, MAF has contributed more than RM20 million through various sustainability programmes.

MISSION

Care for All

Basic Needs for All

Opportunities for All

MAF PILLAR ACTIVITIES IN 2024

Fundraising



Programme	Fund Raised
AEON CHARITY Run	RM1 million

Education



Programme	Beneficiaries
Smart Classroom	52 schools
TEACHERS' WORKSHOP	40 teachers
Green Challenge	29 students

Community Support



Programme	Beneficiaries
AEON Bantu	504 families
AEON Mesra	132 families 496 children 892 individuals
AEON Kami	15 individuals
AEON KASIH	53 individuals
General Donation	70 families 158 children 272 individuals

For more information on MAF, please visit <https://aeonfoundation.my/>

Through these diverse and impactful initiatives, AEON continues to strengthen its role as a corporate citizen, ensuring our communities thrive, our environment is protected and our future remains bright.



EFFICIENCY & INTEGRITY

GOAL An ESG-aligned organisation by 2025

AEON remains committed to efficiency and integrity, strategically driving growth while maintaining strong governance. This pillar aligns with UN SDGs 9 and 16, focusing on innovation, infrastructure, peace, justice, and strong institutions.

In 2024, AEON enhanced its governance framework to meet evolving regulations, strengthening internal controls, risk management, and sustainability oversight. Adhering to the Malaysian Code on Corporate Governance 2021 (MCCG), we refined policies to align with best practices. Sustainability assurance efforts expanded with external verification of GHG emissions and energy efficiency, building on our seven assured sustainability indicators from 2023. We also broadened Scope 3 and climate-related disclosures, ensuring alignment with the National Sustainability Reporting Framework (NSRF).

To reinforce ethical business practices, AEON initiated work toward ISO 37001:2016 Anti-Bribery Management System (ABMS) certification, targeted for completion by 2025. In data governance, we maintained zero substantiated complaints related to privacy breaches or data loss, affirming our commitment to data security.

AEON's PROJECTTRUST continues to strengthen our ERM framework, incorporating Business Continuity Management (BCM) and Anti-Bribery & Anti-Corruption measures. This holistic integration of risk management ensures resilience, operational efficiency, and ethical governance across all business functions.

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

PROMOTE INTEGRITY & ANTI-CORRUPTION



GRI 2-23, 2-24, 2-25, 2-26, 2-27, 205-1, 205-2, 205-3

MM13

Commitment:

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

WHY IT MATTERS

At AEON, strong governance is the foundation of transparency, integrity, and responsible business conduct. Embedding anti-corruption principles into our operations helps mitigate risks related to fraud, regulatory non-compliance, and reputational damage while fostering stakeholder trust and long-term growth. Upholding the highest ethical standards strengthens AEON's credibility and commitment to a fair, sustainable business environment.

OUR APPROACH

AEON has established policies and safeguards to uphold ethical conduct and prevent corruption. The AEON Code

of Ethics and AEON Corporate Commitment serve as the foundation for responsible behavior, reinforcing integrity at all levels. Employees reaffirm their commitment through monthly virtual assemblies, while the AEON Corporate Commitment is displayed on ID cards in both Bahasa Malaysia and English for daily reinforcement.

To ensure accountability, AEON has established a Whistleblowing Policy and Anti-Bribery & Corruption (ABC) Policy, both aligned with the MACC Act 2009. These policies support our zero-tolerance approach to bribery and corruption and are regularly reviewed for compliance.



The Whistleblowing Policy and ABC Policy can be viewed on our website at <https://aeongroupmalaysia.com/sustainability-policies/>

EFFICIENCY & INTEGRITY



OUR INITIATIVES AND PERFORMANCE IN 2024

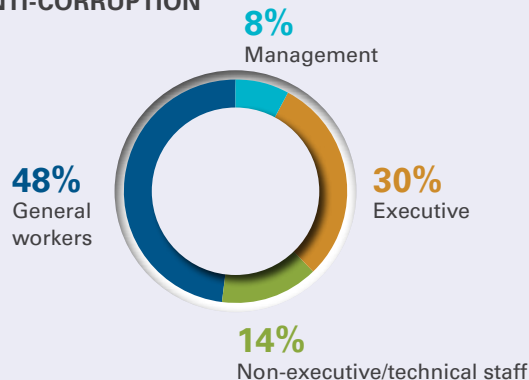
As part of AEON's ABC Policy, we remain committed to regular anti-bribery training for our employees. In 2024, AEON focused its anti-bribery training on Customer Care and Security Departments, both of which are departments with employees in high-risk roles.

In 2024, AEON expanded its efforts by conducting a group-wide anti-bribery training programme, reinforcing awareness and compliance across all levels. This initiative aligns with our implementation of an ABMS as part of our pursuit of ISO 37001:2016 certification. Strengthening our governance framework, this certification will further embed ethical business practices and align AEON with international standards for integrity and transparency. Additionally, AEON continues to assess 100% of its operations for corruption-related risks, ensuring that potential vulnerabilities are identified and mitigated proactively.

For further details on AEON's anti-bribery and corruption measures, please refer to our Statement on Risk Management and Internal Control on pages 137 to 145.

In 2024, a total of 3,229 employees attended training on anti-corruption, of which percentage of employees who received training on anti-corruption by employee category are as follows:

% OF EMPLOYEES WHO RECEIVED TRAINING ON ANTI-CORRUPTION



For 2025, AEON is on track to complete the ISO 37001:2016 ABMS certification, strengthening our anti-bribery governance framework.

As at 31 December 2024, we maintained our zero-incident score in corruption-related incidents across AEON's business operations.



Zero
Corruption Incidents
(2022-2024)

EFFICIENCY & INTEGRITY

STRENGTHEN DATA GOVERNANCE & SECURITY



GRI 418-1

MM14

Commitment:

- Zero incident of privacy and data leaks

WHY IT MATTERS

AEON remains committed to data security and transparency, ensuring the protection of sensitive information, maintaining customer trust, and safeguarding its reputation. As digital operations expand, the risks of cyber threats, unauthorised access, regulatory non-compliance, and reputational harm have intensified. To mitigate these challenges, AEON continues to strengthen its cybersecurity measures and data governance framework.

At the same time, leveraging advanced data protection technologies and maintaining regulatory compliance leadership present opportunities for digital transformation and business growth. By embedding robust governance practices, AEON reinforces its position as a trusted and responsible business in the digital economy. Through a proactive approach, AEON effectively addresses emerging digital risks, enhances stakeholder trust, and ensures operational resilience in an evolving landscape.

OUR APPROACH

AEON's data governance strategy is anchored in its Personal Data Protection Policy and follows data security benchmarks set by AEON CO., LTD., Japan to ensure compliance and safeguard sensitive information. Regular data security risk assessments are conducted to ensure lawful, transparent, and secure data collection, storage, and processing.

AEON CREDIT SERVICE (M) BERHAD, which owns and manages AEON's customer database, ensures all personal data is handled securely and in compliance with regulatory requirements, including obtaining necessary customer consent. Cybersecurity measures are continuously enhanced through advanced threat detection, incident response improvements, and system security upgrades to prevent breaches. Additionally, AEON fosters a culture of data protection through ongoing employee training and awareness programmes, strengthening internal defences against cyber threats.

OUR INITIATIVES IN 2024

In 2024, AEON undertook several initiatives to strengthen its cybersecurity and data privacy framework, ensuring compliance with evolving regulatory expectations and industry best practices:

- Enhanced cybersecurity infrastructure, including proactive threat detection systems and real-time monitoring to prevent breaches.
- Strengthened access control policies to prevent unauthorised data usage and reinforce accountability.
- Expansion of data privacy awareness programmes, ensuring employees across all levels are equipped with the latest cybersecurity best practices.

With these initiatives, AEON maintained zero substantiated complaints related to customer privacy breaches or data loss in 2024.



Zero

Substantiated complaints concerning breaches in customer privacy and data loss (2022-2024)

Moving forward, AEON will continue to enhance its cybersecurity framework and expand efforts to educate employees on data protection and privacy. Ongoing initiatives will focus on reinforcing defenses against cyber threats, strengthening data governance, and fostering a culture of security awareness. These efforts reflect AEON's commitment to upholding the highest standards of data security and resilience in an evolving digital landscape.



The Personal Data Protection Policy can be viewed on our website at <https://aeongroupmalaysia.com/sustainability-policies/>

ESG PERFORMANCE DATA TABLE

AEON CO. (M) BHD. as a listed Issuer is required to provide mandatory ESG disclosures as part of the Main Market Listing Requirements, in line with the enhanced Sustainability Reporting Guide, 3rd Edition and aligning with the National Sustainability Reporting Framework. The following performance data table is downloaded from the Bursa ESG Reporting Platform.

Indicator	Measurement Unit	2022	2023	2024
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.00	99.00	99.00
Bursa (Emissions management)				
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	265,994.28*	294,253.47*	288,285.83
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	86,159.22*	139,504.23*	263,990.85
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	1,008,914.01*	1,055,446.92*	1,211,978.85
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	412,367.65*	402,220.31*	403,840.02
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	3,838.300000	3,854.500000	3,838.300000
Bursa (Waste management)				
Bursa C10(a) Total waste generated	Metric tonnes	58,238.00	62,260.00	58,023.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	5,951.00	6,753.00	6,355.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	52,287.00	55,507.00	51,688.00
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Management Under 30	Percentage	1.00	1.00	1.00
Management Between 30-50	Percentage	88.00	86.00	85.00
Management Above 50	Percentage	11.00	13.00	14.00
Executive Under 30	Percentage	30.00	27.00	25.00
Executive Between 30-50	Percentage	65.00	68.00	70.00
Executive Above 50	Percentage	5.00	5.00	5.00
Non-executive/Technical Staff Under 30	Percentage	15.00	12.00	20.00
Non-executive/Technical Staff Between 30-50	Percentage	75.00	77.00	70.00
Non-executive/Technical Staff Above 50	Percentage	10.00	11.00	10.00
General Workers Under 30	Percentage	61.00	56.00	58.00
General Workers Between 30-50	Percentage	34.00	39.00	37.00
General Workers Above 50	Percentage	5.00	5.00	5.00
Gender Group by Employee Category				
Management Male	Percentage	43.00	42.00	41.00
Management Female	Percentage	57.00	58.00	59.00
Executive Male	Percentage	39.00	37.00	38.00
Executive Female	Percentage	61.00	63.00	62.00
Non-executive/Technical Staff Male	Percentage	100.00	100.00	100.00
Non-executive/Technical Staff Female	Percentage	0.00	0.00	0.00
General Workers Male	Percentage	44.00	50.00	50.00
General Workers Female	Percentage	56.00	50.00	50.00
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	82.00	60.00	60.00
Female	Percentage	18.00	40.00	40.00
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	18.00	10.00	10.00
Above 50	Percentage	82.00	90.00	90.00

Internal assurance

External assurance

No assurance

(*)Restated

ESG PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2022	2023	2024
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Management	Hours	9,920	12,012	9,545
Executive	Hours	35,336	42,269	32,510
Non-executive/Technical Staff	Hours	0	3,696	26,773
General Workers	Hours	106,433	195,790	38,996
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	17.00	13.00	11.00
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	-	62	55
Executive	Number	-	432	362
Non-executive/Technical Staff	Number	-	44	14
General Workers	Number	-	3,269	2,965
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	9*	7*	9
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	1	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	1.18	1.23	1.64
Bursa C5(c) Number of employees trained on health and safety standards	Number	1,131*	850*	933
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	1,000,000.00	1,073,979.00	1,232,671.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	37,471	21,489	41,987
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anticorruption by employee category				
Management	Percentage	-	No Data Provided	8.00
Executive	Percentage	-	No Data Provided	30.00
Non-executive/Technical Staff	Percentage	-	No Data Provided	14.00
General workers	Percentage	-	No Data Provided	48.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00	0.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0

Internal assurance
External assurance
No assurance
(*)Restated

Note:

For Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category: Data for this indicator disclosed in FY2023 were externally assured, however it was stated as 'data not provided' due to the revision of employee categories. This revision was implemented to streamline the employee category and to ensure consistent reporting in future.

COMFORT IN EVERY CORNER

Transform your home into a sanctuary with AEON's wide selection of quality bedding and home essentials.

05 GOVERNANCE WITH INTEGRITY

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HÓME CÓORDY

ホームコーデイ



BOARD OF DIRECTORS



The Board of Directors are wearing AEON's Private Brand apparel (Agenda, Puteri and Suave)

from left to right:

1 MS. CHONG SWEE YING
Non-Independent Non-Executive
Director

2 DATO' MERINA ABU TAHIR
Independent Non-Executive Director

3 MR. HIROAKI EGAWA
Non-Independent Non-Executive
Director

4 DATUK ISKANDAR SARUDIN
Independent Non-Executive
Chairman

5 EN. HISHAM ZAINAL MOKHTAR
Senior Independent
Non-Executive Director

BOARD OF DIRECTORS



6 PN. ZAIDA KHALIDA SHAARI
Independent Non-Executive Director

7 MR. NAOYA OKADA
Managing Director

8 MR. TSUGUTOSHI SEKO
Executive Director

**9 EN. MOHAMAD ABDUL NASER
MD JAAFAR @ YUNUS**
Independent Non-Executive Director

10 MS. JENIFER THIEN BIT LEONG
Independent Non-Executive Director

BOARD OF DIRECTORS' PROFILE



Note: Save as disclosed in this IAR 2024, all the Directors mentioned in pages 104 to 111 have no conflict of interest or potential conflict of interest, including interest in any competing business with AEON CO. (M) BHD. or any family relationship with any Director and/or major shareholder or any convictions for offenses within the past 5 years and any public sanctions or penalty imposed by the relevant regulatory bodies during the financial year, except for traffics summons, if any.

BOARD OF DIRECTORS' PROFILE

**DATUK ISKANDAR BIN SARUDIN**

Independent Non-Executive Chairman

69

M


Date of Appointment
 27 February 2017
Board of Committee:

- Nil

Directorship in other public/listed companies:

- Hextar Retail Berhad

Academic/Professional Qualification:

- B.A. (Hons) of Malay Studies, University of Malaya
- Diploma of Public Administration (INTAN)

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

**MR. NAOYA OKADA**

Managing Director

41

M


Date of Appointment
 1 July 2022
Board of Committee:

- Nil

Directorship in other public/listed companies:

- AEON CREDIT SERVICE (M) BERHAD

Academic/Professional Qualification:

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

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

BOARD OF DIRECTORS' PROFILE



EN. HISHAM ZAINAL MOKHTAR

Senior Independent Non-Executive Director

62

M



Date of Appointment
1 July 2022

Board of Committee:

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

Directorship in other public/listed companies:

- KPJ Healthcare Berhad
- Telekom Malaysia Berhad

Academic/Professional Qualification:

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

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



PN. ZAIDA KHALIDA SHAARI

Independent Non-Executive Director

57

F



Date of Appointment
1 July 2022

Board of Committee:

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

Directorship in other public/listed companies:

- UEM Sunrise Berhad
- Cement Industries of Malaysia Berhad
- MNRB Holdings Berhad
- Pelaburan Hartanah Nasional Berhad

Academic/Professional Qualification:

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

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

BOARD OF DIRECTORS' PROFILE

**DATO' MERINA ABU TAHIR**

Independent Non-Executive Director

58

F

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

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

Directorship in other public/listed companies:

- Tenaga Nasional Berhad
- S P Setia Berhad

Academic/Professional Qualification:

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

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

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

Independent Non-Executive Director

60

M

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

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

Directorship in other public/listed companies:

- Nil

Academic/Professional Qualification:

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

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

BOARD OF DIRECTORS' PROFILE



MS. JENIFER THIEN BIT LEONG

Independent Non-Executive Director

57

F



Date of Appointment
18 May 2023

Board of Committee:

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

Directorship in other public/listed companies:

- UEM Edgenta Berhad
- Malaysian Pacific Industries Berhad
- SD Guthrie Berhad (formerly known as Sime Darby Plantation Berhad)

Academic/Professional Qualification:

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

Ms. Jenifer Thien is the Founder of Grit and Pace, through which she advises Corporations on ESG strategies and what it takes to drive change in supply chain, procurement and operational excellence. She has over 30 years of international executive experience in the consumer-packaged goods industry and had the opportunity to work in several countries across Asia and the US throughout her career. This includes 25 years with Mars, Incorporated where she last served as the Global Chief Procurement Officer. Jenifer has successfully led complex business transformation and sustainability programs through her deep understanding of the business enterprise, the ability to mobilise required capabilities, as well as intensive stakeholder engagement. She is the alumna of executive programs at Global Competent Boards, London Business School, Harvard Business School, INSEAD and the Centre for Creative Leadership.



MR. HIROAKI EGAWA

Non-Independent Non-Executive Director

58

M



Date of Appointment
1 July 2022

Board of Committee:

- Nil

Directorship in other public/listed companies:

- Nil

Academic/Professional Qualification:

- Bachelor of Economics, University of Tokyo

Mr. Hiroaki Egawa brings a wealth of expertise in corporate financial banking. He began his career with The Dai-ichi Kangyo Bank in 1989 before joining Mizuho Corporate Bank Ltd., Japan. Over the years, he held various key roles, including Counselor and Deputy General Manager of the Americas Audit Office Business Audit Department, General Manager of the Yokohama Branch, and General Manager of the Corporate Finance Division in Mizuho Americas. In 2021, Mr. Egawa transitioned to AEON CO., LTD., Japan as Chief Affiliate Companies Officer. Since March 2022, he has served as the Executive Officer for Finance and Business Management at AEON CO., LTD., Japan.

BOARD OF DIRECTORS' PROFILE

**MS. CHONG SWEE YING**

Non-Independent Non-Executive Director

60

F


Date of Appointment
 23 August 2018
Board of Committee:

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

Directorship in other public/listed companies:

- Kerjaya Prospek Group Berhad

Academic/Professional Qualification:

- Tunku Abdul Rahman College, Kuala Lumpur

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

**MR. TSUGUTOSHI SEKO**

Executive Director

55

M


Date of Appointment
 1 July 2022
Board of Committee:

- Nil

Directorship in other public/listed companies:

- Nil

Academic/Professional Qualification:

- Bachelor of Arts, Kansai University

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

AEON LEADERSHIP COUNCIL



The AEON Leadership Council are wearing AEON's Private Brand apparel (Agenda and Suave)

from left to right:

1 DR. KASUMA SATRIA MAT JADI
Chief Human Resources Officer

2 MR. TSUGUTOSHI SEKO
Deputy Managing Director

3 MR. NAOYA OKADA
Managing Director

4 MS. TAN AI LEE
Chief Financial Officer

5 PN. MUNIRAH AZMI
Co-Chief Operating Officer Mall

AEON LEADERSHIP COUNCIL



6 MS. LOW NGAI YUEN
Chief Merchandising and
Marketing Officer

7 MS. AUDREY LIM SUAN IMM
Co-Chief Operating Officer Retail

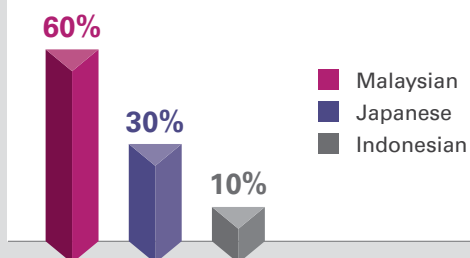
8 MR. HIDEKAZU IWAOKA
Chief Strategy Officer

9 MR. LEE BENG BENG
Chief Property Officer

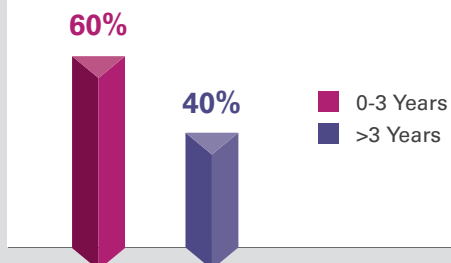
10 MR. DJONI HERLAMBANG
Chief Technology Officer

AEON LEADERSHIP COUNCIL'S PROFILE

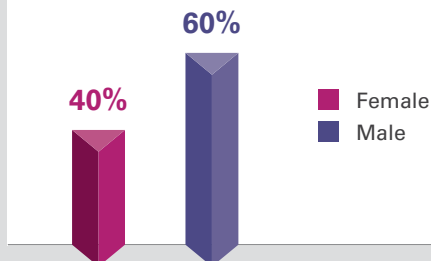
NATIONALITY



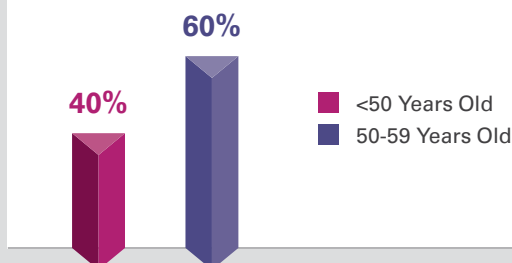
TENURE



GENDER



AGE



Note: Save as disclosed in this IAR 2024, all members of the AEON Leadership Council mentioned in pages 112 to 118 have no conflict of interest or potential conflict of interest, including interest in any competing business with AEON CO. (M) BHD. or any family relationship with any Director and/or major shareholder or any convictions for offences within the past 5 years and any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, except for traffic summons, if any.



MR. NAOYA OKADA

Managing Director

41

M



Date of Appointment
1 March 2024

For more information, please refer to page 107.



MR. TSUGUTOSHI SEKO

Deputy Managing Director

55

M



Date of Appointment
1 July 2022

For more information, please refer to page 111.

AEON LEADERSHIP COUNCIL'S PROFILE



MS. AUDREY LIM SUAN IMM

Co-Chief Operating Officer Retail

54

F



Date of Appointment
1 September 2024

Directorship in other public/listed companies:

- Nil

Responsibilities:

- Overall management of AEON Retail Business Units (Departmental Stores and Supermarket, AEON MaxValu, AEON Wellness and DAISO)
- Overall management of AEON Operation
- Responsible for the operational capability and strategy across Retail business

Academic/Professional Qualification:

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

Experience:

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



PN. MUNIRAH AZMI

Co-Chief Operating Officer Mall

46

F



Date of Appointment
1 September 2024

Directorship in other public/listed companies:

- Nil

Responsibilities:

- Overall strategy and management of AEON Mall Operations, Leasing, Marketing, Credit Control, Tenancy Administration & Risk Prevention
- Oversee operational capability and commercial strategy across Mall business
- Overall management of Mall Leasing

Academic/Professional Qualification:

- Degree of International Business, Universiti Utara Malaysia

Experience:

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

AEON LEADERSHIP COUNCIL'S PROFILE



MS. TAN AI LEE

Chief Financial Officer

41

F



Date of Appointment
21 January 2024

Directorship in other public/listed companies:

- Nil

Responsibilities:

- Oversee the strategic execution of business plans to deliver on our operating and financial goals to create long-term value for our shareholders
- Lead finance functions that encompasses planning, accounting, finance business partners, taxation, treasury and investor relations

Academic/Professional Qualification:

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

Experience:

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



MR. LEE BENG BENG

Chief Property Officer

55

M



Date of Appointment
12 March 2020

Directorship in other public/listed companies:

- Nil

Responsibilities:

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

Academic/Professional Qualification:

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

Experience:

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

AEON LEADERSHIP COUNCIL'S PROFILE



DR. KASUMA SATRIA BIN MAT JADI

Chief Human Resources Officer

52

M



Date of Appointment
1 April 2020

Directorship in other public/listed companies:

- Nil

Responsibilities:

- Overall management and operations of Human Resources, Corporate Communications, Corporate Services, Sustainability, Governance and Integrity as well as Non-Trade Procurement department
- Set, execute, and operationalise AEON's people, business, and branding strategies.
- Lead AEON's sustainability efforts, focusing on ESG initiatives.
- Drive Governance and Integrity initiatives, ensuring compliance, implementing governance frameworks, managing risks, and promoting transparency and accountability.
- Manage the Non-Trade Procurement division, optimising sourcing, supplier relationships, cost efficiency, compliance, and ethical sourcing practices.

Academic/Professional Qualification:

- Doctorate in Business Administration, Multimedia University, Malaysia
- MBA, University of Huddersfield, UK
- Degree in Business Administration (Hons.), Universiti Utara Malaysia

Experience:

- General Manager, Education Operations, LeapEd Services Sdn Bhd
- Director and Vice President, Sales and Business Development, Onshore and Offshore, Malaysia and Brunei, TechnipFMC
- Vice President, East Malaysia and Brunei, Technip
- Vice President, Human Resources and Corporate Development, Asia Pacific, Technip
- Vice President, Global Sourcing and Recruitment, Technip Group, France



MR. DJONI HERLAMBA

Chief Technology Officer

58

M



Date of Appointment
15 April 2020

Directorship in other public/listed companies:

- Nil

Responsibilities:

- Oversee digital transformation initiative
- Oversee the set-up of AEON IT Department as a profit-centric business unit
- Advise the best suitable technology for the Company
- Overall management of the design and deployment of several customised technological systems and platforms to improve customer experience
- Analyse the costs, value and risks of technology to advise management and suggest actions

Academic/Professional Qualification:

- Master's degree in Information System

Experience:

- More than 35 years of experience in the retail industry, specialising in digital transformation
- Held various senior management positions leading the IT Divisions in several major retail organisations throughout Asia

AEON LEADERSHIP COUNCIL'S PROFILE



MS. LOW NGAI YUEN

Chief Merchandising and Marketing Officer

48

F



Date of Appointment
1 July 2021

Directorship in other public/listed companies:

- GDEX Berhad
- OCK Group Berhad

Responsibilities:

- Develop strategic initiatives to expand market presence across physical stores and online platforms to deliver a consistent, seamless and customer-focused experience
- Build, collaborate and implement scalable community-centric ecosystem systems via AEON Living Zone, leveraging on advanced data analytics and insights to enhance customer journeys and lifestyles
- Drive commercial growth by optimising trade, market intelligence, and strategic partnerships to maximise profitability while identifying opportunities to expand Private Brands in line with customer trends

Academic/Professional Qualification:

- Bachelor of Science in Biology and Chemistry, Campbell University, North Carolina
- Filmmaking, University of Melbourne

Experience:

- Pahang Economic Advisory Council 2024/5 (Majlis Penasihat Ekonomi Negeri Pahang, MPEN)
- National Cultural Council 2025/7 (Majlis Kebudayaan Negara, MAKEN-Timbalan Pengerusi)
- Steering Committee of the 30% Club Malaysia
- President, Persatuan Kakiseni
- Founder and President, WOMENgirls - Pertubuhan Pembangunan Kendiri Wanita dan Gadis
- ED/CEO, Global Entrepreneurship Movement Association
- Co-founder of Makespace, Fearless Ideas and Garang Pictures
- Executive Officer for Special Development, The Melium Group
- Marketing & Communications Director, Carrefour Malaysia-Singapore
- Executive Producer and Content Creator, New Vision Media
- Film/TV/Radio Producer and Director



MR. HIDEKAZU IWAOKA

Chief Strategy Officer

50

M



Date of Appointment
1 March 2025

Directorship in other public/listed companies:

- Nil

Responsibilities:

- Overall management of Corporate Strategy, Corporate Venture Capital and Legal divisions
- Oversee mid-term management plan, company policy, strategic initiative and key performance indicator progress management
- Oversee strategic capability across the entire business

Academic/Professional Qualification:

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

Experience:

- General Manager, Corporate Planning Department, Maxvalu Nishinohon Co., Ltd.
- Director of Merchandising, AEON Orange Co., Ltd.
- Senior Manager, Myanmar Business Project, AEON CO., LTD.
- General Manager, Project of Operational Improvement, Maxvalu Nishinohon Co., Ltd.
- General Manager, Store Development Planning Department, Maxvalu Nishinohon Co., Ltd.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (the Board) of AEON CO. (M) BHD. (AEON or the Company) firmly believes that strong corporate governance (CG) practices are the foundation of business integrity, accountability, and transparency. These practices not only enhance Management oversight and ensure compliance with key regulations, including the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Securities) and the Companies Act 2016, but also build investor trust and maximise shareholder value.

In addition, AEON aligns its CG framework with the Malaysian Code on Corporate Governance 2021 (MCCG) and the FTSE Russell ESG rating criteria, enabling us to benchmark our governance standards against both local and global peers.

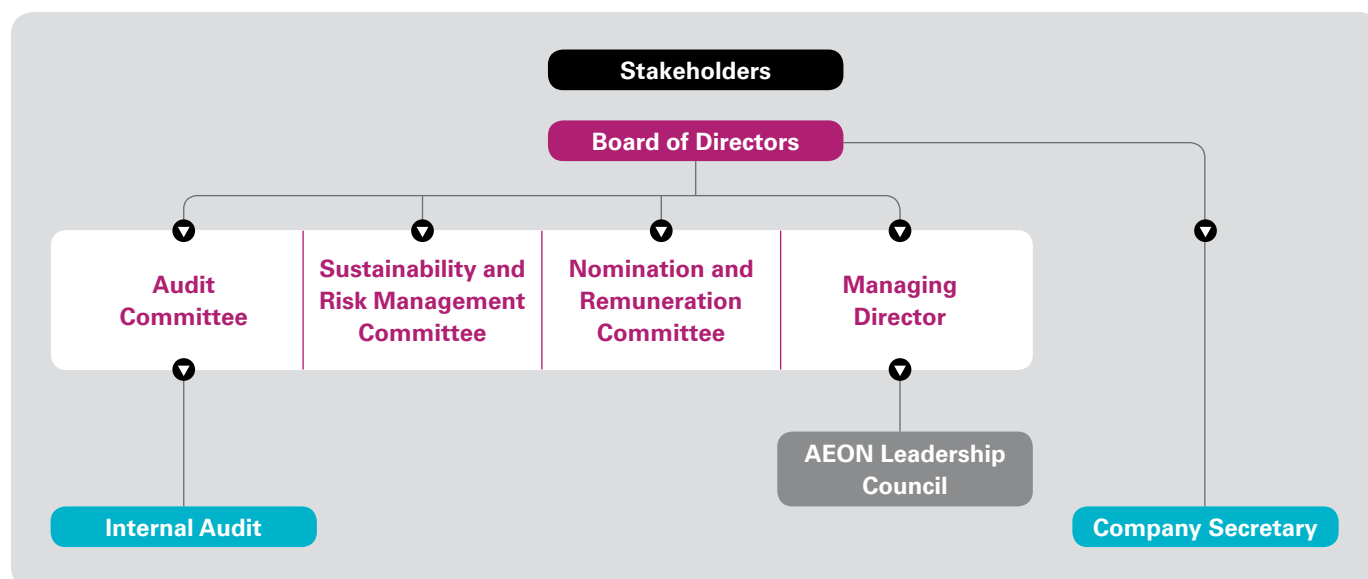
This CG Overview Statement provides an overview of key governance activities undertaken during the financial year 2024 and up to the publication date of this Integrated Annual Report. It is designed to keep stakeholders informed about AEON's adherence to the best practices outlined in the codes mentioned above. Our reporting is structured around the three core principles of the MCCG, as detailed below:



The statement is supplemented by a detailed CG Report for the financial year 2024, prepared in line with paragraph 15.25 of the MMLR, accessible on AEON's website at <http://aeongroupmalaysia.com> and via an announcement on Bursa Securities' website. This statement should also be read alongside the Statement on Risk Management and Internal Control (SORMIC), the Audit Committee Report, and other relevant sections of this Integrated Annual Report.

CG FRAMEWORK

AEON has established a comprehensive CG framework, which undergoes annual review to ensure its relevance and effectiveness. The Board leverages three Board committees to maintain regular and active oversight over the business direction and daily operations of the Company, which is led by the Managing Director. Each of the committees and functions depicted in the diagram below plays a critical and interdependent role to ensure good governance across the Company.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS

The Board upholds the principles of stewardship, taking on the responsibility for the Company's performance, providing strategic direction and ensuring AEON operates its business and affairs in line with the Board Charter to ensure sustainable growth and long-term success of the Company. The Board's primary role is to provide leadership, guide management, and establish corporate objectives and strategies to achieve them. While pursuing these objectives, the Board considers the interests of all stakeholders and remains accountable to shareholders as a publicly listed company on the Main Board of Bursa Securities.

The Board Charter outlines the roles and responsibilities of Directors, the composition, processes and division of duties, as well as matters reserved exclusively for the Board and its committee. It undergoes a periodic review, with the most recent update completed in November 2023. Beyond the collective responsibilities of the Board, each Director has a fiduciary duty to act in good faith in the best interests of the Company and a duty of care to shareholders, as stipulated under the Companies Act 2016.



The latest version of the Board Charter is available on the Company's website at <https://ir2.chartnexus.com/aeon/corporate-governance.php>

I. BOARD ROLES AND RESPONSIBILITIES

▶ Chairman

Oversees Board operations, provides leadership, and ensures effectiveness of the Board.

The profile of the Chairman is set out in page 107 of this Integrated Annual Report.

▶ Managing Director

Leads and manage the Company's business within a set of authorities delegated by the Board and for the implementation of the Company's strategies and policies.

The profile of the Managing Director is set out in page 107 of this Integrated Annual Report.

▶ Independent Non-Executive Directors

Protect the interest of minority shareholders and other stakeholders, while monitoring strategy implementation and business performance.

The profiles of the Independent Non-Executive Directors are set out in pages 107 to 111 of this Integrated Annual Report.

▶ Company Secretaries

Advise the Board, particularly on matters regard to the Company's Memorandum and Article of Association, the Board policies and procedures, compliance with regulatory and legislation matters, and advise on corporate governance best practices as recommended under the MCCG. The Company Secretaries also ensure that deliberations at the Board and Board Committees meetings are well-minuted, and matters arising from the Board and Board Committees meetings are subsequently communicated to the Management for appropriate actions.

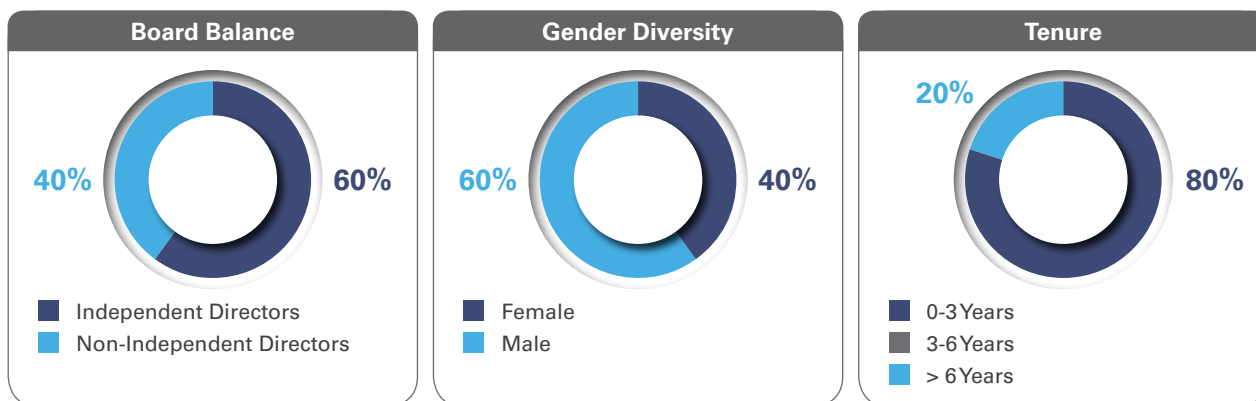
AEON's Company Secretaries, Ms. Tai Yit Chan and Ms. Tan Ai Ning of Boardroom Corporate Services Sdn. Bhd., are fellows of the Malaysian Institute of Chartered Secretaries and Administrators, with over 20 years of experience.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

II. BOARD COMPOSITION

1. Board Composition and Balance

As at 31 December 2024 and up to the date of this Integrated Annual Report, the Board comprises 10 Directors including an independent Board Chairman. The Board composition has met the requirements under Paragraph 15.02 of MMLR that stipulates that at least two or one-third Directors whichever is the higher, are Independent Directors and at least one of the Director is a woman director. The Company has at least half of the Board comprised of Independent Directors which is sufficient to provide effective oversight of Management.



2. Board Independence

The Board prioritises independence and objectivity in its decision-making process, aligned with the MCCG, as part of its commitment to good corporate governance.

The Board delegates implementation of the Company's strategic priorities, policies, and decisions to the Managing Director, who is supported by the AEON Leadership Council (ALC), to achieve the goal of creating long-term value for stakeholders through excellent customer service and sustainable best-in-industry business practices.

The Company's Independent Non-Executive Directors remain free from any management or business relationships that could compromise or materially interfere with their ability to exercise impartial judgment, considering not only the interests of the Company but also shareholders, employees, customers, partners, and the communities it serves. The Board, through the Nomination and Remuneration Committee, annually evaluates each Director's independence to ensure compliance.

Any Director who identifies a conflict of interest, potential conflict, material personal interest, or relationship that could reasonably influence their decision-making must immediately disclose it to the Board and abstain from discussions or voting on the relevant matter.

The Board is mindful of MCCG recommendations limiting Independent Directors' tenure to nine years, with a maximum of 12 years under the MMLR. Independent Directors exceeding nine years may continue to serve the Board but will be re-designated as a Non-Independent Non-Executive Director upon completion of nine years tenure. If the Board intends to retain the Director as an Independent Director after the Director has served a cumulative term of nine years but less than 12 years, the Board must justify the decision and seek shareholders' approval at general meeting as prescribed under MCCG. Once an Independent Director has served a cumulative term of his/her 12th year, he/she will either be re-designated as a Non-Independent Non-Executive Director or retire as Director of the Company. During the financial year under review, none of the Independent Non-Executive Directors reached the 9-year tenure.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

3. Directors' Commitment

The Board endeavours to convene at least four (4) times annually, with meetings scheduled quarterly and planned well in advance of the preceding financial year to facilitate scheduling and planning among Directors. The Board is satisfied with the level of commitment and dedication exude by the Directors towards fulfilling their roles and responsibilities. All key matters discussed, along with the decisions and conclusions reached during Board meetings, are documented by the Company Secretaries. During the financial year under review, the Board met six (6) times. Details of Directors' attendance are outlined below:

Name		Meeting Attendance	
1.	Datuk Iskandar Sarudin (Independent Non-Executive Chairman)	6/6	100%
2.	Mr. Naoya Okada (Appointed as Managing Director on 1 March 2024)	6/6	100%
3.	Mr. Tsugutoshi Seko (Deputy Managing Director)	6/6	100%
4.	Encik Hisham Zainal Mokhtar (Senior Independent Non-Executive Director)	6/6	100%
5.	Puan Zaida Khalida Shaari (Independent Non-Executive Director)	6/6	100%
6.	Dato' Merina Abu Tahir (Independent Non-Executive Director)	6/6	100%
7.	Ms. Jenifer Thien Bit Leong (Independent Non-Executive Director)	6/6	100%
8.	Encik Mohamad Abdul Naser Md Jaafar @ Yunus (Independent Non-Executive Director)	6/6	100%
9.	Ms. Chong Swee Ying (Non-Independent Non-Executive Director)	6/6	100%
10.	Mr. Hiroaki Egawa (Non-Independent Non-Executive Director)	6/6	100%
11.	Mr Keiji Ono (Resigned as Managing Director on 29 February 2024)	1/1	100%

The Board maintains a policy requiring Directors to notify the Chairman before accepting any new directorships, even though the MMLR permit a Director to serve on the boards of up to five (5) listed issuers.

To ensure Directors remain actively engaged in Board deliberations, they are encouraged to participate in ongoing education programmes and training sessions. In FY2024, the Directors dedicated adequate time to enhance their knowledge and skills by attending various training programmes, details of which are provided on page 127 of this Statement.

Additionally, the Directors conduct site visits to existing stores, new locations, and business outlets as needed, allowing them to gain a comprehensive understanding of the Company's operations and strategic initiatives.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

4. Board Committees and Delegation

The Board delegates the implementation of the Company's strategies to the Management while maintaining the ultimate accountability for corporate governance and the affairs of the Company. While the Board retains full oversight and responsibility for guiding and monitoring the Company in discharging its responsibilities, the Board has established the following Board Committees to assist in specific functions and provide recommendations and advice:

Audit Committee (AC)	Nomination and Remuneration Committee (NRC)	Sustainability and Risk Management Committee (SRMC)
-------------------------	---	---

An overview of the Board Committees and their respective responsibilities are detailed below:

AC	NRC	SRMC
<ul style="list-style-type: none"> Internal audit External audit Financial reporting Audit report Related party transaction Internal controls Conflict of interest Legal matters 	<ul style="list-style-type: none"> Board size and composition Selection and recruitment of Directors Board performance evaluation Committee performance evaluation Directors' training Remuneration policy Directors' fees and benefits Performance-related pay schemes Fit and proper criteria 	<ul style="list-style-type: none"> Risk management matters Whistleblowing and integrity matters Sustainability Management and ESG matters Risk Management Committee (RMC) performance evaluation Sustainability Steering Committee (SSC) performance evaluation

Each Committee operates in accordance with the written Terms of Reference approved by the Board. The Board reviews the Terms of Reference of each Committee periodically. The terms of office and performance of the AC is reviewed annually by the NRC. The Board reviews the performance of AC, NRC and SRMC annually. The Board approves the appointment of the members and the Chairman of each Committee.



The Terms of Reference of each of the Board Committee are published on the Company's website at <http://ir2.chartnexus.com/aeon/corporate-governance.php>

5. Sustainability Governance

At AEON, sustainability is deeply embedded in our business operations, encompassing every aspect of our organisation, strategic planning, and governance framework. We recognise that a strong governance structure is fundamental to clearly defining roles and responsibilities across the Company to achieve our sustainability goals. Guided by the principles of accountability and integrity, we are committed in delivering on our goals and realising our long-term sustainability aspirations.

Our sustainability efforts are underpinned by a robust governance structure as outlined in our Board Charter. The Board of Directors, supported by the SRMC provide strategic oversight of AEON's sustainability initiatives to ensure the implementation of effective systems and processes to achieve our goals.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The SRMC is tasked with aligning sustainability and climate risk strategies to AEON's broader business objectives. Chaired by Ms. Chong Swee Ying (from 1 January 2024 to 23 May 2024) and Ms. Jenifer Thien Bit Leong (from 24 May 2024 onwards), the SRMC is supported by the Sustainability Steering Committee (SSC), which is responsible for overseeing the execution and monitoring of sustainability strategies and performance across the Company. The SSC is further supported by the Sustainability Task Force (STF) that drives the overall ESG initiatives and keeps track of our ESG performance against set targets.

AEON's Sustainability Governance Structure and Key Responsibilities

► BOD

Headed by Board Chairman

- Oversees the management of sustainability and climate-related risks and opportunities.
- Reviews and approves the Company's sustainability disclosures and strategic directions.
- Identifies key ESG and climate-related risks affecting AEON and ensures the implementation of robust internal controls and mitigation measures.
- Holds accountability for AEON's overall sustainability strategy and performance.

► SRMC

Headed by SRMC Chairman

Consists of current SRMC composition

- Develops high-level sustainability and climate risk strategies aligned with AEON's strategic business objectives.
- Establishes robust processes to identify, manage, and monitor critical sustainability and climate risks.
- Oversees the implementation of sustainability initiatives and ensures continuous improvement in response to evolving business environments.
- Supervises the organisation's overall conduct and reviews company-wide risk assessments, including the identification and reporting of critical sustainability and climate-related risks.
- Advises the Board on risk strategies and coordinates the activities of Board committees to ensure effective oversight of sustainability and climate risks.

► SSC

Headed by Deputy Managing Director

Consist of ALC members

- Oversees the execution and performance of the Company's sustainability strategy.
- Reviews, deliberates and recommends the Company's sustainability strategic direction for Board approval.
- Provides quarterly updates to the SRMC on the progress and performance of sustainability initiatives.

► STF

Co-headed by Chief Human Resource Officer and Head of Sustainability

Consists of functional heads

- Manages overall sustainability performance, drives key initiatives, and monitors target achievements.
- Serves as the central point of contact for all sustainability-related matters, providing regular updates during SSC meetings.
- Establishes, implements, and monitors sustainability initiatives, including data collection and tracking.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

6. Nomination and Remuneration Committee

Board Nomination and Appointment of Directors

The NRC comprises exclusively of Non-Executive Directors, a majority of whom are independent and comprises four (4) members in total. During the financial year under review, five (5) NRC meetings were held and the attendance at such meetings is indicated below:

Name	Directorship	Meeting Attendance
1. Puan Zaida Khalida Shaari (Chairman)	Independent Non-Executive Director	5/5 100%
2. Ms. Jenifer Thien Bit Leong (Member)	Independent Non-Executive Director	5/5 100%
3. Encik Mohamad Abdul Naser Md Jaafar @ Yunus (Member)	Independent Non-Executive Director	5/5 100%
4. Ms. Chong Swee Ying (Member)	Non-Independent Non-Executive Director	5/5 100%

The NRC is tasked with recommending the optimal size and composition of the Board to ensure its effectiveness. This includes identifying the necessary competencies, experience, and attributes of Board members and implementing strategies to promote Board diversity. To fulfil its responsibilities, the NRC has established specific criteria for the recruitment process and the annual assessment of Directors. When evaluating candidates, the NRC considers the following factors:

- Skills, knowledge, expertise, and experience;
- Professionalism and integrity;
- Commitment, including time availability and contributions;
- Background, character, and competence;
- Fit and proper criteria;
- Boardroom diversity; and
- For candidates proposed as Independent Non-Executive Directors, the ability to fulfil the responsibilities and functions expected of such a role.



The detailed criteria are outlined in the NRC's Terms of Reference, accessible on the Company's website at <http://ir2.chartnexus.com/aeon/corporate-governance.php>

The Board may appoint a new Director following a selection process initiated by the NRC, which evaluates and recommends suitable candidates for Board approval. Appointed individuals are subject to re-election at the next AGM in accordance with the Company's Articles of Association.

The Board leveraged independent sources, as well as recommendations from Directors, Management, and shareholders, to identify qualified candidates for directorship. External agencies may also be sought out to tap into their Directors' registry. The NRC assesses and determines the suitability of candidates based on established criteria before making recommendations to the Board for appointment.

For newly appointed Directors, the NRC organises an induction programme, including visits to the Company's key business locations and meetings with the ALC. This induction ensures that new appointees gain a comprehensive understanding of the Company's operations, current issues, corporate strategies, structure, and management.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

7. Board Assessment and Annual Evaluation

The NRC conducts an annual review to evaluate the composition, skills, and effectiveness of the Board. This includes assessing succession plans, diversity (in terms of gender, age, ethnicity, and background), training requirements, and core competencies required of Directors. The Board effectiveness evaluation process for financial year 2024 was conducted by engaging an independent consultant. The results of the assessment and comments are summarised and deliberated during NRC meetings and subsequently reported to the Board by the NRC Chairman. All evaluations are well documented and kept as record.

The NRC convenes at least one meeting annually, with additional meetings held as needed. During the financial year under review, the NRC carried out the following:

- i. Evaluate and recommend the appointment of Managing Director to the Board for approval;
- ii. Review and assess the mix of skills, expertise, size, and composition of the Board, including the competencies of both Executive and Non-Executive Directors;
- iii. Assess individual contributions of all Directors, including the Managing Director and Executive Director;
- iv. Evaluate the effectiveness of the Board and Board Committees;
- v. Assess the fit and properness of Directors retiring pursuant to the Company's Articles of Association and are seeking for re-election at the AGM;
- vi. Review and recommend Directors' fees and benefits payable to the Directors including meeting allowance to the Board for shareholders' approval;
- vii. Review and recommend the Managing Director's and Company Scorecard to the Board for approval;
- viii. Review and recommend the bonus of the Managing Director and Deputy Managing Director to the Board for approval;
- ix. Review and recommend the revision to the Terms of Reference of the NRC, SRMC and AC to the Board for approval;
- x. Review and recommend the revision to Fit & Proper Policy to the Board for approval; and
- xi. Review the succession planning framework for the Board and Board Committees.



Details of the Fit and Proper Policy are available on the Company's website at <http://ir2.chartnexus.com/aeon/corporate-governance.php>

8. Re-election to the Board

The NRC reviewed the re-election of Directors in accordance with the Company's Articles of Association whereby all the Directors are subject to retirement at the AGM every year.

9. Directors' Training











































The Board, through the NRC, continuously identifies relevant training programmes, seminars, and briefings for the Directors to attend to ensure Directors remain updated on legislative and regulatory developments impacting the Company. All Directors have completed the Mandatory Accreditation Programme (MAP) Part I and are committed to completing MAP Part II within the stipulated timeline as required by Bursa Securities.

The Directors consistently seek opportunities to enhance their skills and knowledge to fulfill their roles effectively. They are also regularly briefed by the Company Secretaries on statutory and regulatory updates, including amendments to Bursa Securities' MMLR, MCGG, and the Companies Act 2016. Additionally, the External Auditors provide updates on changes to the Malaysian Financial Reporting Standards (MFRS) that impact the Company's financial statements.







CORPORATE GOVERNANCE OVERVIEW STATEMENT

During the financial year under review, the Board members attended briefings, conferences, forums, seminars and training programmes under the respective category below:

Summary of Board of Director's Training in FY2024

1. Datuk Iskandar Sarudin	  
2. Mr. Naoya Okada	    
3. Mr. Tsugutoshi Seko	  
4. Encik Hisham Zainal Mokhtar	   
5. Puan Zaida Khalida Shaari	    
6. Dato' Merina Abu Tahir	    
7. Ms. Jenifer Thien Bit Leong	    
8. Encik Mohamad Abdul Naser Md Jaafar @ Yunus	   
9. Ms. Chong Swee Ying	   
10. Mr. Hiroaki Egawa	   

Legend:

- | | |
|---|--|
|  Governance & Compliance (Anti-Bribery / COI / Ethics) |  Financial / Tax / Remuneration Related |
|  Retail Industry |  Bursa Related Training |
|  ESG |  AI / Technology / Cyber Security |

For the full list of briefings, conferences, forums, seminars and trainings programmes attended by the Board, please refer to Practice 5.5 of the accompanying CG Report 2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

III. DIRECTORS' REMUNERATION

The NRC establishes policies and frameworks for Directors' remuneration, ensuring alignment with the Company's strategy, performance, and long-term objectives. These frameworks are designed to attract and retain qualified Directors while maintaining fairness and transparency.

For Executive Directors, the NRC adopts the ultimate holding company's employee compensation plan, structuring their remuneration to link rewards with both corporate and individual performance. For Non-Executive Directors, remuneration is determined based on their experience and the level of responsibilities they undertake.

The Board collectively determines remuneration packages, with Executive Directors abstaining from discussions or decisions regarding their own remuneration. However, they may attend NRC meetings at the Chairman's invitation if their presence is required.

During the financial year under review, the NRC:

1. Reviewed and recommended the remuneration packages for the Managing Director and Executive Director to the Board's approval, in line with its Terms of Reference.
2. Reviewed and recommended the Directors' fees and benefits payable to the Non-Executive Directors to the Board to seek shareholders' approval at the AGM, as stipulated in the Company's Articles of Association.

No Director is involved in determining his/her own remuneration, ensuring impartiality in the decision-making process.

PRINCIPLE B

EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE (AC)

The AC plays a critical role in upholding the integrity of financial reporting and provides advice and assistance to the Board in discharging its statutory and fiduciary responsibilities. Its primary responsibilities include oversight of internal and external audit functions, compliance systems and practices, financial statements, accounting and internal control systems as well as matters that may significantly impact the financial condition or affairs of the Company.

The AC ensures that the Company's financial statements comply with applicable financial reporting standards in Malaysia.

The AC comprises four (4) Independent Non-Executive Directors, with Encik Hisham Zainal Mokhtar serving as Chairman. Further details, including the composition of the AC, roles and responsibilities of the AC, the number of meetings and attendance of AC, a summary of AC activities and Internal Auditors' activities during the financial year under review are outlined in the Audit Committee Report on pages 132 to 136 of this Integrated Annual Report. The Terms of Reference of the AC also provides that a former key audit partner has to observe a cooling-off period of at least three years before being appointed as a member of AC.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

II. SUSTAINABILITY AND RISK MANAGEMENT COMMITTEE (SRMC)

The SRMC oversees the governance, risk management and internal control systems and AEON's overall sustainability journey and strategy.

The SRMC operates under a clearly defined Terms of Reference approved by the Board and published on AEON's corporate website at <https://aeongroupmalaysia.com>. The establishment of the SRMC aligns with Practices 10.1 and 10.2 of the MCCG, ensuring the adequacy and effectiveness of risk management and internal control frameworks.

AEON's risk management framework is guided by ISO 31000:2018 principles, encompassing risk identification, assessment, prioritisation, mitigation, and monitoring. The SRMC works with the Risk Management Committee (RMC), led by the Deputy Managing Director, to oversee and review the risk management framework.

The SRMC also receives regular updates on key business risks, mitigation measures, and sustainability initiatives. The Deputy Managing Director, Chief Human Resource Officer, Head of Sustainability and Head of Governance & Integrity were invited to attend SRMC meetings to provide insights and clarifications on risk and sustainability matters, while the Company Secretary acted as the Secretary for the Committee.

During the financial year under review, the SRMC held four (4) meetings and attendance records of the SRMC are as follows:

Name	Directorship	Meeting Attendance	
1. Ms. Jenifer Thien Bit Leong (Chairman) (Redesignated from Member to Chairman on 24 May 2024)	Independent Non-Executive Director	4/4	100%
2. Dato' Merina Abu Tahir (Member)	Independent Non-Executive Director	4/4	100%
3. Encik Hisham Zainal Mokhtar (Member)	Independent Non-Executive Director	4/4	100%
4. Ms. Chong Swee Ying (Member) (Redesignated from Chairman to Member on 24 May 2024)	Non-Independent Non-Executive Director	4/4	100%

The summary of activities that the SRMC carried out during the financial year under review are described below:

Risk Management

- Reviewed the adequacy and effectiveness of the Company's risk management framework;
- Monitored principal risks and evaluated mitigation measures; and
- Reviewed whistleblowing reports and ensured the effective implementation of whistleblowing practices, including appropriate resources and systems.

Details on risk management are available under the Statement on Risk Management and Internal Control on pages 137 to 145 of this Integrated Annual Report.

Sustainability

- Reviewed procedures for identifying, assessing, monitoring, and managing ESG and sustainability-related risks;
- Assessed the integration of ESG policies, practices, and goals into the Company's business strategy and decision-making; and
- Monitored actions and measures to address ESG risks, ensuring alignment with corporate objectives.

Additional information on AEON's sustainability progress is detailed on pages 50 to 101 of this Integrated Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

The Board recognises that stakeholder engagement is a fundamental element of good corporate governance. It fosters open, constructive relationships with all stakeholders — regardless of size, be it institutional or individual. The Board ensures equal treatment for all shareholders by providing them with consistent access to relevant information and disclosures.

The Chairman, supported by the Board and Management, is responsible for ensuring effective two-way communication with stakeholders. AEON's Investor Relations function, reporting into the Chief Financial Officer, serves as the primary liaison with the investment community, facilitating engagement through regular meetings, conference calls, and site visits. These efforts ensure the investment community is kept abreast of the Company's operations, strategic developments and financial performance, supported by a comprehensive investor relations programme.

Additionally, AEON maintains a corporate information section on its website, where announcements, quarterly financial results, share prices, and annual reports are accessible. Contact details for addressing queries are also published on the website. Communication lines with local and foreign investors were kept open throughout the year. IR engagements are fronted by the Head of Investor Relations to ensure credibility and effective communication with the Company's shareholders and the investment community.

I. PROACTIVE ENGAGEMENT WITH THE INVESTMENT COMMUNITY

AEON is committed to maintaining high levels of corporate disclosure and transparency in compliance with the MMLR to protect shareholders' interest. The Company ensures the timely dissemination of financial and strategic updates to provide equal access to information for all stakeholders.

The Head of Investor Relations, together with the Chief Financial Officer, actively engages with the investment community through in-person and virtual meetings. In FY2024, a total of 120 group and one-to-one meetings as well as teleconference sessions were held. These engagements offer institutional investors and analysts insight into the Company's business developments, financial performance, strategies, and prospects. The growing interest in sustainability is also addressed in these meetings, as investors increasingly consider ESG factors in their assessments.

Analyst briefings were conducted to facilitate interactions between the analysts, institutional investors and the Management. These sessions were chaired by the Managing Director together with the Chief Financial Officer, Head of Sustainability and Head of Investor Relations. Quarterly announcements to Bursa Securities as well as the results presentations and press releases are published on AEON's company website under the Investor Relations section. Public and media relations are managed through updates via the Company's website, social media platforms, press releases, and press conferences.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

II. DIVIDEND

AEON's consistently strong performance has enabled us to reward our loyal shareholders with a final dividend of 4.5 sen per share, subject to shareholders' approval at the upcoming 40th AGM.

	FY2022	FY2023	FY2024
Dividend declared per share (sen)	4.0	4.0	4.5*

* Subject to shareholders' approval at the upcoming 40th AGM.

Dividends are paid within 30 days from the date of declaration for interim dividends, and from the date of shareholders' approval in the case of final dividends.

III. ANNUAL GENERAL MEETING

The AGM serves as a key platform for shareholders to directly interact with the Board and Management. At each AGM, the Company provides an overview of its performance and highlights key activities undertaken during the financial year under review. Shareholders are encouraged to ask questions, provide comments, and participate in discussions before proceeding with poll voting on proposed resolutions.

The Company's 39th AGM, held on 23 May 2024, was conducted via live streaming and Remote Participation and Voting (RPV) facilities in compliance with Section 327 of the Companies Act 2016. During the meeting, the Managing Director presented a review of the operating environment, financial performance, key strategies, and business priorities. The Chief Financial Officer and Deputy Managing Director addressed questions submitted by the Minority Shareholder Watchdog Group (MSWG). The Chairman of the Board and Board Committees were present at the 39th AGM.

In accordance with Section 316(2) of the Companies Act 2016 and Paragraph 7.15 of the MMLR, the notice of the 39th AGM was circulated at least 28 days prior to the meeting. The Notice of AGM was published in a national newspaper and announced on Bursa Securities' website, ensuring shareholders had ample time to review the Integrated Annual Report and related materials to make necessary preparations for the AGM.

This Corporate Governance Overview Statement was approved by the Board on 25 February 2025.

AUDIT COMMITTEE REPORT

The role of Audit Committee (AC) is to assist the Board in fulfilling its oversight responsibilities encompassing a review of the financial reporting process as well as overall compliance with relevant applicable legal and regulatory requirements.

In discharging its responsibilities, the AC is guided by the Terms of Reference of AC. Following the amendments to the Main Market Listing Requirements (MMLR) with regard to conflict of interest, the Terms of Reference of the AC was amended and approved by Board on 23 February 2024 to reflect the enhanced role of the AC in this regard and was further revised on 15 May 2024, which is available on the Company's website at <https://aeongroupmalaysia.com>.

The Board is pleased to present the AC Report for the financial year ended 31 December 2024.

COMPOSITION

The AC comprises the following members:

Name	Directorship	Appointment Date
1. En. Hisham Zainal Mokhtar (Chairman)	Senior Independent Non-Executive Director	1 July 2022
2. Dato' Merina Abu Tahir (Member)	Independent Non-Executive Director	18 May 2023
3. En. Mohamad Abdul Naser Md Jaafar @ Yunus (Member)	Independent Non-Executive Director	18 May 2023
4. Pn. Zaida Khalida Shaari (Member)	Independent Non-Executive Director	18 May 2023

The composition of the AC adheres to Paragraphs 15.09 and 15.10 of the MMLR as follows:

- The AC consists of at least three (3) members who are Non-Executive Directors, with the majority being Independent Directors.
- At least one (1) member of the AC meets the qualification criteria.

Currently, the AC comprises four (4) members, all of whom, including the Chairman, are Independent Non-Executive Directors. This is also in line with Step-Up Practice 9.4 of the MCCG which recommends the AC to comprise solely of Independent Directors. As a member of the AC, Dato' Merina Abu Tahir fulfills the qualification criteria as she is a member of the Malaysian Institute of Accountants, Fellow of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Certified Public Accountants. The AC's composition also aligns with Practice 9.2 of the MCCG, which requires a three-year cooling-off period before a former key audit partner can be appointed to the AC.

Additionally, the Nomination and Remuneration Committee (NRC) conducts an annual review of the AC's terms of office and the performance of the AC and its members to ensure they effectively discharge their duties as outlined in the AC's Terms of Reference. The AC also complies with additional stipulations in its Terms of Reference, which state that:

- All members must be financially literate and capable of understanding matters within the AC's purview, including the financial reporting process; and
- The Chairman of the Board must not serve as the Chairman of the AC.

AUDIT COMMITTEE REPORT

MEETINGS AND ATTENDANCE

During the financial year under review, the AC had convened four (4) meetings. The attendance records of the AC are as follows:

Name	Meeting Attendance	
1. En. Hisham Zainal Mokhtar (Chairman)	4/4	100%
2. Dato' Merina Abu Tahir (Member)	4/4	100%
3. En. Mohamad Abdul Naser Md Jaafar @ Yunus (Member)	4/4	100%
4. Pn. Zaida Khalida Shaari (Member)	4/4	100%

The Deputy Managing Director, Chief Financial Officer and Head of Internal Audit attended AC meetings by invitation to provide relevant insights, briefings and clarifications and advice to the AC on the matters including audit, risk and operational matters. Where necessary, relevant Management representatives were invited to address specific control lapses, issues highlighted in audit reports, and other clarifications on their respective areas of responsibilities.

Representatives of the external auditor, Messrs KPMG PLT, attended two (2) meetings during the financial year ended 31 December 2024 to present their external audit and review matters. The Company Secretary, acting as the Secretary of the AC, was present at all meetings.

SUMMARY OF KEY ACTIVITIES

The AC carried out its responsibilities in accordance with its Terms of Reference, as summarised below:

Financial Reporting

- Reviewed the Company's compliance with IFRS Accounting Standards and MFRS Accounting Standards, including changes in accounting policies and new standards; and
- Reviewed and recommended all quarterly financial reports and the audited financial statements for FY2024 to the Board for approval.

External Audit

- Reviewed and recommended the terms of appointment of external auditors, taking into consideration their competencies, commitments, objectivity, and independence;
- Reviewed the annual evaluation of external auditor's performance and effectiveness for FY2024, which was coordinated and conducted by an independent consultant and recommended their re-appointment to the Board;
- Reviewed the scope of work and audit plan for FY2024;
- Reviewed external auditors' term of reference of their appointment and their audit and non-audit related fees for FY2024;
- Deliberated the audit findings from external auditor's review of financial statements, including key audit matters, and internal control and observations; and
- Held two (2) private meetings with the external auditors on 20 February 2024 and 20 November 2024 without Management's presence to discuss audit-related matters.

AUDIT COMMITTEE REPORT

Internal Audit

- Reviewed and approved the annual internal audit plan for FY2024 based on the risk assessment conducted to ensure adequate scope and comprehensive coverage of the Company's activities;
- Reviewed and deliberated on internal audit reports, recommendations and Management's responses. Significant issues were discussed at length with the presence of relevant Management team to ensure satisfactory response to address identified risks;
- Monitored the implementation of mitigating actions by Management on outstanding issues on a quarterly basis to ensure that all key risks and control weaknesses were properly and timely addressed;
- Held two (2) private meetings with the Head of Internal Audit on 20 February 2024 and 20 November 2024 without Management's presence to discuss internal audit matters; and
- Assessed the performance, competency, and resources of the Internal Audit Department to ensure adequate expertise and professionalism to discharge its duties.

Related Party Transaction (RPT) and Recurrent Related Party Transactions (RRPT)

- Reviewed RPTs and RRPTs quarterly to ensure compliance with the Companies Act 2016 and MMLR. From the approved RRPT mandate, the AC is satisfied that there were reasonable controls in monitoring the amounts transacted during the year;
- Reviewed the RPTs entered into by the Company with related parties to ensure that:
 - (i) RPTs have been conducted based on the Company's normal commercial terms and are not detriment to the Company's minority shareholders;
 - (ii) Proposed disclosures are made in compliance with the MMLR; and
 - (iii) Actual transaction values for the RRPTs are within the mandate approved by shareholders.
- Reviewed the estimated RRPT mandate for the ensuing year and the Circular to Shareholders in respect of new and renewal of shareholders' mandate for RRPTs prior to seeking Board approval.

Conflict of Interest (COI)

- Reviewed and monitored all potential and actual conflict of interest situations within the Company, ensuring compliance with regulatory requirements and internal policies;
- Reviewed COI disclosures submitted by the Company's Directors and ALC; and
- Assessed potential COI situations, including any transactions, procedures or courses of conduct that could raise concerns regarding Management's integrity, together with the measures taken to resolve, eliminate or mitigate such conflicts and report to the Board.

Governance and Regulatory Compliance

- Monitored regulatory compliance to meet requirements by Bursa Securities, Securities Commission, Malaysian Accounting Standards Board and other legal and regulatory bodies;
- Reviewed the Japanese Sarbanes Oxley (J-SOX) Compliance Assessment Progress Report for the Company;
- Reviewed all legal matters of the Company and report to the Board; and
- Reviewed the solvency test undertaken by the Management and being satisfied with the result of the solvency test, recommended the proposed final dividend in respect of the financial year ended 31 December 2024 for the Board to recommend to the shareholder for approval.

Integrated Annual Report

- Reviewed the Audited Financial Statements for FY2024;
- Reviewed the Statement on Risk Management and Internal Control (SORMIC); and
- Reviewed the Corporate Governance Overview Statement, Corporate Governance Report and Audit Committee Report prior to Board's approval for inclusion in this Integrated Annual Report 2024.

Other Activities

- Reported to the Board on its activities and significant findings and results of the External and Internal Audit recommendations.

AUDIT COMMITTEE REPORT

KEY MATTERS CONSIDERED

At each meeting, the AC receives updates on key governance matters, audit initiatives, and key issues across the Company. The AC also reviews and reports to the Board on significant matters, including financial reporting, Management's significant judgments, unusual or significant events or transactions, and how these matters are addressed.

INTERNAL AUDIT FUNCTION

The Internal Audit Department, led by the Head of Internal Audit, Cik Nur Suriya Selasiya Mohamad Omar, oversees all audit activities within the Company. She holds a Bachelor of Mathematics and Management with Honors, is a Certified Internal Auditor, and is a Professional Member of the Institute of Internal Auditors Malaysia (IIAM).

The Internal Audit Department operates independently to provide unprejudiced and reasonable assurance to add value as well as improve AEON's operations. The Head of Internal Audit reports functionally to the AC and administratively to the Managing Director to cater to an appropriate degree of independence from the operations of the Company. The AC reviews and approves the annual Internal Audit plan with periodic reviews to ensure business alignment, appropriate risk assessment and audit methodology, and to ensure robustness in the audit planning process.

Audit activities are guided by the Internal Audit Charter, which outlines the purpose, authority, responsibilities, and reporting mechanisms of the function. The Charter specifies the scope of Internal Audit function, which include:

- Evaluate the adequacy, integrity, and effectiveness of the Company's overall system of internal controls, risk management, and governance;
- Review RRPTs to ensure compliance with the MMLR of Bursa Securities;
- Oversee compliance with Japanese Sarbanes-Oxley (J-SOX) requirements;
- Monitor and evaluate governance processes in line with the MCCG; and
- Investigate and report on any suspected fraud cases if any.

Audit reviews are conducted based on the risk-based FY2024 Audit Plan, which aligned with the Company's business objectives and reassessed quarterly to address emerging risks. The Internal Audit Department adheres to the International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors (IIA), ensuring compliance with the International Standards for the Professional Practice of Internal Auditing (ISPPA) and the IIA's Code of Ethics, and that practices are in line with a recognised framework. The principles to have an effective Internal Audit function has been outlined in the Internal Audit Charter and the Internal Audit Manual. The Internal Audit Manual outlines risk-based auditing approach in accordance with the ISSPIA.

The Internal Audit process follows a systematic methodology as depicted below:



AUDIT COMMITTEE REPORT

Audit reports include objectives, scope, findings, Management's responses, and conclusions. These reports are shared with responsible parties, while summaries of findings and remediation actions are presented to the AC on a quarterly basis.

In FY2024, the Internal Audit Department conducted 51 audit engagements, covering thematic, compliance, and operational audits across various business units at both the head office and in operations. All audit findings were addressed by the relevant Management teams, with corrective actions implemented within the required timeframes.

The Internal Audit Department comprises nine (9) auditors with varying levels of expertise. During the year, team members participated in external training programmes to enhance competencies, including sessions on AEON's Code of Conduct. The Head of Internal Audit signed an Annual Declaration for Conflict of Interest Assessment to ensure adherence to the Company's Code of Conduct.

To maintain independence, the Internal Audit Department does not have operational responsibilities or authority over the audited activities. The total costs incurred for the Internal Audit function in FY2024 was RM 773,000 (FY2023: RM 865,000).

This Audit Committee Report was approved by the Board on 25 February 2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board is pleased to present the Statement on Risk Management and Internal Control (SORMIC or This Statement) which outlines the nature of risk management and internal controls within the Company for the financial year ended 31 December 2024.

This Statement is prepared pursuant to paragraph 15.26(b) of the MMLR and guided by the 'Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers' issued by Bursa Securities. Risk management and internal controls are embedded in all business activities within the Company.

RESPONSIBILITIES AND ACCOUNTABILITIES

BOARD OF DIRECTORS' RESPONSIBILITIES

The Company is led by the Board of Director (the Board). The Board has delegated the governance and risk management responsibilities to the Audit Committee (AC) and Sustainability and Risk Management Committee (SRMC) which ensures independent oversight of internal controls and risk management. Notwithstanding the delegated responsibilities, the Board affirms its responsibility for overseeing and ensuring a sound system of risk management and internal control for the Company. Such system covers not only controls on the financial aspects, but also matters relating to operational, investment, risk management, and compliance with applicable laws, regulations and guidelines. Effective risk management helps the Company to achieve its optimal performance and profitability targets by incorporating risk information for decision-making. The Board has an established process for identifying, evaluating, prioritising and managing the significant risks faced by the Company. The Board through the AC and SRMC reviews this process every quarter. The Board is cognisant of the importance of having in place an integrated approach to manage key risks in achieving the Company's business objectives. The Board also recognises the fact that internal control systems are designed to manage and minimise rather than eliminate and avoid the occurrence of material misstatements, unforeseeable circumstances, fraud or losses.

Audit Committee

The key responsibility of the AC is to assist the Board in fulfilling the Board's statutory and fiduciary responsibilities of monitoring the Company's management of financial risk processes and quality of the Company's accounting function, financial reporting and the internal control systems. The AC reviews the Company's financial statements to enable a true and fair view of our financial position and compliance with applicable financial reporting standards.

The responsibilities of the AC are detailed on page 128 of this Integrated Annual Report.

Sustainability and Risk Management Committee

The key responsibility of the SRMC is to assist the Board in fulfilling the Board's fiduciary responsibilities in governance, risk management and its related internal control systems and AEON's overall sustainability strategy. This involves the implementation of an effective ethics programme, monitoring compliance with established policies and procedures, integrating sustainability into business strategy and operations.

The SRMC also assists the Board in providing oversight, direction and counsel on the overall risk management process; establishing and reviewing the risk management framework, processes and responsibilities, as well as assessing whether they provide reasonable assurance that risks are managed within tolerable ranges. The SRMC is also entrusted to set the tone and culture towards effective risk management and control within the Company.

The Board has received assurance from the Managing Director and Deputy Managing Director that the Company's risk management and internal control system are operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Company during the financial year under review and up to the date of this Statement. In discharging its duties, the SRMC is supported and assisted by the Sustainability Steering Committee (SSC) and the Risk Management Committee (RMC).

The responsibilities of the SRMC are detailed on page 129 of this Integrated Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

MANAGEMENT'S RESPONSIBILITIES

The Management, through the RMC, recognises its responsibility to identify, evaluate, prioritise, mitigate, and continuously monitor the risks associated with the Company's system of internal controls. The RMC is tasked with implementing Board-approved frameworks, policies, and procedures related to risk management and internal controls. Additionally, the RMC is accountable for identifying, assessing, and monitoring risks that may hinder the achievement of the Company's goals and objectives.

The RMC's responsibilities include but are not limited to:

- a. To ensure the conduct of at least four meetings during the financial year to review existing risk profiles, continuously embed the risk management process to identify emerging risks, and propose actions for mitigation and subsequent monitoring;
- b. To conduct an annual review of the Enterprise Risk Management (ERM) Manual, including its framework, processes, risk appetite statement, and policies;
- c. Identify and determine ERM risks to maximise opportunity based on AEON's risk appetite statement;
- d. To ensure adequate controls and management action plans are in place and aligned to achieve the Company's Objective Key Results (OKR);
- e. Periodical review on major and serious workplace incidents and/or accidents to deliberate on additional preventive measures; and
- f. Periodical updates on disciplinary, code of conduct and integrity related cases (if any).

Risk Governance Structure

The Risk Governance set out the roles and responsibilities of the Board, the SRMC and the risk owners involved in the three lines model for risk management which consist of operation and business unit heads as the first line of defence, the Governance and Integrity Department (GID) as second line of defence and Internal Audit Department as the third line of defence.

Risk Appetite

The Company's risk appetite defines the level of risk that the Company is prepared to accept to achieve its objectives. The risk appetite statement serves as a guide for the Company in formulating and planning the risk-taking activities in line with the Company's mission and strategy.

AEON's Risk Appetite Statement includes measurable guidelines demonstrating AEON's risk tolerance levels. Risk tolerance is the boundary of risk taking; outside of which, AEON is not prepared to accept. Any critical breach of risk tolerance limits will be reported immediately to the Board directly by the Chairman of the SRMC. Any breach will warrant one of the following:

- Review effectiveness of internal control/mitigation action; or
- Recalibrate appetite or limits if they no longer reflect AEON's actual risk appetite

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Risk Appetite Statement	Impact on Policy and Procedures
Key Risk ① : Product Quality	
<p>AEON does not tolerate any sub-standard/defective products which are sold by its business or its tenants which may cause any harm to its users or those who come in contact with it.</p>	<p>Policy on sourcing criteria, evaluation of product and suppliers.</p>
	<p>Dedicated subject matter experts and in-house resources in monitoring requirements on critical areas such as food safety and hygiene and product compliance for Private Brand.</p>
Key Risk ② : Health and Safety	
<p>AEON regards health and safety as a core indicator of its business success.</p>	<p>Defines AEON's tolerance with regard to health and safety risk.</p>
<p>AEON does not tolerate any activities where adequate measures in preventing foreseeable death/debilitating injuries was not deployed effectively.</p>	<p>Reinforces the significances of AEON's Safety and Security, especially in terms of clarifying overall direction with regard to Health and Safety standards.</p>
Key Risk ③ : People	
<p>AEON does not tolerate any labour exploitations within its business and among its suppliers and tenants.</p>	<p>Reinforces communication and monitoring of compliance to AEON's standards on ethical labour practices within the Company.</p>
<p>AEON commits itself in adhering to international standards on ethical labour standards, which is at minimum guided by local laws and regulations.</p>	
Key Risk ④ : Integrity	
<p>AEON does not tolerate any bribery, fraud or other acts of corruption by its employees, agents, vendors and tenants when acting for or on behalf of AEON.</p>	<p>Reinforces significance of AEON's MACC Integrity Pledge which was undertaken by Top Management in the Company.</p>
	<p>Defines the stance undertaken and communicated to its stakeholder via AEON Employee Handbook and Supplier Code of Conduct.</p> <p>AEON Industrial Relations Manual Guideline that stipulates the categories of misconduct, the internal process and procedures in managing employee misconduct.</p>
Key Risk ⑤ : Regulatory	
<p>AEON endeavours to comply with all relevant legislation; and does not tolerate any significant non-compliance that led to the loss of trust/reputation and/or imprisonment of officials in relation to their duty in/for AEON.</p>	<p>Various policies and procedures provide clarification and guidance in preventing any significant non-compliance, and where applicable, reference to provisions of laws deemed significant.</p>
Key Risk ⑥ : Natural Environment	
<p>AEON does not tolerate significant non-compliance practices that pollute the environment or endanger any wildlife contrary to environmental and conservation standards prescribed by local laws and/or which may cause public outrage.</p>	<p>Defines AEON's tolerance with regard to the impact of its operations and practices which may harm the environment.</p>

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Risk Appetite Statement	Impact on Policy and Procedures
Key Risk ⑦ : Technology Disruption AEON will seek to minimise the risk of technological disruption by continuously exploring synergetic opportunities with technological partners or other means in order to innovate its product offering as part of its digitalisation strategy.	Defines AEON's tolerance towards technology disruption arising from failure in embracing digitalisation.
Key Risk ⑧ : Data Security AEON does not tolerate any leakages of confidential information and/or illegal manipulation of legal information (e.g. customer and employees personal data).	Defines AEON's tolerance to data leakages and/or illegal manipulation of information such as accounting records, personal data etc. Clarifies AEON's mandate and direction in adopting best practices in strengthening cybersecurity.
Key Risk ⑨ : Sustainability AEON does not tolerate any practices that contradict our sustainability commitments, including environmental non-compliance, human rights violations, or governance failures. Sustainability is embedded in our risk management framework to ensure responsible and resilient business operations.	AEON's sustainability-related policies align with the AEON Sustainability Charter (ASC), which includes stringent ESG risk controls, sustainable procurement standards, ethical business practices, and continuous monitoring. Policies will be regularly reviewed to ensure adherence to evolving regulations, stakeholder expectations, and industry best practices.

Governance & Integrity Department (GID)

The Head of GID reports directly to the Chief Human Resources Officer and he has been assigned as the secretary of the RMC. GID has four (4) staff including the Head of GID.

Risk Management Policy

AEON Risk Management Policy covers four key areas which govern the implementation of Enterprise Risk Management (ERM) defined in the ERM Manual. The four key areas are as follows:

- General Risk Policies – covering the relevance of the ERM framework, compliance with the ERM framework, awareness and capabilities, risk culture, application of risk management, ERM processes, consultation and communication, as well as the confidentiality and use of risk information.
- Risk Identification – includes triggers for risk identification and review, frequency of risk identification and review, approval of new risks and changes, and the appointment of risk owners.
- Risk Analysis and Assessment – encompasses risk analysis, review of risk analysis, risk assessment, aggregation of company-level risks, ensuring objectivity and robustness in risk analysis and assessment, as well as the approval of the risk register, risk treatment action plans, and key risk indicators.
- Risk Monitoring and Reporting – includes processes for risk monitoring and risk reporting.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Key Activities of FY2024

Some of the key activities of GID for FY2024 includes but are not limited to:

a. Project management

- Leading, planning, coordinating and continuously communicating with Management, business units and operational leaders to facilitate and ensure anti-bribery and integrity matters are well-informed.
- Facilitate communication, sharing and updating matters related to anti-bribery and integrity with all AEON employees. The integrity video was disseminated via email to all employees, incorporated into the New Staff Orientation programme for new joiners, and uploaded onto the iAEON app for convenient access by all employees.

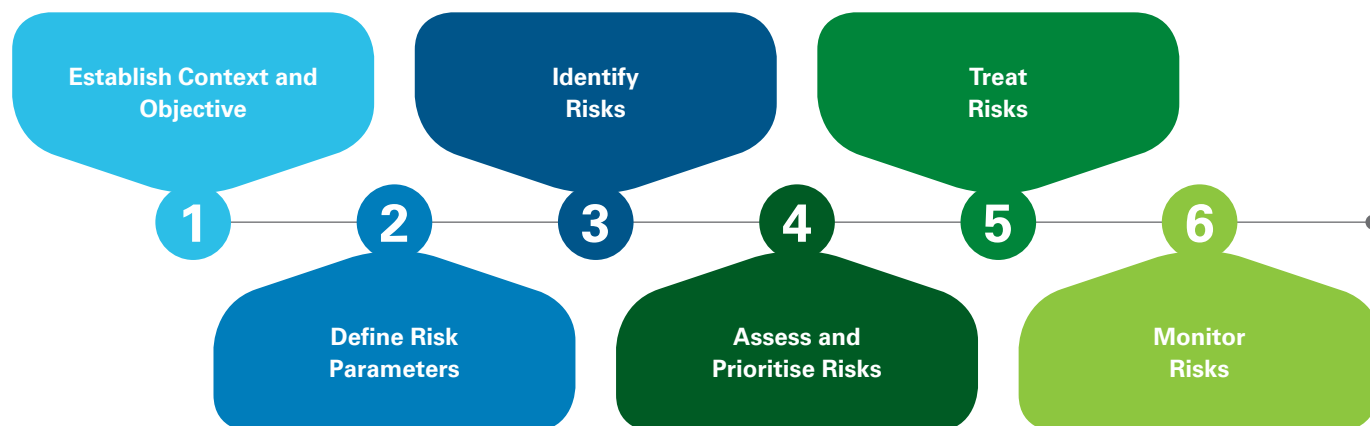
b. Operation Support

Provide risk-related advice and guidance to operational leaders on matters related to risk management and the business continuity plan.

c. Risk Champion Committee

Establish the Risk Champion Committee comprising of the middle Management team (representatives from each business units at the head office) to lead robust discussions on risk identification, mitigation and controls, including Management Action Plan and deep diving onto risk registry matters.

Risk Management Process



The above section outlined the establishment of the understanding of the business and operating environment, establishing risk ownership, identifying risks that will have an adverse impact on the Company's objectives, analysing root causes, developing the appropriate risk treatment, and continuously monitoring and report risks on a quarterly basis.

The Company adopts the Risk and Control Self- Assessment (RCSA) method to regulate the risk management process at corporate and operational levels. Through the implementation of a risk profile, it allows the respective business units, including the individual stores and shopping malls to perform risk activities, such as identify, prioritise, undertake adequate mitigation strategies, and plan, evaluating and keep monitoring the controls.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

CONTROL STRUCTURE AND ENVIRONMENT

THE INTERNAL CONTROL PROCESSES

The main key aspects of internal control processes are:

- The management structure of the Company formally defines lines of responsibility and delegation of authority for all aspects of the Company's affairs. Senior Management and business unit managers submit and present their operational performance reviews, business plans and strategic measures to ALC;
- The Board approves the annual budget and reviews key business indicators and monitors the achievements of the Company's performance on a quarterly basis;
- The authorisation limits and approvals authority threshold of the Company encompasses internal control procedures. These procedures are subject to review by the Management to incorporate changing business risks and operational efficiency;
- The AC is responsible to support the Board in evaluating the effectiveness of the Company's internal control systems and overseeing financial reporting processes. The AC reviews the adequacy and integrity of our internal control and management information systems including compliance with relevant Malaysian laws, regulations, directives, and guidelines, primarily through the Internal Audit Department;
- The Internal Audit Department (IAD) conducts regular reviews to assess the effectiveness and operational integrity of the organisation's internal control system, ensuring alignment with established control procedures and company policies. The Head of Internal Audit provides the AC with quarterly reports detailing the status and effectiveness of internal control systems;
- The AC is responsible for reviewing the annual audited financial statements. The AC also reviews the quarterly report and recommends the quarterly report to the Board for approval prior to the announcement to Bursa Securities;
- The IAD periodically audits the effectiveness and evaluates the functionality of the internal control system to ascertain compliance with the control procedures and policies of the Company. The Head of Internal Audit reports to AC on the conditions of internal control systems on a quarterly basis; and
- Project teams are set up from time to time to address business and operational issues to meet the business objectives and operational requirements of the Company.

The Company has established an internal control structure and is committed to continuously evaluating, enhancing and maintaining the structure to ensure effective control over the Company's business operations as well as to safeguard the value and security of the Company's assets. There is a clearly defined operating structure with lines of responsibility and delegated authority to assist the Board to maintain proper control. The key elements that support the control structure and environment are described as follows:

1. INTERNAL AUDIT

The IAD which is an integral part of the Company's internal control systems, reports directly to the AC. The IAD's primary role is to provide independent and objective assurance designed to add value and improve efficiency of operations within the Company. It assists the Company in achieving its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The mission for internal auditing is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

The annual internal audit plan, established on a risk-based approach, is reviewed and approved by the AC annually. The IAD's performance and conduct is guided by The International Standards for the Professional Practice of Internal Auditing (the Standards) and the International Professional Practices Framework (IPPF). IPPF is the conceptual framework that organises authoritative guidance promulgated by the Institute of Internal Auditors (IIA). The IAD is also guided by the MCCG.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

2. DOCUMENTED INTERNAL POLICIES AND PROCEDURES

The Company periodically reviews, updates and establishes the internal policies and standard operating procedures for improvement and to reflect the changes in the business structure and processes as and when necessary. The main policies and procedures are as follows:

2.1 Whistleblowing Policy and Guidelines

As part of the Company's continuous effort to ensure good corporate governance practice, the Company has established a Whistleblowing Policy and Procedures with avenue for AEON People and members of the public to disclose any improper conduct or irregularity within the Company with assurance that they will be protected from possible reprisals or victimisation. The Company is committed to the highest standard of integrity, openness and accountability in the conduct of its business and operations. It aspires to conduct its affairs in an ethical, responsible and transparent manner.



The Whistleblowing Policy and Procedures can be viewed on the Company's website at: <https://aeongroupmalaysia.com/sustainability-policies/>

2.2 Anti-Bribery and Corruption Policy

Pursuant to the amendments to the MMLR of Bursa Securities in relation to anti-corruption measures, the Company has established an Anti-Bribery and Corruption (ABC) Policy in accordance with the new Section 17A of the Malaysian Anti-Corruption Commission (MACC) (Amendment) Act 2018 on corporate liability for corruption with effect from 1 June 2020. The development of the ABC policy and procedures, at a minimum is guided by the Adequate Procedures issued pursuant to Section 17A(5) of the MACC (Amendment) Act 2018. The Company is committed towards implementing the necessary actions to meet the requirements of the Adequate Procedures and will continuously enhance and promote measures for better governance and ethical culture at the workplace.



The ABC Policy can be viewed on the Company's website at: <https://aeongroupmalaysia.com/sustainability-policies/>

2.3 AEON Corporate Commitment

AEON Corporate Commitment which was established by AEON CO., LTD., Japan has been adopted by the Board to support the Company's objectives, vision and values. The basic principles have been carried out by having appropriate regards to the interests of the Company's customers, shareholders, AEON People, business partners and the broader community in which the Company operates. All employees are provided with a copy of the AEON Corporate Commitment on the commencement of their employments. The principles of AEON Corporate Commitment are constantly made aware to employees through citation in employee assemblies. The Board recognises the importance on adherence to the AEON Corporate Commitment by all personnel of the Company and has put in place the citation process to ensure its compliance. The Company further encourages its employees to provide feedback on any concerns regarding illegal or unethical conduct via its existing AEON Compliance Hotline.

Details of AEON Compliance Hotline can be viewed on pages 88 to 89 of this Integrated Annual Report.

2.4 Procurement Policy

The non-trade procurement policies and guidelines have been reviewed and updated in FY2024. As part of our ongoing digitalisation journey, we successfully launched the non-trade digital procurement portal for all non-trade vendors in FY2024.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

2.5 Sustainability & Climate Change Policy

To strengthen AEON's commitment to responsible and sustainable business practices, the Sustainability & Climate Change Policy was established in 2022 to embed sustainability across the organisation and guide its sustainability and climate change agenda. In 2024, the policy was reviewed to ensure alignment with evolving sustainability trends, regulatory requirements, and stakeholder expectations.



The Sustainability & Climate Change Policy can be found on the Company's website at: <https://aeongroupmalaysia.com/sustainability-policies/>

2.6 Disaster Recovery Plan

The Company has an established Disaster Recovery Plan (DRP) to strengthen IT security and safety as well as business continuity management. As part of our internal controls monitoring, we will work with our service providers to ensure that their DRP annual exercise and controls are in place.

3. MONITORING AND REVIEW

The processes adopted to monitor and review the effectiveness of the internal control system are as follows:

- a. All business units submit monthly Management Reports to their respective members of the ALC. The reports include a review of actual results against the preceding year as well as against the budget, with significant variance being explained and necessary actions taken.
- b. Quarterly risk report are tabled and deliberated at the SRMC meetings for onward submission to the Board for deliberation.
- c. Quarterly financial performance reports from the Management are tabled to the AC for deliberation and thereafter recommended to the Board for approval.
- d. The AC meets at least once every quarter to review internal audit findings and ensure that highlighted weaknesses in internal controls are appropriately addressed by Management. The AC Meeting is supported by the Internal Audit Department in terms of the following:
 - Audit issues are discussed with auditees and respective ALC with recommendations provided to address the issues;
 - Submission of reports to the AC at quarterly intervals containing improvement opportunities, audit findings, Management's response, and corrective actions in areas with significant risks and internal control deficiencies; and
 - Continuous review of the AC and SRMC Terms of Reference to reflect updates to the current business environment, including Malaysian Institute of Accountants by-laws requirements and the formation of the GID in relation to investigation functions.

Continuous efforts are undertaken to ensure standardisation, timeliness and comprehensiveness of key internal control procedures. The system of internal controls has clear Management support, including the involvement of the Board, and is designed to address the risks to which the Company is exposed.

4. ASSOCIATE

The disclosures in this Statement do not include the risk management and internal controls practices of the Company's associate.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

5. REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide (AAPG) 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants (MIA) for inclusion in the annual report of the Company for the year ended 31 December 2024, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Company, in all material respects:

- has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or
- is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Company's risk management and internal control system including the assessment and opinion by the Board of Directors and Management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

6. CONCLUSION

For FY2024, the Board has monitored and reviewed the Company's risk management practices and the effectiveness of its internal control structure, in line with the adopted ERM framework. This framework encompasses processes for identifying, evaluating, and managing significant risks faced by the Company. As part of an ongoing process, the Board ensures continuous enhancement of key internal controls to adapt to changes in the business environment.

The Management supports the Board by implementing policies and procedures related to risk and control, including identifying and applying risk control measures to address relevant and significant risks impacting the Company. Where weaknesses are identified, corrective actions have been taken to address them effectively.

Based on assurances provided by the Managing Director and Deputy Managing Director, as well as the implementation of the risk management framework and internal control system, the Board is confident that the Company's risk management and internal control systems for the year under review, up to the date of issuance of the Company's financial statements, are adequate and effective in safeguarding shareholders' investments and the interests of all stakeholders.

ADDITIONAL COMPLIANCE INFORMATION

(PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

MATERIAL CONTRACTS

There were no material contracts entered into by the Company involving Directors' and major shareholders' interest which were still subsisting as at the end of the financial year under review or which were entered into since the end of the previous financial year (not being contracts entered into in the ordinary course of business) except as disclosed below and in Note 29 to the financial statements under 'Related Parties' on pages 194 to 195 of this Integrated Annual Report.

AUDIT AND NON-AUDIT FEES

For the financial year ended 31 December 2024, the amount of audit and non-audit fees paid by the Company to the External Auditors and its affiliates are as follows:

	RM'000
Audit service rendered	330
Non-audit services rendered	137
Total	467

During the financial year, the amount incurred in respect of non-audit related fees amounted to RM137,000 which comprised assignments for tax consultation advisory fee and Statement on Risk Management and Internal Control review.

UTILISATION OF PROCEEDS

There were no proceeds raised from any proposal during the financial year.

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

At the 39th Annual General Meeting held on 23 May 2024, the Company obtained shareholders' mandate to allow the Company to enter into recurrent related party transactions of a revenue or trading nature. The disclosure of the recurrent related party transactions conducted during the financial year ended 31 December 2024 is set out on pages 194 to 195 of this Integrated Annual Report.

STATEMENT OF DIRECTORS' RESPONSIBILITY

PURSUANT TO PARAGRAPH 15.26(A) OF THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD

The Board of Directors is responsible for ensuring that the annual audited financial statements of the Company are prepared with reasonable accuracy from the accounting records so as to give a true and fair view of the financial position of the Company as at 31 December 2024, and of their performance and cash flows for the year then ended.

The Board is also responsible for ensuring that the annual audited financial statements of the Company are drawn up in accordance with the requirements of the approved MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board, the requirements of the Companies Act 2016, the Listing Requirements of Bursa Malaysia Securities Berhad and other regulatory bodies.

In preparing the annual audited financial statements, the Directors have ascertained that the relevant accounting policies and reasonable prudent judgement and estimates have been consistently applied. The Directors also have a general responsibility for taking reasonable steps to safeguard the assets of the Company to prevent and detect fraud and other irregularities.

CONVENIENCE ON THE GO

myAEON2go service brings convenience right to your door with quick and reliable delivery, making shopping easier than ever.

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AEON



DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The Directors have pleasure in submitting their report and the audited financial statements of the Company for the financial year ended 31 December 2024.

Principal activities

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

Ultimate holding company

The Company is a subsidiary of AEON CO., LTD., of which is incorporated in Japan and regarded by the Directors as the Company's ultimate holding company, during the financial year and until the date of this report.

Results

	RM'000
Profit for the year	128,032

Reserves and provisions

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

Dividend

Since the end of the previous financial year, a final dividend of 4.00 sen per ordinary share totalling RM56,160,000 has been paid by the Company in respect of the financial year ended 31 December 2023 as reported in the Directors' Report of that year on 20 June 2024.

A final dividend recommended by the Directors in respect of the financial year ended 31 December 2024 is 4.50 sen per ordinary share totalling RM63,180,000 subject to the approval of the members at the forthcoming Annual General Meeting of the Company.

Directors of the Company

Directors who served during the financial year until the date of this report are:

Datuk Iskandar bin Sarudin
 Chong Swee Ying
 Dato' Merina binti Abu Tahir
 Hiroaki Egawa
 Hisham bin Zainal Mokhtar
 Jenifer Thien Bit Leong
 Mohamad Abdul Naser bin Md Jaafar @ Yunus
 Naoya Okada
 Tsugutoshi Seko
 Zaida Khalida binti Shaari
 Keiji Ono (resigned on 29 February 2024)

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

Directors' interests in shares

The interests and deemed interests in the ordinary shares and options over shares of the Company and of its related corporations of those who were Directors at financial year end (including the interests of the spouse or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.1.2024	Bought	Sold	At 31.12.2024
Shareholdings in which Directors have direct interests				
Interest of Chong Swee Ying in:				
AEON CO. (M) BHD.	42,600	-	-	42,600
AEON Credit Service (M) Berhad	26,880	-	-	26,880
Interest of Naoya Okada in:				
AEON CO., LTD.	19,900	200,083	-	219,983
Interest of Hiroaki Egawa in:				
AEON CO., LTD.	-	300	-	300
Shareholdings in which a Director has deemed/ indirect interests				
Interest of Chong Swee Ying in*:				
AEON CO. (M) BHD.	11,000	-	-	11,000
AEON Credit Service (M) Berhad	6,440	-	-	6,440

* Deemed interest through her spouse's shareholdings pursuant to Section 59(11)(c) of the Companies Act 2016 in Malaysia.

None of the other Directors holding office at 31 December 2024 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those shown below or the fixed salary of a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The Directors' benefits received or receivable by Directors in respect of the financial year ended 31 December 2024 are as follows:

	RM'000
Directors of the Company:	
Fees	1,070
Remuneration	1,163
Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	165
	2,398

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

Directors' benefits (continued)

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

Issue of shares and debentures

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

Options granted over unissued shares

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

Indemnity and insurance costs

The Directors and officers of the Company are covered by Directors and Officers Liability Insurance ("D&O Insurance") for any liability incurred in the discharge of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The total amount of D&O insurance effected for the Directors and officers of the Company was RM11,000,000. The total amount of premium paid for D&O insurance effected for the Directors and officers of the Company was RM27,550. There were no indemnity given to/insurance effected for the auditors of the Company during the year.

Other statutory information

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

- i) all known bad debts have been written off and adequate provision made for doubtful debts; and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

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

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

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

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

Other statutory information (continued)

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

In the opinion of the Directors, the financial performance of the Company for the financial year ended 31 December 2024 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

During the year, total fees for statutory audit services provided by the auditors amounted to RM330,000, while total fees for non-audit services amounted to RM137,000.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

.....
Datuk Iskandar bin Sarudin
Director

.....
Naoya Okada
Director

Kuala Lumpur

Date: 17 March 2025

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	2024 RM'000	2023 RM'000
Assets			
Property, plant and equipment	3	3,102,247	3,090,244
Right-of-use assets	4	1,163,129	1,071,108
Intangible assets	5	28,649	39,288
Investment in associate	6	2,017	913
Other investments	7	58,143	51,734
Other assets	8	26,003	17,915
Deferred tax assets	9	187,229	183,148
Total non-current assets		4,567,417	4,454,350
Inventories	10	614,143	553,375
Contract assets	11	18,456	16,390
Receivables, deposits and prepayments	12	60,222	98,070
Tax recoverable		3,166	1,529
Cash and cash equivalents	13	371,355	99,829
Total current assets		1,067,342	769,193
Total assets		5,634,759	5,223,543
Equity			
Share capital	14	702,000	702,000
Fair value reserve	14	57,113	50,704
Retained earnings		1,178,180	1,106,308
Equity attributable to equity holders of the Company		1,937,293	1,859,012
Liabilities			
Borrowings	15	590,000	370,000
Lease liabilities		1,494,058	1,441,672
Payables and accruals	16	-	4,881
Other liabilities	17	77,823	48,447
Total non-current liabilities		2,161,881	1,865,000
Borrowings	15	30,000	49,995
Lease liabilities		192,679	182,232
Payables and accruals	16	1,228,452	1,185,653
Contract liabilities	11	84,454	81,651
Total current liabilities		1,535,585	1,499,531
Total liabilities		3,697,466	3,364,531
Total equity and liabilities		5,634,759	5,223,543

The notes on pages 160 to 207 are an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 RM'000	2023 RM'000
Revenue	18	4,261,525	4,129,038
Other operating income		32,516	44,934
Changes in inventories		60,768	(52,104)
Net purchases		(2,493,180)	(2,330,270)
Staff costs		(424,726)	(394,841)
Depreciation of property, plant and equipment	3	(247,708)	(259,756)
Depreciation of right-of-use assets	4	(157,328)	(146,644)
Amortisation of intangible assets	5	(15,079)	(14,143)
Net reversal/(loss) on impairment of trade receivables	30.4	638	(3,028)
Operating expenses		(722,846)	(683,565)
Profit from operations	19	294,580	289,621
Finance income	20	7,732	9,017
Finance costs	20	(95,635)	(105,613)
Share of profit of an equity-accounted associate, net of tax	6	1,104	913
Profit before tax		207,781	193,938
Tax expense	22	(79,749)	(79,106)
Profit for the year		128,032	114,832
Other comprehensive income, net of tax			
Item that will not be reclassified subsequently to profit or loss			
Net change in fair value of equity investments designated at fair value through other comprehensive income ("FVOCI")	23	6,409	(6,688)
Total comprehensive income for the year		134,441	108,144
Basic earnings per ordinary share (sen)	24	9.12	8.18

The notes on pages 160 to 207 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Attributable to equity holders of the Company			
		Non-distributable		Distributable	Total equity RM'000
		Share capital RM'000	Fair value reserve RM'000	Retained earnings RM'000	
At 1 January 2023		702,000	57,392	1,047,636	1,807,028
Net change in fair value of equity investments designated at FVOCI	23	-	(6,688)	-	(6,688)
Profit for the year		-	-	114,832	114,832
Total comprehensive (expense)/income for the year		-	(6,688)	114,832	108,144
Final dividend in respect of the financial year ended 31 December 2022	25	-	-	(56,160)	(56,160)
At 31 December 2023/At 1 January 2024		702,000	50,704	1,106,308	1,859,012
Net change in fair value of equity investments designated at FVOCI	23	-	6,409	-	6,409
Profit for the year		-	-	128,032	128,032
Total comprehensive income for the year		-	6,409	128,032	134,441
Final dividend in respect of the financial year ended 31 December 2023	25	-	-	(56,160)	(56,160)
At 31 December 2024		702,000	57,113	1,178,180	1,937,293
		Note 14	Note 14		

The notes on pages 160 to 207 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 RM'000	2023 RM'000
Cash flows from operating activities			
Profit before tax		207,781	193,938
Adjustments for:			
Amortisation of intangible assets	5	15,079	14,143
Depreciation of property, plant and equipment	3	247,708	259,756
Depreciation of right-of-use assets	4	157,328	146,644
Dividend income	7	(2,624)	(2,299)
Loss on impairment of property, plant and equipment	3	6,182	1,734
Reversal on impairment of property, plant and equipment	3	(3,144)	-
Loss on impairment of right-of-use assets	4	10,880	19,248
(Reversal)/Loss on impairment of intangible assets	5	(18)	18
Net (reversal)/loss on impairment of trade receivables		(638)	3,028
Bad debts written off		19	2
Net gain on lease derecognition		(6,990)	(15,354)
Net gain on disposal of property, plant and equipment		(564)	(14)
Loss on liquidation of an associate		-	42
Finance costs	20	95,635	105,613
Finance income	20	(7,732)	(9,017)
Net unrealised foreign exchange loss		18	11
Property, plant and equipment written off		2,227	5,008
Intangible assets written off		25	-
Share of profit of equity-accounted associate		(1,104)	(913)
Operating profit before changes in working capital		720,068	721,588
Changes in working capital:			
Inventories		(60,768)	52,104
Receivables, deposits and prepayments and other assets		30,764	(7,211)
Payables and accruals and other liabilities		34,345	(44,398)
Contract assets		(2,066)	779
Contract liabilities		2,803	(2,968)
Cash generated from operations		725,146	719,894
Tax paid		(85,467)	(89,974)
Net cash from operating activities		639,679	629,920
Cash flows from investing activities			
Acquisition of:			
- Property, plant and equipment	3	(238,230)	(376,568)
- Intangible assets	5	(4,404)	(4,018)
Proceeds from disposal of property, plant and equipment		1,867	1,325
Proceeds from liquidation of an associate		-	634
Dividend received		2,624	2,299
Gain on withdrawal of money market placements		-	2,880
Interest received		7,329	6,137
Net cash used in investing activities		(230,814)	(367,311)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 RM'000	2023 RM'000
Cash flows from financing activities			
Proceeds from borrowings		310,000	400,000
Repayment of borrowings		(109,995)	(477,781)
Dividend paid to owners of the Company		(56,352)	(55,968)
Payment of lease liabilities		(190,406)	(165,980)
Interest paid		(90,586)	(100,524)
Net cash used in financing activities		(137,339)	(400,253)
Net increase/(decrease) in cash and cash equivalents		271,526	(137,644)
Cash and cash equivalents at beginning of year		99,829	237,473
Cash and cash equivalents at end of year	13	371,355	99,829

Cash outflows for leases as a lessee

	2024 RM'000	2023 RM'000
Included in net cash from operating activities:		
Payment relating to short-term leases	734	746
Payment relating to low-value leases	1,050	1,682
Included in net cash from financing activities:		
Payment of lease liabilities	190,406	165,980
Interest paid in relation to lease liabilities	73,161	85,307
Total cash outflows for leases	265,351	253,715

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

Reconciliation of movements of liabilities to cash flows arising from financing activities

	At 1 January 2023 RM'000	Net changes from financing cash flows RM'000	Acquisition of new lease RM'000	Remeasurement of lease RM'000	Derecognition of lease RM'000	1 January 2024 RM'000	At 31 December 2023/ 2024 cash flows RM'000	Net changes from financing cash flows RM'000	Acquisition of new lease RM'000	Remeasurement of lease RM'000	Derecognition of lease RM'000	At 31 December 2024 RM'000
Bank loans												
- unsecured Islamic Medium Term Notes	127,776	(77,781)	-	-	-	49,995	(49,995)	-	-	-	-	-
- unsecured Islamic Commercial Papers	370,000	-	-	-	-	370,000	220,000	-	-	-	-	590,000
- unsecured Lease liabilities	1,779,411	(165,980)	35,575	73,826	(98,928)	1,623,904	(190,406)	30,000	56,512	204,232	(7,505)	30,000
Total liabilities from financing activities	2,277,187	(243,761)	35,575	73,826	(98,928)	2,043,899	9,599	9,599	56,512	204,232	(7,505)	2,306,737

NOTES TO THE FINANCIAL STATEMENTS

AEON CO. (M) BHD. is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad. The address of its registered office which is also the principal place of business is as follows:

3rd Floor, AEON Taman Maluri Shopping Centre
Jalan Jejaka, Taman Maluri
Cheras
55100 Kuala Lumpur

The financial statements of the Company for the financial year ended 31 December 2024 comprise the Company and the Company's interest in an associate.

The Company is principally engaged in the operations of a chain of departmental stores and supermarkets selling a broad range of goods ranging from clothing, food, household goods, other merchandise and shopping centre operation.

The ultimate holding company during the financial year is AEON CO., LTD., a company incorporated in Japan.

These financial statements were authorised for issue by the Board of Directors on 17 March 2025.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Company:

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments*
- Annual Improvements to MFRS Accounting Standards – Volume 11
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

The Company plans to apply the abovementioned accounting standards, interpretations and amendments according to their respective effective period.

The initial application of the abovementioned accounting standards and amendments is not expected to have any material financial impact to the current period and prior period financial statements of the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2. As at 31 December 2024, the Company's current liabilities exceeded its current assets by RM468,243,000 (2023: RM730,338,000).

In 2016, the Company has established an Islamic Commercial Papers Programme with a limit of up to RM300.0 million and an Islamic Medium Term Notes Programme with a limit of up to RM1.0 billion, under a combined master limit of up to RM1.0 billion in nominal value based on the Shariah principle of Murabahah via Tawarruq arrangement ("Sukuk Programme"). In 2023, Islamic Commercial Papers Programme has expired.

In 2024, the Company has established another Islamic Commercial Papers Programme and Islamic Medium Term Notes Programme with a combined aggregate limit of up to RM2.0 billion in nominal value based on the Shariah principle of Wakalah Bi Al-Istithmar ("Sukuk Wakalah Programme").

The Directors are of the opinion that the Company will be able to meet its liabilities as and when they fall due as there are sufficient unutilised facilities arising from the Sukuk Programme, Sukuk Wakalah Programme and other financing facilities as at the year end, coupled with the ability of the Company to generate sufficient operating cash flows based on the historical trend of positive operating cash flows.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand ('000), unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRS Accounting Standards requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reporting period. It also requires Directors to exercise their judgement in the process of applying the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 3 & 4 - Measurement of the recoverable amounts of cash-generating units
- Note 4 - Extension options and incremental borrowing rates in relation to leases
- Note 2.7 & 10 - Inventories
- Note 17 - Other liabilities

1.1 Changes in material accounting policies

Material accounting policy information

The Company has adopted *Amendments to MFRS 107, Statement of Cash Flows* and *MFRS 7, Financial Instruments: Disclosures – Supplier Finance Arrangements* from 1 January 2024. The amendments introduce new disclosures relating to supplier finance arrangements that assist users of the financial statements to assess the effects of these arrangements on an entity's liabilities and cash flows and on an entity's exposure to liquidity risk.

The Company participates in a supply chain financing arrangement for which the new disclosures will apply. The new disclosures are disclosed in Note 16.3 to the financial statements.

2. Material accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, unless otherwise stated.

2.1 Accounting for investment in associate

Investment in associate is accounted for in the Company's financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transaction costs. The financial statements include the Company's share of the profit or loss and other comprehensive income of the associate, after adjustments if any, to align the accounting policies with those of the Company, from the date that significant influence commences until the date that significant influence ceases.

When the Company's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Company has obligation or has made payments on behalf of the associate.

When the Company ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in profit or loss.

When the Company's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policies (continued)

2.2 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value through other comprehensive income which are recognised in other comprehensive income.

2.3 Financial instruments

2.3.1 Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

2.3.2 Financial instrument categories and subsequent measurement

The Company categorises financial instruments as follows:

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

2.3.2.1 Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2.10.1) where the effective interest rate is applied to the amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policies (continued)

2.3 Financial instruments (continued)

2.3.2 Financial instrument categories and subsequent measurement (continued)

2.3.2.2 Fair value through other comprehensive income - Equity investments

This category comprises investment in equity that is not held for trading, and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

2.3.2.3 Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is designated and effective hedging instrument). On initial recognition, the Company may irrevocably designates a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in profit or loss.

All financial assets, except for equity investments measured at fair value through other comprehensive income and investments measured at fair value through profit or loss, are subject to impairment assessment (see Note 2.10.1).

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gains or losses on derecognition are also recognised in profit or loss.

2.3.3 Derecognition

A financial asset or a part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policies (continued)

2.3 Financial instruments (continued)

2.3.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

2.4 Property, plant and equipment

2.4.1 Recognition and measurement

Freehold land and construction work-in-progress are stated at cost. Other items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other operating income" and "operating expenses" respectively in profit or loss.

2.4.2 Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

2.4.3 Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

• Leasehold land	74- 97 years
• Buildings	25- 50 years
• Structures	10 years
• Office equipment	10 years
• Machinery and equipment	3- 10 years
• Furniture, fixtures and fittings	5 years
• Motor vehicles	5 years
• IT equipment	3- 5 years

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policies (continued)

2.5 Leases

2.5.1 Recognition and initial measurement

2.5.1.1 As a lessee

The Company recognises a right-of-use ("ROU") asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Company is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The Company excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Company has elected not to recognise ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.5.1.2 As a lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Company applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sublease as an operating lease.

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policies (continued)

2.5 Leases (continued)

2.5.2 Subsequent measurement

2.5.2.1 As a lessee

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of ROU assets are determined on the same basis as those of property, plant and equipment. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in profit or loss if the carrying amount of the ROU asset has been reduced to zero.

2.5.2.2 As a lessor

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "revenue".

2.6 Intangible assets

2.6.1 Recognition and measurement

Intangible assets represent software acquired by the Company and are measured at cost less any accumulated amortisation and any accumulated impairment losses.

2.6.2 Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

2.6.3 Amortisation

Intangible assets are amortised from the date they are available for use. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of the intangible assets.

The estimated useful lives for the current and comparative periods are as follows:

- | | |
|-----------------------------------|----------|
| • Information technology software | 5 years |
| • Franchise fees | 10 years |

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policies (continued)

2.7 Inventories

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

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

2.8 Contract asset/Contract liability

A contract asset is recognised when the Company's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9, *Financial Instruments* (see Note 2.10.1).

A contract liability is stated at cost and represents the obligation of the Company to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

2.9 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits placed with licensed banks, money market placements with non-financial institutions and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Company in the management of its short term commitments.

2.10 Impairment

2.10.1 Financial assets

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost and contract assets. Expected credit losses are a probability-weighted estimate of credit losses.

The Company measures loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policies (continued)

2.10 Impairment (continued)

2.10.1 Financial assets (continued)

The Company estimates the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery amounts due.

2.10.2 Other assets

The carrying amounts of other assets (except for inventories, contract assets and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in the profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the cash-generating unit (groups of cash-generating units) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policies (continued)

2.11 Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

2.12 Employee benefits

2.12.1 Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2.12.2 State plans

The Company's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Once the contributions have been paid, the Company has no further payment obligations.

2.13 Revenue and other income

2.13.1 Retail sales- goods sold and commission earned

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over a product or service to customer. An asset is transferred when the customer obtains control of the asset.

The Company transfers control of a good or service at a point in time unless one of the following overtime criteria is met:

- (a) the customer simultaneously receives and consumes the benefits provided as the Company performs;
- (b) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (c) the Company's performance does not create an asset with an alternative use and the Company has an enforceable right to payment for performance completed to date.

When the Company acts in a capacity of an agent rather than as the principal in a transaction, the revenue is recognised upon the sale of goods and is the net amount of commission made by the Company.

For items that are not sold separately – e.g. customer loyalty programme – the Company estimates stand-alone selling prices as follow:

Customer loyalty awards

The Company operates the customer loyalty programme and has transitioned this program to be managed by its related company. This program allows customers to accumulate points when they purchase products at the Company's stores and these points are redeemable for gift vouchers.

Revenue is recognised net of costs attributable to loyalty points earned by members who purchase the goods.

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policies (continued)

2.13 Revenue and other income (continued)

2.13.2 Property management services

Revenue from shopping mall operation which include fixed and variable rental income (including sales commission), service charge and car park charges. Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from sub-leased property is recognised as “revenue”.

2.13.3 Dividend income

Dividend income is recognised in profit or loss on the date that the Company’s right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

2.13.4 Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

2.14 Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

2.15 Income tax

Current tax and deferred tax expense are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policies (continued)

2.15 Income tax (continued)

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.16 Earnings per ordinary share ("EPS")

No diluted EPS is disclosed in these financial statements as there are no dilutive potential ordinary shares.

2.17 Operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. Operating segment results are reviewed regularly by the chief operating decision maker, which in this case are the Managing Director and Board of Directors of the Company, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

2.18 Other liabilities

Provision for restoration costs

Provision for site restoration is recognised when there is a projected cost of dismantlement, removal or restoration as a consequence of using a leased property during a particular period. The provision is measured at the present value of the restoration cost expected to be paid upon termination of the lease agreement. The unwinding of the discount is recognised as finance cost.

2.19 Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statement of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policies (continued)

2.20 Fair value measurements

Fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Company recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment

	Land ^a RM'000	Buildings RM'000	Structures RM'000	Office equipment RM'000	Machinery and equipment RM'000	Furniture, fixtures and fittings RM'000	Motor vehicles RM'000	IT equipment RM'000	Construction work-in- progress RM'000	Total RM'000
Cost										
At 1 January 2023	643,002	2,134,402	769,555	17,788	1,812,600	647,232	7,372	98,255	86,204	6,216,410
Additions	175,806	34,966*	50,442	270	72,150	36,211	1,006	6,636	34,047	411,534
Disposals	-	-	(390)	-	(1,673)	(364)	(960)	(560)	-	(3,947)
Written off	-	(579)	(26,545)	(622)	(36,069)	(34,784)	-	(1,765)	-	(100,364)
Adjustment [#]	-	(7,653)	-	-	-	-	-	-	-	(7,653)
Transfer between classes	-	-	18,411	178	19,940	3,220	137	364	(42,250)	-
Transfer to intangible assets (Note 5)	-	-	-	-	-	-	-	-	(530)	(530)
At 31 December 2023/ 1 January 2024	818,808	2,161,136	811,473	17,614	1,866,948	651,515	7,555	102,930	77,471	6,515,450
Additions	-	28,092*	52,432	325	94,675	44,585	1,450	18,178	26,585	266,322
Disposals	-	-	(442)	(18)	(2,904)	(954)	(1,227)	(223)	-	(5,768)
Written off	-	(636)	(3,392)	(102)	(4,788)	(6,116)	-	(803)	-	(15,837)
Transfer between classes	-	-	6,430	49	12,362	6,410	134	322	(25,707)	-
Transfer to intangible assets (Note 5)	-	-	-	-	-	-	-	-	(43)	(43)
At 31 December 2024	818,808	2,188,592	866,501	17,868	1,966,293	695,440	7,912	120,404	78,306	6,760,124

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (continued)

	Land ^a RM'000	Buildings RM'000	Structures RM'000	Office equipment RM'000	Machinery and equipment RM'000	Furniture, fixtures and fittings RM'000	Motor vehicles RM'000	IT equipment RM'000	Construction work-in- progress RM'000	Total RM'000
Depreciation and impairment loss										
At 1 January 2023	58,723	522,488	546,374	15,187	1,413,293	587,712	6,650	79,790	-	3,230,217
- Accumulated depreciation	-	602	11,940	251	13,225	7,783	15	678	-	34,494
- Accumulated impairment loss	58,723	523,090	558,314	15,438	1,426,518	595,495	6,665	80,468	-	3,264,711
Depreciation for the year	4,464	48,994	57,770	608	112,396	29,183	387	5,954	-	259,756
Disposals	-	-	(6)	-	(1,275)	(236)	(960)	(159)	-	(2,636)
Written off	-	(579)	(25,599)	(619)	(32,525)	(34,449)	-	(1,585)	-	(95,356)
Adjustment [#]	-	(3,003)	-	-	-	-	-	-	-	(3,003)
Impairment	-	251	415	13	797	179	-	79	-	1,734
At 31 December 2023/ 1 January 2024	63,187	567,900	578,539	15,176	1,491,889	582,210	6,077	84,000	-	3,388,978
- Accumulated depreciation	-	853	12,355	264	14,022	7,962	15	757	-	36,228
- Accumulated impairment loss	63,187	568,753	590,894	15,440	1,505,911	590,172	6,092	84,757	-	3,425,206
Depreciation for the year	5,430	54,156	50,118	554	102,865	26,401	638	7,546	-	247,708
Disposals	-	-	(224)	(8)	(1,958)	(862)	(1,227)	(186)	-	(4,465)
Written off	-	(140)	(2,367)	(94)	(4,286)	(5,986)	-	(737)	-	(13,610)
Impairment	-	2,703	1,315	11	1,951	139	-	63	-	6,182
Reversal of impairment	-	(251)	(1,017)	(11)	(1,606)	(180)	-	(79)	-	(3,144)
At 31 December 2024	68,617	621,916	626,066	15,628	1,588,510	601,763	5,488	90,623	-	3,618,611
- Accumulated depreciation	-	3,305	12,653	264	14,367	7,921	15	741	-	39,266
- Accumulated impairment loss	68,617	625,221	638,719	15,892	1,602,877	609,684	5,503	91,364	-	3,657,877

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (continued)

	Land [^] RM'000	Buildings RM'000	Structures RM'000	Office equipment RM'000	Machinery and equipment RM'000	Furniture, fixtures and fittings RM'000	Motor vehicles RM'000	IT equipment RM'000	Construction work-in- progress RM'000	Total RM'000
Carrying amounts										
At 1 January 2023	584,279	1,611,312	211,241	2,350	386,082	51,737	707	17,787	86,204	2,951,699
At 31 December 2023/ 1 January 2024	755,621	1,592,383	220,579	2,174	361,037	61,343	1,463	18,173	77,471	3,090,244
At 31 December 2024	750,191	1,563,371	227,782	1,976	363,416	85,756	2,409	29,040	78,306	3,102,247

[^] Included leasehold land defined under National Land Code 1965, with carrying amounts as at 31 December 2024 amounting to RM428,959,000 (2023: RM434,388,000) with remaining lease terms ranging from 59 to 90 years (2023: 60 to 91 years).

^{*} Addition under buildings consist of capitalisation of provision for restoration costs of RM28,092,000 (2023: RM34,966,000).

[#] Relates to the reversal of provision for restoration costs during the year.

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (continued)

3.1 Impairment loss

At the end of the reporting period, the Company determined whether its retail stores and shopping malls have indication of impairment. For retail stores and shopping malls that are loss-making during the reporting period, their assets' recoverable amounts were being estimated for impairment testing.

For each identified retail store and shopping mall, their property, plant and equipment and ROU assets were assessed as a group of assets that generates cash inflows for the retail store and shopping mall, respectively. The identified retail stores and shopping malls' recoverable amounts were determined based on their value in use. Impairment loss was recognised when the carrying amounts of the identified retail stores and shopping malls exceed their recoverable amounts.

During the year, impairment loss and reversal of impairment loss with respect to the plant and equipment for retail stores and shopping mall amounting to RM6,182,000 (2023: RM1,734,000) and RM3,144,000 (2023: nil) respectively were recognised in profit or loss.

The recoverable amounts, determined by way of value in use, were calculated by discounting the future cash flows expected to be generated from the continuing use of the retail stores and shopping malls and were based on the following key assumptions:

- Cash flows were projected based on past experience, actual operating results and business plan of the Company for a period up to the maximum lease term of the retail stores and shopping malls. This maximum lease term is consistent with the tenure used in the calculation of right-of-use assets as disclosed in Note 4. Management believes that this forecast period was justified due to management's intention to renew and operate the retail stores and shopping malls up to the maximum lease term.
- The anticipated annual revenue growth rates included in the cash flow projections were between 0.3% to 24.2% (2023: 1.8% to 14.2%) based on average growth levels experienced over the years and management's assessment of future trends in the retail industry.
- A pre-tax discount rate of 10.22% (2023: 9.77%) was applied in determining the recoverable amount of the retail stores and shopping malls.

The values assigned to the key assumptions represent management's assessment of future trends in the retail industry and are based on both external sources and internal sources (historical data) of information.

The above estimates are particularly sensitive to annual revenue growth rate and discount rate. A decrease of 1% (2023: 1%) of the annual revenue growth rate or increase of 1% (2023: 1%) of discount rate would result in additional impairment loss.

NOTES TO THE FINANCIAL STATEMENTS

4. Right-of-use assets

	Note	Land and buildings RM'000	Equipment RM'000	Total RM'000
At 1 January 2023		1,210,546	627	1,211,173
Additions		35,575	-	35,575
Depreciation		(146,017)	(627)	(146,644)
Remeasurement		73,826	-	73,826
Derecognition		(83,574)	-	(83,574)
Impairment	4.4	(19,248)	-	(19,248)
At 31 December 2023/1 January 2024		1,071,108	-	1,071,108
Additions		56,512	-	56,512
Depreciation		(157,328)	-	(157,328)
Remeasurement		204,232	-	204,232
Derecognition		(515)	-	(515)
Impairment	4.4	(10,880)	-	(10,880)
At 31 December 2024		1,163,129	-	1,163,129

The Company leases a number of retail stores and shopping malls that run between one year and thirteen years, with an option to renew the lease after that date. Lease payments are increased every three to five years to reflect current market rentals.

4.1 Variable lease payments based on sales

Some leases of retail stores contain variable lease payments that are based on sales that the Company makes at the store. Those payments are common in retail stores operated by the Company. Fixed and variable rental payments were as follows.

	Fixed payments RM'000	Variable payments RM'000	Total payments RM'000	Estimated annual impact on rent of a 1% increase in sales RM'000
Leases with lease payments based on sales				
2024	65,143	3,204	68,347	32
2023	56,774	6,062	62,836	61

NOTES TO THE FINANCIAL STATEMENTS

4. Right-of-use assets (continued)

4.2 Extension options

Some leases of retail stores and shopping malls contain extension options exercisable by the Company of up to thirteen years (2023: twelve years) before the end of the non-cancellable contract period. Where applicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Company and not by the lessors. The Company assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control. Remeasurement during the year arose from reassessment of extension options affecting lease term.

	Lease liabilities recognised (discounted) RM'000	Potential future lease payments not included in lease liabilities (discounted) RM'000
2024		
Land and buildings	693,095	874,893
2023		
Land and buildings	622,777	928,421

4.3 Significant judgements and assumptions in relation to leases

The Company assesses at lease commencement by applying judgement whether it is reasonably certain to exercise the extension options. The Company considers all facts and circumstances including past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help determine the lease term.

The Company also applied judgement and assumptions in determining the incremental borrowing rates of the respective leases. The Company first determines the closest available borrowing rates before using judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

4.4 Impairment loss

During the year, impairment loss on ROU assets for retail stores and shopping malls amounting to RM10,880,000 (2023: RM19,248,000) was recognised in operating expenses in profit or loss.

Details on the impairment testing approach and key assumptions of the recoverable amounts are disclosed in Note 3.1.

The key assumptions as disclosed in Note 3.1 are sensitive to annual revenue growth rate and discount rate. A decrease of 1% (2023: 1%) of the annual revenue growth rate or increase in 1% (2023: 1%) of discount rate would result in additional impairment loss.

NOTES TO THE FINANCIAL STATEMENTS

5. Intangible assets

	Information technology software RM'000	Franchise fees RM'000	Total RM'000
Cost			
At 1 January 2023	123,296	-	123,296
Additions	4,018	-	4,018
Transfer from property, plant and equipment (Note 3)	530	-	530
Rebate from service provider	(2,877)	-	(2,877)
Written off	(270)	-	(270)
At 31 December 2023/1 January 2024	124,697	-	124,697
Additions	3,927	477	4,404
Transfer from property, plant and equipment (Note 3)	43	-	43
Written off	(312)	-	(312)
At 31 December 2024	128,355	477	128,832
Amortisation and impairment loss			
At 1 January 2023			
- Accumulated amortisation	71,378	-	71,378
- Accumulated impairment loss	140	-	140
	71,518	-	71,518
Amortisation for the year	14,143	-	14,143
Written off	(270)	-	(270)
Impairment	18	-	18
At 31 December 2023/1 January 2024			
- Accumulated amortisation	85,251	-	85,251
- Accumulated impairment loss	158	-	158
	85,409	-	85,409
Amortisation for the year	15,071	8	15,079
Written off	(287)	-	(287)
Reversal of impairment	(18)	-	(18)
At 31 December 2024			
- Accumulated amortisation	100,035	8	100,043
- Accumulated impairment loss	140	-	140
	100,175	8	100,183
Carrying amounts			
At 1 January 2023	51,778	-	51,778
At 31 December 2023/1 January 2024	39,288	-	39,288
At 31 December 2024	28,180	469	28,649

NOTES TO THE FINANCIAL STATEMENTS

6. Investment in associate

	2024 RM'000	2023 RM'000
Unquoted shares	8,800	8,800
Share of post-acquisition reserves	(6,783)	(7,887)
	2,017	913

Details of the associates are as follows:

Name of associates	Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2024 %	2023 %
AEON Fantasy (Malaysia) Sdn. Bhd. ("AFM")	Malaysia	Operating indoor amusement park business	20	20
AEON TopValu Malaysia Sdn. Bhd. ("ATVM")*	Malaysia	Product development of AEON private brand	-	-

The associate is audited by another firm of accountants and equity accounted based on management accounts.

- * On 1 January 2022, ATVM lodged the Notice of Resolution for Members' Voluntary Winding Up to Companies Commission of Malaysia. In 2023, the winding up procedures are completed and the Company received final distribution of RM634,000 in cash. Correspondingly, investment in ATVM amounting RM676,000 is de-recognised and loss on liquidation of an associate amounting RM42,000 is recognised in profit or loss in financial year ended 2023.

The summarised financial information of the Company's investment in associate is as follows:

	2024 RM'000	2023 RM'000
AFM		
Summarised financial information		
As at 31 December		
Non-current assets	115,036	101,549
Current assets	46,731	50,283
Non-current liabilities	(34,742)	(45,352)
Current liabilities	(101,016)	(85,989)
Net assets	26,009	20,491
Year ended 31 December		
Revenue	152,596	140,366
Profit from continuing operations	5,518	12,268
Reconciliation of net assets to carrying amount as at 31 December		
Company's share of net assets	5,202	4,098
Share of gain of disposal of business	(3,185)	(3,185)
Carrying amount in the statement of financial position	2,017	913
Company's share of results for the year ended 31 December	1,104	913

NOTES TO THE FINANCIAL STATEMENTS

7. Other investments

	Note	2024 RM'000	2023 RM'000
Non-current			
Quoted equity in Malaysia - Fair value through other comprehensive income	7.1	58,143	51,734

7.1 Equity investments designated at fair value through other comprehensive income

The Company designated the investments in equity security shown below as fair value through other comprehensive income because this equity security represents investment that the Company intends to hold for long-term strategic purposes.

	Fair value at 31 December 2024 RM'000	Dividend income recognised during 2024 RM'000	Fair value at 31 December 2023 RM'000	Dividend income recognised during 2023 RM'000
AEON Credit Service (M) Berhad	58,143	2,624	51,734	2,299

8. Other assets

Other assets included rental and utility deposits relating to leased properties, and deposits for acquisition of land. The rental and utility deposits are in substance prepayments as they are offset against the rental payable towards the end of the lease term under the usual circumstances.

On 4 June 2024, the Company entered into a Sale and Purchase Agreement with Real Attraction Sdn. Bhd. in respect of the acquisition of two pieces of land situated in Seremban, Negeri Sembilan, the details are as below:

- PAJAKAN NEGERI 49354, LOT 50880, Bandar Seremban Utama, Daerah Seremban, Negeri Sembilan; and
- GERAN 281688, LOT 50465, Bandar Seremban Utama, Daerah Seremban, Negeri Sembilan

Upon fulfilment of conditions precedent for the land acquisition, the deposits of RM10,295,000 (2023: nil) will be transferred to property, plant and equipment.

9. Deferred tax assets

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Property, plant and equipment						
- capital allowance	28,816	21,530	-	-	28,816	21,530
- revaluation	-	-	(5,738)	(5,862)	(5,738)	(5,862)
Right-of-use assets	-	-	(279,241)	(257,082)	(279,241)	(257,082)
Lease liabilities	403,541	388,461	-	-	403,541	388,461
Provisions	19,576	16,529	-	-	19,576	16,529
Contract liabilities	20,275	19,572	-	-	20,275	19,572
Net deferred tax assets/(liabilities)	472,208	446,092	(284,979)	(262,944)	187,229	183,148

NOTES TO THE FINANCIAL STATEMENTS

9. Deferred tax assets (continued)

Movement in temporary differences during the year

	At 1.1.2023 RM'000	Recognised in profit or loss (Note 22) RM'000	At 31.12.2023/ 1.1.2024 RM'000	Recognised in profit or loss (Note 22) RM'000	At 31.12.2024 RM'000
Property, plant and equipment					
- capital allowance	14,061	7,469	21,530	7,286	28,816
- revaluation	(5,986)	124	(5,862)	124	(5,738)
Right-of-use assets	(290,682)	33,600	(257,082)	(22,159)	(279,241)
Lease liabilities	426,183	(37,722)	388,461	15,080	403,541
Provisions	16,912	(383)	16,529	3,047	19,576
Contract liabilities	20,151	(579)	19,572	703	20,275
	180,639	2,509	183,148	4,081	187,229

Global minimum top-up tax

The Company has adopted *Amendments to MFRS 112, Income Taxes - International Tax Reform – Pillar Two Model Rules* upon their release on 2 June 2023.

The amendments provide a temporary mandatory relief from deferred tax accounting for the top-up tax, which is effective immediately, and require new disclosures about the Pillar Two exposure. The temporary mandatory relief applies retrospectively.

The Company has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

The initial application of this amendment is not expected to have any material financial impact to the current period and prior period financial statements of the Company.

10. Inventories

	2024 RM'000	2023 RM'000
Retail merchandise	269,956	269,509
Food and others	344,187	283,866
	614,143	553,375
Recognised in profit or loss:		
Inventories recognised as an expense	2,428,813	2,380,778
Write-down of inventory	3,599	1,596

The write-down of inventory is included in changes in inventories.

NOTES TO THE FINANCIAL STATEMENTS

11. Contract assets/(liabilities)

	2024 RM'000	2023 RM'000
Contract assets	18,456	16,390
Contract liabilities	(84,454)	(81,651)

The contract assets primarily relate to the Company's rights to consideration for the rental earned but not yet billed at the reporting date. Typically, the amount will be billed within 30 days and payment is expected within 90 days.

The contract liabilities relate to unutilised cash vouchers. The amount will be recognised as revenue when cash vouchers are utilised by customers, which is expected to occur over the next two years.

	2024 RM'000	2023 RM'000
Unutilised cash vouchers	84,454	81,651

Movement in contract liabilities

The following table shows reconciliation from the opening balance to the closing balance for contract liabilities and its components.

	Unutilised cash vouchers RM'000
At 1 January 2023	84,619
Additions	151,114
Utilisation/Expired	(154,082)
At 31 December 2023/1 January 2024	81,651
Additions	158,501
Utilisation/Expired	(155,698)
At 31 December 2024	84,454

12. Receivables, deposits and prepayments

	Note	2024 RM'000	2023 RM'000
Trade			
Trade receivables		35,810	54,987
Amount due from a related company	12.1	5,846	21,493
		41,656	76,480
Non-trade			
Other receivables		3,769	3,662
Prepayments		8,051	7,762
Amounts due from related companies	12.1	6,746	10,166
		18,566	21,590
		60,222	98,070

NOTES TO THE FINANCIAL STATEMENTS

12. Receivables, deposits and prepayments (continued)

12.1 Amounts due from related companies

The trade amount due from a related company is unsecured, interest free and subject to normal trade terms.

The non-trade amounts due from related companies are unsecured, interest free and repayable on demand.

13. Cash and cash equivalents

	2024 RM'000	2023 RM'000
Cash and bank balances	64,449	49,829
Money market placements with a non-financial institution	120,606	-
Deposits placed with licensed banks	186,300	50,000
	371,355	99,829

14. Capital and reserves

	2024		2023	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares				
At 1 January/31 December	1,404,000	702,000	1,404,000	702,000

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of equity investments designated at fair value through other comprehensive income until the investments are derecognised or impaired.

NOTES TO THE FINANCIAL STATEMENTS

15. Borrowings

	Note	2024 RM'000	2023 RM'000
Non-current			
Islamic Medium Term Notes - unsecured	15.2	590,000	370,000
Current			
Bank loans - unsecured	15.1	-	49,995
Islamic Commercial Papers - unsecured	15.3	30,000	-
		30,000	49,995
		620,000	419,995

15.1 There was no outstanding bank loan as at 31 December 2024. The bank loans as at 31 December 2023 were unsecured and bear interest ranging from 2.99% to 3.03% per annum and were repayable on quarterly basis up to 29 July 2024.

15.2 The unsecured Islamic Medium Term Notes bear interest ranging from 4.00% to 4.41% (2023: 4.28% to 4.41%) per annum and are repayable within 3 to 5 years (2023: 3 to 5 years) from issuance date.

15.3 The unsecured Islamic Commercial Papers bear interest of 3.88% (2023: nil) per annum and repayable within 6 months from issuance date.

15.4 Significant financial covenants in connection with the Sukuk Programme and Sukuk Wakalah Programme include the Company maintaining a debt to equity ratio not exceeding 1.0 to 1.25 times (2023: 1.0 time) throughout the programme tenure. As at the end of the reporting period, the Company has complied with these requirements.

16. Payables and accruals

	Note	2024 RM'000	2023 RM'000
Non-current			
Non-trade			
Amount due to a related company	16.1	-	4,881
Current			
Trade			
Trade payables		638,002	632,428
Amount due to a related company	16.1	281	236
		638,283	632,664
Non-trade			
Other payables and accrued expenses	16.2	252,181	231,225
Rental and utility deposits		271,698	257,471
Amount due to holding company	16.1	17,778	17,374
Amount due to an associate	16.1	2,222	1,796
Amount due to related companies	16.1	46,290	45,123
		590,169	552,989
		1,228,452	1,185,653
		1,228,452	1,190,534

NOTES TO THE FINANCIAL STATEMENTS

16. Payables and accruals (continued)

16.1 Amounts due to holding company, an associate and related companies

The trade amount due to a related company is unsecured, interest free and subject to normal trade terms.

The non-trade amount due to holding company, an associate and related companies are unsecured, interest free and repayable on demand, except for a non-trade amount due to a related company, which related to the deferred payment plan of RM4,881,000 (2023: RM11,035,000) for the acquisition of intangible assets that is unsecured, interest free and repayable on annual basis up to year 2025, as disclosed in Note 5.

16.2 Other payables and accrued expenses

Included in other payables and accrued expenses is accrued interest of RM11,179,000 (2023: RM8,184,000) and dividend payable of nil (2023: RM192,000).

16.3 Supplier financing arrangement

The Company participates in a supplier financing arrangement ("SFA") where its suppliers may opt-in to receive early payment of their invoices from the bank by factoring their receivables from the Company. Under the arrangement, the bank agrees to pay a participating supplier in respect of invoices owed by the Company and receives settlements from the Company at a later date. The principal purpose of this arrangement is to facilitate efficient payment processing and enable the willing suppliers to sell their receivables due from the Company to the bank before their due date.

The Company has not derecognised the original liabilities to which the arrangement applies because neither a legal release was obtained nor the original liability was substantially modified on entering into the arrangement. From the Company's perspective, the arrangement does not significantly extend payment terms beyond the normal terms agreed with other suppliers that are not participating. The Company does not incur any additional interest towards the bank on the amounts due to the suppliers. The Company therefore continue to disclose the amounts factored by suppliers within trade payables because the nature and function of the financial liability remain the same as those of other trade payables but discloses disaggregated amounts in the notes. All payables under the SFA are classified as current as at 31 December 2024.

	Total SFA trade payables RM'000	Not yet paid by finance provider RM'000	Paid by finance provider RM'000
At 31 December 2024	25,858	-	25,858

Range of payment due dates (after invoice date)

	Trade payables that are part of SFA	Comparable trade payables that are not part of SFA
At 31 December 2024	30 – 90 days	30 – 90 days

The payments to the bank are included within operating cash flows because they continue to be part of the normal operating cycle to the Company and their principal nature remains operating – i.e. payments for the purchased goods and services. The payments to suppliers by the bank are considered non-cash transactions and amounted to RM133,986,000 (2023: RM136,942,000).

NOTES TO THE FINANCIAL STATEMENTS

17. Other liabilities

Provision for restoration costs

	2024 RM'000	2023 RM'000
At 1 January	48,447	23,615
Provision made during the year	28,092	34,966
Provision utilised during the year	(707)	(6,286)
Provision reversed during the year	(63)	(4,890)
Unwinding of discount	2,054	1,042
At 31 December	77,823	48,447

Under the provision of lease agreements, the Company has an obligation to dismantle and remove structures on the site and restore those sites at the end of the lease term to an acceptable condition. The liabilities for restoration are recognised at present value of the compounded future expenditure estimated using current price and discounted using a discount rate of 4.24% (2023: 4.41%).

18. Revenue

	2024 RM'000	2023 RM'000
Sale of goods	3,069,998	2,982,350
Net commission from concessionaire sales	397,233	413,810
Property management services	745,092	682,920
Others	49,202	49,958
	4,261,525	4,129,038

Nature of goods and services

The following information reflects the typical transactions of the Company:

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds
Sale of goods and net commission from concessionaire sales	Revenue is recognised at the point in time when the goods are accepted by the customers at the stores of the Company. When the Company acts in the capacity of an agent rather than as principal, the revenue is recognised at the point in time when the goods are accepted by the customers and is the net amount of commission made.	Cash term.	Customers may earn loyalty points where the costs attributed to the loyalty points will be recognised net of revenue.	The Company allows returns for exchange with new goods under normal circumstances within 14 days from the date of purchase.
Property management services	Revenue is recognised on a straight-line basis over the term of the lease.	Credit period of 30 days from invoice date.	In addition to fixed rental, certain tenants are subject to variable rental where the variable rental income is calculated on agreed percentages of the tenants' gross sales amount.	Not applicable.

NOTES TO THE FINANCIAL STATEMENTS

19. Profit from operations

	2024 RM'000	2023 RM'000
Profit from operations is arrived at after charging/(crediting)		
Auditors' remuneration		
- Audit fees		
- KPMG PLT Malaysia	330	310
- Non-audit fees		
- KPMG PLT Malaysia	21	56
- Local affiliates of KPMG PLT in Malaysia	116	141
Material expenses/(income)		
Amortisation of intangible assets	15,079	14,143
Bad debts written off	19	2
Depreciation of property, plant and equipment	247,708	259,756
Depreciation of right-of-use assets	157,328	146,644
Dividend income	(2,624)	(2,299)
Intangible assets written off	25	-
Litigation related expenses	22,566	-
Net (gain)/loss on foreign exchange		
- Realised	(1,329)	(708)
- Unrealised	18	11
Net gain on lease derecognition	(6,990)	(15,354)
Net gain on disposal of property, plant and equipment	(564)	(14)
Personnel expenses (including key management personnel):		
- Contributions to Employees Provident Fund	47,859	45,335
- Wages, salaries and others	376,867	349,506
Property, plant and equipment written off	2,227	5,008
Net (reversal)/loss on impairment of:		
- Intangible assets	(18)	18
- Property, plant and equipment	3,038	1,734
- Right-of-use assets	10,880	19,248
- Trade receivables	(638)	3,028
Royalty expenses	20,039	18,543
Expenses arising from leases		
Expenses relating to short-term leases	734	746
Expenses relating to low-value leases	1,050	1,682

NOTES TO THE FINANCIAL STATEMENTS

20. Finance income and finance costs

	2024 RM'000	2023 RM'000
Finance income		
Interest income of financial assets that are carried at amortised cost	7,732	6,137
Gain on withdrawal of money market placements	-	2,880
	7,732	9,017
Finance costs		
Interest expense:		
- Financial liabilities that are carried at amortised cost	20,420	19,264
- Lease liabilities	73,161	85,307
- Other finance costs	2,054	1,042
	95,635	105,613

21. Key management personnel compensation

The key management personnel compensations are as follows:

	2024 RM'000	2023 RM'000
Directors:		
Fees	1,070	1,049
Remuneration	1,163	1,704
Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	165	234
	2,398	2,987

22. Tax expense

	2024 RM'000	2023 RM'000
Current tax expense		
- Current year	85,967	78,754
- (Over)/Under provision in prior year	(2,137)	2,861
	83,830	81,615
Deferred tax expense		
- Reversal of temporary differences	(5,221)	(3,439)
- Under provision in prior year	1,140	930
	(4,081)	(2,509)
Tax expense	79,749	79,106

NOTES TO THE FINANCIAL STATEMENTS

22. Tax expense (continued)

	2024 RM'000	2023 RM'000
Reconciliation of tax expense		
Profit before tax	207,781	193,938
Tax calculated using Malaysian tax rate of 24% (2023: 24%)	49,867	46,545
Non-deductible expenses	32,003	30,232
Non-taxable income	(1,124)	(1,462)
	80,746	75,315
(Over)/Under provided in prior year		
- Current tax expense	(2,137)	2,861
- Deferred tax expense	1,140	930
Tax expense	79,749	79,106

23. Other comprehensive income

	2024		2023	
	Before tax RM'000	Net of tax RM'000	Before tax RM'000	Net of tax RM'000
Item that will not be reclassified subsequently to profit or loss				
Net change in fair value of equity investments at fair value through other comprehensive income	6,409	6,409	(6,688)	(6,688)

24. Earnings per ordinary share

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share was based on the profit attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the period.

	2024 RM'000	2023 RM'000
Profit for the year attributable to owners of the Company	128,032	114,832

	2024 '000	2023 '000
Weighted average number of ordinary shares at 31 December	1,404,000	1,404,000

	2024 Sen	2023 Sen
Basic earnings per ordinary share	9.12	8.18

NOTES TO THE FINANCIAL STATEMENTS

24. Earnings per ordinary share (continued)

Diluted earnings per ordinary share

There is no dilution in earnings per share as there is no potential dilutive ordinary shares.

25. Dividend

Dividend recognised by the Company is as follows:

	Sen per share	Total amount RM'000	Date of payment
2024			
Final 31.12.2023 dividend	4.00	56,160	20 June 2024
2023			
Final 31.12.2022 dividend	4.00	56,160	15 June 2023

After the end of the reporting period, the following dividend was recommended by the Directors. The dividend will be recognised in subsequent financial period upon approval by the shareholders of the Company.

	Sen per share	Total amount RM'000
Final 31.12.2024 dividend	4.50	63,180

26. Operating segments

The Company has two main reportable segments, as described below, which are based on the Company's management and internal reporting structure. Results from each of the segments are reviewed regularly by the Managing Director and the Board of Directors of the Company.

Reportable segments

The two main reportable segments are:

Retailing The operations of a chain of departmental stores and supermarkets selling a broad range of goods ranging from clothing, food, household goods and other merchandise.

Property management services Shopping mall operation.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly interest-earning assets and interest income, loans and borrowings and unallocated common expenses and tax assets and liabilities. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, right-of-use assets and intangible assets.

NOTES TO THE FINANCIAL STATEMENTS

26. Operating segments (continued)

	Retailing		Property management services		Total	
	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Business segments						
Revenue from external customers	3,524,570	3,454,311	736,955	674,727	4,261,525	4,129,038
Total revenue	3,524,570	3,454,311	736,955	674,727	4,261,525	4,129,038
Segment profit	75,752	68,943	282,374	255,796	358,126	324,739
Less: Unallocated expenses					(63,546)	(35,118)
Profit from operations					294,580	289,621
Finance income					7,732	9,017
Finance costs					(95,635)	(105,613)
Share of results of equity-accounted associate, net of tax					1,104	913
Profit before tax					207,781	193,938
Tax expense					(79,749)	(79,106)
Profit for the year					128,032	114,832
Segment assets	1,507,462	1,334,988	3,629,996	3,653,878	5,137,458	4,988,866
Unallocated assets					497,301	234,677
Total assets					5,634,759	5,223,543
Segment liabilities	(1,254,734)	(1,183,282)	(1,744,909)	(1,712,807)	(2,999,643)	(2,896,089)
Unallocated liabilities					(697,823)	(468,442)
Total liabilities					(3,697,466)	(3,364,531)
Additions to non-current assets other than financial instruments and deferred tax assets	243,670	184,478	83,568	266,649	327,238	451,127
Depreciation and amortisation	148,461	134,342	271,654	286,201	420,115	420,543
(Reversal)/Loss on impairment of intangible assets	(18)	18	-	-	(18)	18
Loss on impairment of property, plant and equipment	6,182	1,734	-	-	6,182	1,734
Reversal on impairment of property, plant and equipment	(3,144)	-	-	-	(3,144)	-
Impairment of right-of-use assets	2,500	1,374	8,380	17,874	10,880	19,248
Write-down of inventory	3,599	1,596	-	-	3,599	1,596

Geographical segment

There is no geographical information as the Company is predominantly operating in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

27. Capital management

The Company's objectives when managing capital is to maintain a strong capital base and safeguard the Company's ability to continue as a going concern, so as to maintain investors, creditors and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio and meet regulatory requirement.

There were no changes in the Company's approach to capital management during the year. Under the requirement of Bursa Malaysia Practice Note 17, the Company is required to maintain shareholders' equity equal to or not less than 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

28. Capital commitments

	2024 RM'000	2023 RM'000
Property, plant and equipment		
<i>Contracted but not provided for</i>	115,446	20,881

29. Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the parties are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel include all the Directors of the Company.

The Company has related party relationship with its holding company, related companies and associate.

NOTES TO THE FINANCIAL STATEMENTS

29. Related parties (continued)

Significant related party transactions

The significant related party transactions of the Company (other than key management personnel compensation as disclosed in Note 21) are shown below. The balances related to the below transactions are shown in Notes 12 and 16.

	Transactions amount for the year ended 31 December		Balance outstanding at 31 December	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Holding company:				
Royalty expenses	(18,196)	(18,236)	(16,586)	(16,561)
Related companies:				
Sales collected through AEON Credit Service (M) Berhad payment services	1,595,951	1,389,962	5,846	21,493
Rental income	11,028	9,234	837	3,208
Sale of goods	2,729	3,710	602	701
Support services	544	281	-	168
Management fee	13,703	18,244	731	7,955
Trustee fee	31	31	-	-
Credit card sales commission expenses	(9,347)	(8,492)	-	-
Supply chain and distribution centre management fee	(70,578)	(61,639)	(18,534)	(10,375)
Purchase of inventories	(11,250)	(9,332)	(310)	(1,682)
Facility management services	(56,122)	(57,224)	(9,362)	(7,300)
Rental expenses	(17,481)	(17,647)	-	(13)
Royalty expenses	(1,723)	(307)	(1,003)	(236)
Loyalty point cost and service cost	(12,192)	(13,862)	(5,491)	(1,998)
Associate:				
Purchase of inventories	(74)	(39)	(22)	-
Rental income	14,222	11,760	99	304

The related party transactions described above were carried out on agreed terms with related parties. All the amounts outstanding are unsecured and expected to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS

30. Financial instruments

30.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (a) Amortised cost ("AC");
- (b) Fair value through profit or loss ("FVTPL"); and
- (c) Fair value through other comprehensive income ("FVOCI")
 - Equity investment designated upon initial recognition ("EIDUIR")

	Carrying amount RM'000	AC RM'000	FVTPL RM'000	FVOCI- EIDUIR RM'000
2024				
Financial assets				
Other investments	58,143	-	-	58,143
Receivables and deposits (excluding prepayments)	52,171	52,171	-	-
Cash and cash equivalents	371,355	250,749	120,606	-
	481,669	302,920	120,606	58,143
Financial liabilities				
Borrowings	(620,000)	(620,000)	-	-
Payables and accruals	(1,228,452)	(1,228,452)	-	-
	(1,848,452)	(1,848,452)	-	-
2023				
Financial assets				
Other investments	51,734	-	-	51,734
Receivables and deposits (excluding prepayments)	90,308	90,308	-	-
Cash and cash equivalents	99,829	99,829	-	-
	241,871	190,137	-	51,734
Financial liabilities				
Borrowings	(419,995)	(419,995)	-	-
Payables and accruals	(1,190,534)	(1,190,534)	-	-
	(1,610,529)	(1,610,529)	-	-

NOTES TO THE FINANCIAL STATEMENTS

30. Financial instruments (continued)

30.2 Net gains and losses arising from financial instruments

	2024 RM'000	2023 RM'000
Net gains/(losses) on:		
Equity investment designated at fair value through other comprehensive income		
- recognised in other comprehensive income	6,409	(6,688)
- recognised in profit or loss	2,624	2,299
Financial assets measured at fair value through profit or loss mandatorily	-	2,880
Financial assets at amortised cost	7,672	1,479
Financial liabilities at amortised cost	(19,109)	(18,567)
	(2,404)	(18,597)

30.3 Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

30.4 Credit risk

Credit risk is the risk of a financial loss to the Company if a customer, tenant or counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk arise from its shopping mall tenants and credit card receivables. There are no significant changes as compared to prior periods.

Trade receivables and contract assets

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on shopping mall tenants. The Company requires all tenants to place adequate security deposits as stipulated under the tenancy agreement. In terms of its credit card receivables, which are from financial institutions, the Company has in place an ongoing process to monitor closely and ensure risk exposure is always minimal.

At each reporting date, the Company assesses whether any of the trade receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

NOTES TO THE FINANCIAL STATEMENTS

30. Financial instruments (continued)

30.4 Credit risk (continued)

Trade receivables and contract assets (continued)

Exposure to credit risk and credit quality and collateral

As at the end of the reporting period, the Company does not have any major concentration of credit risk and the maximum exposure to credit risk arising from trade receivables and contract assets is represented by the carrying amounts in the statement of financial position.

These receivables are credit card receivables from financial institutions and receivables from shopping mall tenants. The tenants are required to place adequate security deposits as stipulated under the tenancy agreement which act as collateral if receivables due from the tenants are not settled or in case of breaches of contract. Hence, credit risk with respect to receivables from shopping mall tenants is limited to amounts beyond the collaterals.

Recognition and measurement of impairment losses

In managing credit risk of trade receivables, the Company manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 120 days. The Company's debt recovery process is as follows:

- a) Above 90 days past due after credit term, the Company will start to initiate a structured debt recovery process which is monitored by the tenant management team; and
- b) Above 180 days past due, the Company will commence a legal proceeding against the customer.

The Company uses an allowance matrix to measure expected credit losses ("ECLs") of trade receivables. Consistent with the debt recovery process, invoices which are past due 90 days will be considered as credit impaired.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to 90 days past due.

Loss rates are based on actual credit loss experience over the past two years. The Company also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Company's view of economic conditions over the expected lives of the receivables. Nevertheless, the Company believes that these factors are immaterial for the purpose of impairment calculation for the year.

NOTES TO THE FINANCIAL STATEMENTS

30. Financial instruments (continued)

30.4 Credit risk (continued)

Trade receivables and contract assets (continued)

Recognition and measurement of impairment losses (continued)

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets which are grouped together as they are expected to have similar risk nature.

	Gross carrying amount RM'000	Loss allowance* RM'000	Net balance RM'000
2024			
Current (not past due)	29,092	-	29,092
1 - 30 days past due	2,947	(681)	2,266
31 - 60 days past due	1,775	(410)	1,365
61 - 90 days past due	1,239	(287)	952
	35,053	(1,378)	33,675
Credit impaired			
More than 90 days past due	25,126	(5,810)	19,316
Individually impaired	12,342	(11,067)	1,275
	72,521	(18,255)	54,266
Trade receivables	54,065	(18,255)	35,810
Contract assets	18,456	-	18,456
	72,521	(18,255)	54,266
Collateralised trade receivables			
- Where no loss allowance recognised	20,819	-	20,819
- Where loss allowance recognised	17,442	(8,270)	9,172
	38,261	(8,270)	29,991

NOTES TO THE FINANCIAL STATEMENTS

30. Financial instruments (continued)

30.4 Credit risk (continued)

Trade receivables and contract assets (continued)

Recognition and measurement of impairment losses (continued)

	Gross carrying amount RM'000	Loss allowance* RM'000	Net balance RM'000
2023			
Current (not past due)	46,334	-	46,334
1 - 30 days past due	2,737	(741)	1,996
31 - 60 days past due	1,944	(527)	1,417
61 - 90 days past due	1,492	(404)	1,088
	52,507	(1,672)	50,835
Credit impaired			
More than 90 days past due	25,106	(6,800)	18,306
Individually impaired	14,538	(12,302)	2,236
	92,151	(20,774)	71,377
Trade receivables	75,761	(20,774)	54,987
Contract assets	16,390	-	16,390
	92,151	(20,774)	71,377
Collateralised trade receivables			
- Where no loss allowance recognised	21,176	-	21,176
- Where loss allowance recognised	21,136	(10,135)	11,001
	42,312	(10,135)	32,177

* The Company takes into account security deposits in determining the loss allowance to be provided as at financial year end.

Trade receivables which are credit impaired amounting to RM17,442,000 (2023: RM21,136,000) are partially collateralised in the form of security deposit as stipulated in the lease agreement. Impairment loss has been provided after taking into consideration of the collateral value of the security deposit of RM9,172,000 (2023: RM11,001,000).

There are trade receivables where the Company has not recognised any loss allowance as the trade receivables are supported by security deposits in managing exposure to credit risk.

NOTES TO THE FINANCIAL STATEMENTS

30. Financial instruments (continued)

30.4 Credit risk (continued)

Trade receivables and contract assets (continued)

Recognition and measurement of impairment losses (continued)

The movements in loss allowance in respect of trade receivables during the year are shown below:

	Trade receivables		
	Lifetime ECL RM'000	Credit impaired RM'000	Total RM'000
Balance at 1 January 2023	9,783	12,011	21,794
Net impairment	2,650	378	3,028
Written off	(3,961)	(87)	(4,048)
Balance at 31 December 2023/1 January 2024	8,472	12,302	20,774
Net reversal of impairment	(509)	(129)	(638)
Written off	(775)	(1,106)	(1,881)
Balance at 31 December 2024	7,188	11,067	18,255

Cash and cash equivalents

The cash and cash equivalents are held with licensed banks and a non-financial institution. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These licensed banks have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Company is of the view that the loss allowance is not material and hence, it is not provided for.

Amount due from related companies

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position. Generally, the Company considers balances with related companies have low credit risk. The Company assumes that there is a significant increase in credit risk when a related company's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the related company balance when they are payable, the Company considers the balances to be in default when the related companies are not able to pay when demanded.

At the end of the reporting period, the Company does not recognise any allowance for impairment loss.

Other receivables

Credit risks on other receivables are mainly arising from sundry receivable. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position. The Company does not consider it necessary to recognise any allowance for impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

30. Financial instruments (continued)

30.5 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's exposure to liquidity risk arise principally from its various payables, loans and borrowings.

Risk management objectives, policies and processes for managing the risk

The Company monitors and maintains a level of cash and cash equivalents, and banking facilities that are deemed adequate by management for the Company's operational needs and mitigate effects of fluctuations in cash flows and liquidity. The Company's deposits are also placed with a licensed bank which is highly liquid.

In 2016, the Company has established an Islamic Commercial Papers Programme with a limit of up to RM300.0 million and an Islamic Medium Term Notes Programme with a limit of up to RM1.0 billion, under a combined master limit of up to RM1.0 billion in nominal value based on the Shariah principle of Murabahah via Tawarruq arrangement ("Sukuk Programme"). In 2023, Islamic Commercial Papers Programme has expired.

In 2024, the Company has established another Islamic Commercial Papers Programme and Islamic Medium Term Notes Programme with a combined aggregate limit of up to RM2.0 billion in nominal value based on the Shariah principle of Wakalah Bi Al-Istithmar ("Sukuk Wakalah Programme").

The Directors are of the opinion that the Company will be able to meet its liabilities as and when they fall due as there are sufficient unutilised facilities arising from the Sukuk Programme, Sukuk Wakalah Programme and other financing facilities as at the year end, coupled with the ability of the Company to generate sufficient operating cash flows based on the historical trend of positive operating cash flows.

It is not expected that the cash flows included in maturity analysis could occur significantly earlier, or at significantly different amounts.

Maturity analysis

The table below summarises the maturity profile of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000	2 to 5 years RM'000	After 5 years RM'000
2024						
Islamic Commercial Papers	30,000	3.88	30,000	30,000	-	-
Islamic Medium Term Notes	590,000	4.00 - 4.41	688,371	24,954	663,417	-
Lease liabilities	1,686,737	3.86 - 5.35	2,072,475	264,732	1,107,159	700,584
Payables and accruals	1,228,452	-	1,228,452	1,228,452	-	-
	3,535,189		4,019,298	1,548,138	1,770,576	700,584
2023						
Bank loans	49,995	2.99 - 3.03	50,686	50,686	-	-
Islamic Medium Term Notes	370,000	4.28 - 4.41	440,409	16,062	424,347	-
Lease liabilities	1,623,904	3.20 - 5.35	2,185,396	257,864	833,032	1,094,500
Payables and accruals	1,190,534	-	1,190,534	1,185,653	4,881	-
	3,234,433		3,867,025	1,510,265	1,262,260	1,094,500

NOTES TO THE FINANCIAL STATEMENTS

30. Financial instruments (continued)

30.6 Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and other prices that will affect the Company's financial position or cash flows.

30.6.1 Interest rate risk

The Company's fixed rate borrowings are exposed to a risk of change in their fair values due to changes in interest rates. Interest-earning financial assets are mainly deposits placed with licensed bank that generates interest income.

Risk management objectives, policies and processes for managing the risk

The management monitors closely the prevailing interest rates at regular intervals and ensure that the Company obtains competitive rates for its banking facilities, interest earning deposits, long term and short term borrowings.

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

Exposure to interest rate risk

The interest rate profile of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period were:

	2024 RM'000	2023 RM'000
Fixed rate instruments		
<i>Financial asset</i>		
Deposits placed with licensed banks	186,300	50,000
<i>Financial liabilities</i>		
Bank loans	-	(49,995)
Islamic Commercial Papers	(30,000)	-
Islamic Medium Term Notes	(590,000)	(370,000)
Lease liabilities	(1,686,737)	(1,623,904)
	(2,306,737)	(2,043,899)
	(2,120,437)	(1,993,899)

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Company does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

30. Financial instruments (continued)

30.6 Market risk (continued)

30.6.2 Foreign currency risk

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

30.6.3 Other price risk

Equity price risk arises from the Company's investments in equity securities.

Risk management objectives, policies and processes for managing the risk

The Company's equity investments are monitored regularly and subject to periodical review. Transaction decisions are approved by the Board of Directors.

Equity price risk sensitivity analysis

A 1% (2023: 1%) increase in the market price of the investment as at the end of the reporting period would have increased equity by RM581,000 (2023: RM517,000). A 1% (2023: 1%) decrease in market price would have had equal but opposite effect on equity.

NOTES TO THE FINANCIAL STATEMENTS

30. Financial instruments (continued)

30.7 Fair value of financial instruments

30.7.1 Fair value information

The carrying amounts of cash and cash equivalents, short term receivables, short term borrowings and payables reasonably approximate their fair values due to the relatively short term nature of these financial instruments. The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value		Carrying amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
2024											
Financial asset											
Investment in quoted equities	58,143	-	-	58,143	-	-	-	-	-	58,143	58,143
Financial liability											
Borrowings	-	-	-	-	-	-	(627,636)	(627,636)	(627,636)	(620,000)	
2023											
Financial asset											
Investment in quoted equities	51,734	-	-	51,734	-	-	-	-	-	51,734	51,734
Financial liability											
Borrowings	-	-	-	-	-	-	(429,664)	(429,664)	(429,664)	(419,995)	

NOTES TO THE FINANCIAL STATEMENTS

30. Financial instruments (continued)

30.7 Fair value of financial instruments (continued)

30.7.1 Fair value information (continued)

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Investment in quoted equities

The fair value of investment in quoted equities is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2023: no transfer in either directions).

Level 3 fair value

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

Financial instruments not carried at fair value

Type	Description of valuation technique and inputs used
Borrowings	Discounted cash flows using a rate based on the current market rate of similar borrowings of the Company at the reporting date.

31. Material litigation

On 2 March 2021, the Company received a legal suit from Betanaz Properties Sdn. Bhd. ("Betanaz"). Betanaz alleged that the Company breached the Tenancy Agreement dated 24 August 2017 ("Tenancy Agreement") for wrongfully terminated the Tenancy Agreement. Betanaz is seeking for, among others, the following reliefs:

- (i) Rental payment for the tenancy period between 1 April 2020 to 17 December 2021 and for the initial term of ten (10) years of the lease amounting to a total sum of RM59,302,302.97; or
- (ii) Expenditure allegedly incurred by Betanaz for the project, including site clearance and earthworks, consultancy fees, financing costs and other incidental costs arising from the banking facilities and other costs amounting to RM18,936,207.76.

On 29 March 2021, the Company filed and served its defence against Betanaz. Further, the Company, as the plaintiff, filed a counterclaim against Betanaz. as the first defendant, and Ahmad Zaki Resources Berhad ("AZRB") as the second defendant due to the non-fulfilment of the conditions precedent on the part of the defendants prior to the expiry of the respective conditional periods, and thus the Tenancy Agreement and Commercial Agreement dated 24 August 2017 had been rendered void due to the expiry of the conditional periods on 23 October 2020 and 23 January 2020 respectively.

NOTES TO THE FINANCIAL STATEMENTS

31. Material litigation (continued)

The Company is claiming the return or payment of approximately RM2,303,087.00 being the consultation fees for the project from Betanaz as first defendant and approximately RM28,415,094.44 being the contribution towards the construction of the bridge connecting Bandar Kuantan to Bandar Putra, Tanjung Lumpur, Pahang ("Bridge"), from AZRB as the second defendant.

On 16 December 2024, the Kuala Lumpur High Court delivered the decision as follows:

- a. The claim on judgement sum of RM59,302,302.97 was not allowed;
- b. The claim on the final judgement for RM18,678,255.27 against the Company was allowed, together with interest at the rate of 5% per annum from 1 March 2021 until the full payment is paid ("Interest");
- c. Costs to be paid by the Company to Betanaz and AZRB amounting to RM200,000 and RM100,000 respectively, within 45 days from 16 December 2024; and
- d. The Company's counterclaim against Betanaz and AZRB was dismissed.

On 23 December 2024, the Company had filed both the Notice of Appeal and the Stay Application for a stay of execution of the High Court's decision. The Court of Appeal has fixed the case management date on 25 March 2025.

On 7 January 2025, the High Court had granted the Company a conditional stay, pending appeal, and the following payments have been remitted on 22 January 2025:

- a. Judgement sum amounting to RM18,678,255.27, together with Interest to Betanaz's solicitors as stakeholders in an interest-bearing account; and
- b. Legal costs for the sum of RM200,000.00 awarded to Betanaz and RM100,000.00 to AZRB respectively.

Based on the advice by the Company's lawyers, with due respect to the judgement of the High Court, the Directors are of the view that Betanaz is not entitled to the above reliefs delivered on 16 December 2024 because the Tenancy Agreement and Commercial Agreement dated 24 August 2017 had been rendered void due to the expiry of the conditional periods on 23 October 2020 and 23 January 2020 respectively.

As at 31 December 2024, the Company has accrued for the sums remitted on 22 January 2025, while awaiting the outcome of appeal at the Court of Appeal.

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

In the opinion of the Directors, the financial statements set out on pages 154 to 207 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2024 and of its financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

.....
Datuk Iskandar bin Sarudin
Director

.....
Naoya Okada
Director

Kuala Lumpur

Date: 17 March 2025

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Tan Ai Lee, the officer primarily responsible for the financial management of AEON CO. (M) BHD., do solemnly and sincerely declare that the financial statements set out on pages 154 to 207 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Tan Ai Lee, at Kuala Lumpur in the Federal Territory on 17 March 2025.

.....
Tan Ai Lee

Before me:

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AEON CO. (M) BHD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of AEON CO. (M) BHD., which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 154 to 207.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

i) Impairment of property, plant and equipment and right-of-use assets

Refer to Note 2.4 – Material accounting policy: Property, plant and equipment, Note 2.5 – Material accounting policy: Leases, Note 3 – Property, plant and equipment and Note 4 – Right-of-use assets.

The key audit matter

In light of the industry and business environment which the Company operates in, there were significant balances of property, plant and equipment and right-of-use assets amounting to RM3,102,247,000 and RM1,163,129,000 which represented approximately 55% and 21% of the Company's total assets, respectively as at 31 December 2024. There is a risk that the carrying amounts of certain assets may be higher than the recoverable amount as a result of certain loss making stores and malls. The determination of whether an impairment charge for property, plant and equipment and right-of-use assets is necessary involved significant judgement about the future results of the business and assessment of future plans for those loss-making stores and malls.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AEON CO. (M) BHD.

Key Audit Matters (continued)

i) Impairment of property, plant and equipment and right-of-use assets (continued)

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- Evaluated the assessment performed by the Company on the indicators of impairment of property, plant and equipment and right-of-use assets to determine whether the relevant internal and external factors have been considered.
- Assessed the discounted cash flow projections for stores and malls with indicators of impairment prepared by the Company by performing the following procedures:
 - evaluated the impairment test model by comparing it with the requirements of the relevant accounting standards;
 - evaluated the appropriateness of the key assumptions used in particular those relating to revenue growth rate, gross profit margin and discount rate with reference to internal and external sources of information;
 - tested historical forecasting accuracy by comparing the forecasted results used in the discounted cash flow prepared in the prior year against current year performance; and
 - performed sensitivity analysis on the key assumptions such as revenue growth rate, gross profit margin and discount rate to consider the extent of change in those key assumptions that either individually or collectively would require the property, plant and equipment or right-of-use assets to be impaired or further impaired, if any.
- Assessed the adequacy of the Company's disclosures in respect of impairment of property, plant and equipment and right-of-use assets including those key assumptions to which the outcome of the impairment test is most sensitive.

ii) Costing and valuation of inventory

Refer to Note 2.7 – Material accounting policy: Inventories and Note 10 – Inventories.

The key audit matter

The Company held significant inventory balances as at 31 December 2024 of RM614,143,000 which represented approximately 11% of the Company's total assets. Inventory is valued using weighted average cost of merchandise derived using the Retail Inventory Method ("RIM"). Allowance is made against inventory on the estimated losses related to shrinkage and slow moving or obsolete inventory. The valuation of inventory is a key audit matter because of the judgement involved in assessing the level of allowance required. The use of RIM in inventory costing requires certain assumptions on the consistent mark up across all products in current and prior periods.

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- Tested the design and implementation and assessed the operating effectiveness of system calculation controls over the weighted average cost of inventory derived using RIM.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AEON CO. (M) BHD.

Key Audit Matters (continued)

ii) Costing and valuation of inventory (continued)

How the matter was addressed in our audit (continued)

- Assessed the relevant inputs used in the computation of weighted average cost of inventory derived using RIM by vouching to supporting documents or by comparing to historical data and other collaborative evidence available.
- Evaluated the design and implementation and tested the operating effectiveness of the controls over the approval process for retail price alteration of merchandise as well as approval process for stock loss adjustments.
- Obtained an understanding of the Company's process in identifying inventories which value required to be written down due to slow-moving or obsolescence and assessed on a sampling basis, the adequacy of the amount written down by reference to historical data and current retail prices.
- On a sampling basis, compared the carrying value of the inventory items at reporting date to retail price subsequent to year end to ascertain that the value is at the lower of carrying amount and net realisable value.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in Directors' report (but does not include the financial statements of the Company and our auditors' report thereon), which we obtained prior to the date of this auditors' report, and the remaining parts of the annual report, which are expected to be made available to us after that date.

Our opinion on the financial statements of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining parts of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors of the Company and take appropriate actions in accordance with approved standards on auditing in Malaysia and International Standards on Auditing.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AEON CO. (M) BHD.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the company audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the financial statements of the Company. We are responsible for the direction, supervision and review of the audit work performed for purposes of the company audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AEON CO. (M) BHD.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Petaling Jaya, Malaysia

Date: 17 March 2025

Chan Chee Keong
Approval Number: 03175/04/2025 J
Chartered Accountant

ANALYSIS OF SHAREHOLDINGS

AS AT 21 MARCH 2025

Issued Share Capital : RM702,000,000 comprising 1,404,000,000 Ordinary Shares
Voting Rights : 1 vote per Ordinary Share

Analysis by Size of Shareholdings

(Based on the Record of Depositors of the Company)

Size of Shareholdings	No. of Shareholders/ Depositors	% of Shareholders/ Depositors	No. of Shares held	% of Shares held
1 – 99	1,096	10.810	7,587	0.000
100 – 1,000	3,148	31.048	1,690,134	0.120
1,001 – 10,000	4,146	40.892	18,456,205	1.315
10,001 – 100,000	1,384	13.650	42,927,659	3.058
100,001 – 70,199,999*	364	3.590	624,878,415	44.507
70,200,000 and above**	1	0.010	716,040,000	51.000
Total	10,139	100.000	1,404,000,000	100.000

* Less than 5% of issued shares

** 5% and above of issued shares

Substantial Shareholders

(Based on Register of Substantial Shareholders of the Company)

No.	Name	No. of Shares			
		Direct Interest	%	Indirect Interest	%
1	AEON CO., LTD.	730,440,000	52.026	-	-
2	Employees Provident Fund Board	84,767,200	6.038	-	-

Directors' Interest

(Based on Register of Directors' Shareholdings of the Company)

No.	Name	No. of Shares			
		Direct Interest	%	Indirect Interest	%
1	Chong Swee Ying	42,600	0.003	11,000*	0.001
2	Dato' Merina Binti Abu Tahir	-	-	-	-
3	Datuk Iskandar Bin Sarudin	-	-	-	-
4	Hiroaki Egawa	-	-	-	-
5	Hisham Bin Zainal Mokhtar	-	-	-	-
6	Jenifer Thien Bit Leong	-	-	-	-
7	Mohamad Abdul Naser Bin Md Jaafar @ Yunus	-	-	-	-
8	Naoya Okada	-	-	-	-
9	Tsugutoshi Seko	-	-	-	-
10	Zaida Khalida Binti Shaari	-	-	-	-

* Indirect interest pursuant to Section 59(11)(c) of the Companies Act, 2016

ANALYSIS OF SHAREHOLDINGS

AS AT 21 MARCH 2025

List of Thirty (30) Largest Shareholders*(Without aggregating securities from different securities accounts belonging to the same registered holder)*

No.	Name	No. of Shares Held	% of Shares Held
1	AEON CO., LTD	716,040,000	51.000
2	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA	68,762,500	4.897
3	LEMBAGA TABUNG HAJI	56,738,200	4.041
4	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (AHAM AM)	55,806,500	3.974
5	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MEF)	22,793,200	1.623
6	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	21,061,100	1.500
7	AMANAHRAYA TRUSTEES BERHAD PUBLIC SMALLCAP FUND	19,088,800	1.359
8	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR NOMURA SECURITIES CO LTD (CLIENT AC)	14,400,000	1.025
9	AMANAHRAYA TRUSTEES BERHAD PUBLIC STRATEGIC SMALLCAP FUND	14,200,000	1.011
10	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (NON PAR 16)	13,505,000	0.961
11	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PRULINK EQUITY FUND	13,086,400	0.932
12	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (AHAM AM EQ)	12,898,500	0.918
13	CARTABAN NOMINEES (TEMPATAN) SDN BHD PRUDENTIAL ASSURANCE MALAYSIA BERHAD FOR PRULINK STRATEGIC FUND	12,705,000	0.904
14	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC OPPORTUNITIES FUND	10,730,800	0.764
15	DB (MALAYSIA) NOMINEE (ASING) SDN BHD SSBT FUND J724 FOR SPDR PORTFOLIO EMERGING MARKETS ETF	10,611,448	0.755
16	ROSHAYATI BINTI BASIR	9,240,000	0.658
17	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LEEF)	9,109,300	0.648
18	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR PRINCIPAL ISLAMIC SMALL CAP OPPORTUNITIES FUND	7,958,100	0.566
19	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	7,150,500	0.509

ANALYSIS OF SHAREHOLDINGS

AS AT 21 MARCH 2025

No.	Name	No. of Shares Held	% of Shares Held
20	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG DANA MAKMUR	7,000,000	0.498
21	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (AHAM ABSR EQ)	6,204,000	0.441
22	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR MANULIFE INVESTMENT SHARIAH PROGRESS FUND	6,161,100	0.438
23	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR PRINCIPAL DALI EQUITY FUND	5,985,500	0.426
24	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR PRINCIPAL ISLAMIC MALAYSIA OPPORTUNITIES FUND	5,500,000	0.391
25	CITIGROUP NOMINEES (TEMPATAN) SDN BHD URUSHARTA JAMAAH SDN. BHD. (PRINCIPAL 2)	5,150,000	0.366
26	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PETROLIAM NASIONAL BERHAD (ACF-AFFIN-EQ)	4,681,500	0.333
27	CITIGROUP NOMINEES (TEMPATAN) SDN BHD LEMBAGATABUNG HAJI (EASTSPRING)	4,649,900	0.331
28	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (RHBISLAMIC)	4,429,400	0.315
29	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR PRINCIPAL ISLAMIC ENHANCED OPPORTUNITIES FUND	4,021,200	0.286
30	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PETROLIAM NASIONAL BERHAD (AFFIN)	3,754,500	0.267
TOTAL		1,153,422,448	82.137

PARTICULARS OF PROPERTIES

AS AT 31 DECEMBER 2024

Location	Description/ Existing Use	Land/ Built-up Area (sq ft)	Date of Acquisition (A)/ Completion (C)/ Revaluation (R)	Approx. Age of Building (Years)	Tenure	Net Book Value as at 31 December 2024 (RM '000)
Lot 7041, Mukim of Bukit Baru, District of Melaka Tengah, Melaka.	Leasehold Land/	436,036/	February 1995 (R)	31	99 years expiring on 19 December 2089	34,337
	Existing two-storey shopping centre	200,316				
	Extension/Renovation with rooftop car park	179,989		24.5		
Lot 23551, Mukim of Setapak, District and State of Wilayah Persekutuan.	Leasehold land/	368,516/	February 1995 (R)	30.5	95 years expiring on 28 March 2085	54,696
	Two-storey shopping centre and three- storey car park	666,694				
Lot PT 21441 Mukim of Kapar, District of Klang, Selangor Darul Ehsan.	Leasehold land/	643,753/	June 1994 (A)/	27	99 years expiring on 9 May 2093	36,248
	Two-storey shopping centre and two-storey car park	691,414	October 1995 (C)			
Lot 49045, Mukim of Pulai, District of Johor Bahru, Johor DarulTakzim.	Freehold land/	377,490/	April 2002 (A)/	20.5	Freehold	18,667
	Two-storey shopping centre including covered car park	483,299	August 2002 (C)			
Lot 62232, Mukim Batu, Daerah Kuala Lumpur, Wilayah Persekutuan.	Leasehold land/	409,577/	January 2004 (C)	19	99 years expiring on 25 August 2103	64,453
	Two-storey shopping centre and three-storey car park	906,497				
Lot 102076, Mukim ofTebrau, District of Johor Bahru, Johor DarulTakzim.	Freehold land/	1,308,035/	March 2004 (A)/	17	Freehold	300,638
	Three-storey shopping centre with basement car park	1,468,693	January 2006 (C)			
	Extension/Renovation	2,854,623	October 2016 (C)	6.5		
Lot PT 41977 Lot 3144, Mukim of Cheras, District of Ulu Langat, Selangor Darul Ehsan.	Leasehold land/	550,910/	April 2004 (A)/	16	99 years expiring on 12 April 2103	62,047
	Freehold land/	113,451/	April 2004 (A)/		Freehold	
	Two-storey shopping centre and two-storey car park	893,819	December 2006 (C)			
Lot 5106, Mukim Ulu Kelang, Kuala Lumpur.	Leasehold Land/	631,620/	March 2007 (A)/	14	87 years expiring on 5 April 2083	103,837
	Two-storey shopping centre with basement car park	895,449	December 2008 (C)			
Lot 136962, Mukim Pulai, District of Johor Bahru, Johor DarulTakzim.	Freehold land/	1,645,671/	October 2007 (A)/	14	Freehold	204,046
	Three-storey shopping centre with open car park	845,634	December 2008 (C)			

PARTICULARS OF PROPERTIES

AS AT 31 DECEMBER 2024

Location	Description/ Existing Use	Land/ Built-up Area (sq ft)	Date of Acquisition (A)/ Completion (C)/ Revaluation (R)	Approx. Age of Building (Years)	Tenure	Net Book Value as at 31 December 2024 (RM '000)
PT 239099, Mukim Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan.	Leasehold land/	755,855/	June 2010 (A)/	11	99 years expiring on 3 November 2109	101,032
	Three-storey shopping centre with two-storey car park	1,287,504	March 2012 (C)			
Lot 106273, Mukim Kulai, Daerah Kulaijaya, Johor Darul Takzim.	Freehold land/	793,623/	December 2011 (A)/	9	Freehold	86,986
	Two-storey shopping centre with two-storey car park	911,842	November 2013 (C)			
Lot 31009, Mukim 15, Daerah Seberang Perai Tengah, Pulau Pinang.	Freehold land/	784,834/	August 2011 (A)/	8.5	Freehold	129,909
	Three-storey shopping centre with rooftop and open car park	750,235	June 2014 (C)			
Lot 2437 Seksyen 13, Bandar Shah Alam, Daerah Petaling, Selangor Darul Ehsan.	Leasehold land/	818,273/	December 2012 (A)/	6.25	99 years expiring on 26 October 2103	231,733
	Three-storey shopping centre, entertainment hub with rooftop & basement car park	1,573,114	March 2016 (C)			
PTD 181046, Mukim Tebrau, Daerah Johor Bahru, Johor Darul Takzim.	Leasehold land/	910,235/	December 2015 (A)/	4.25	Freehold	260,216
	Three-storey shopping centre, entertainment hub with rooftop & two-storey car park	1,294,639	September 2017 (C)			
PN 12273, Lot 10048, Seksyen 17, Bandar Kota Bharu, Daerah Jajahan Kota Bharu, Kelantan Darul Naim.	Leasehold land/	935,491	27 July 2023 (A)/	8	99 years Leasehold expiring on 20 June 2114	293,517
	Three-storey shopping centre with rooftop, basement and open car park	1,337,469	28 April 2016 (C)			

CORPORATE INFORMATION AND DIRECTORY

▶ BOARD OF DIRECTORS

- Datuk Iskandar Sarudin (Chairman)
- Mr. Naoya Okada
- Mr. Tsugutoshi Seko
- En. Hisham Zainal Mokhtar
- Pn. Zaida Khalida Shaari
- Dato' Merina Abu Tahir
- Ms. Jenifer Thien Bit Leong
- En. Mohamad Abdul Naser Md Jaafar @ Yunus
- Ms. Chong Swee Ying
- Mr. Hiroaki Egawa

▶ SECRETARIES

- **Tai Yit Chan**
(SSM PC No. 202008001023) (MAICSA 7009143)
- **Tan Ai Ning**
(SSM PC No. 202008000067) (MAICSA 7015852)

▶ REGISTERED OFFICE AND HEAD OFFICE

3rd Floor, AEON Taman Maluri Shopping Centre
Jalan Jejaka, Taman Maluri
Cheras, 55100 Kuala Lumpur

Tel : 03-9207 2005
Fax : 03-9207 2006/2007

▶ DATE OF INCORPORATION

15 September 1984

▶ STOCK EXCHANGE LISTING

The Company is a public listed company, incorporated and domiciled in Malaysia and listed on the Main Market of the Bursa Malaysia Securities Berhad

Stock Name : AEON
Stock Code : 6599

▶ PRINCIPAL BANKERS

- **Malayan Banking Berhad**
Registration No. 196001000142(3813-K)
- **MUFG Bank (Malaysia) Berhad**
Registration No. 199401016638(302316-U)
- **Mizuho Bank (Malaysia) Berhad**
Registration No. 201001039768(923693-H)
- **CIMB Bank Berhad**
Registration No. 197201001799(13491-P)
- **RHB Bank Berhad**
Registration No. 201001039768(923693-H)

▶ AUDITORS

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya

Tel : 03-7721 3388
Fax : 03-7721 3399

▶ SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Registration No. 197101000970(11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Tel : 03-2783 9299
Fax : 03-2783 9222
Email : is.enquiry@vistra.com

▶ CORPORATE CALENDAR

NOTICE OF 39TH ANNUAL GENERAL MEETING

- 24 April 2024

39TH ANNUAL GENERAL MEETING

- 23 May 2024

PAYMENT OF DIVIDEND

- Book Closure – 6 June 2024
- Payment – 20 June 2024

FY2024 QUARTERLY RESULTS ANNOUNCEMENTS

- 1st Quarter 15 May 2024
- 2nd Quarter 29 August 2024
- 3rd Quarter 21 November 2024
- 4th Quarter 25 February 2025



Scan the QR Code for:

1. Notice of 40th Annual General Meeting
2. Proxy Form
3. Administrative Details for the 40th Annual General Meeting

INDEPENDENT LIMITED ASSURANCE REPORT



INDEPENDENT ASSURANCE OPINION STATEMENT

To the Directors of AEON CO. (M) BHD.

Holds Statement No: SRA822373

The British Standards Institution (**BSI**) has conducted a limited assurance engagement on the sustainability information (described in the "Scope") in the Sustainability Statement 2024 of AEON CO. (M) BHD.

Scope

The scope of engagement agreed upon with AEON CO. (M) BHD. includes the following:

The assurance covers the information of the following subject matters in the AEON CO. (M) BHD. Sustainability Statement for 2024.

1) GHG Scope 1

- Stationary combustion
- Mobile combustion

2) GHG Scope 2

- Purchased Electricity

3) GHG Scope 3

- Downstream transportation and distribution
- Fuel and energy related activities
- Waste generated in operations
- Downstream leased assets
- Business travel
- Employee commuting

4) Total Energy Consumption

The selected information is reported in accordance with ISAE 3000 (Revised) and ISO 14064-3:2019.

Opinion Statement

We have conducted a limited assurance engagement on the sustainability information described in the "Scope" above. Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the accompanying Sustainability Information is not prepared, in all material respects, in accordance with ISAE 3000 (Revised) and ISO 14064-3:2019.

INDEPENDENT LIMITED ASSURANCE REPORT

Methodology

Our assurance engagements were carried out in accordance with ISAE3000 (Revised) and ISO 14064-3:2019. Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a top-level review of issues raised by external parties that could be relevant AEON CO. (M) BHD. policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers and staff on AEON CO. (M) BHD. approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- document review of relevant systems, policies, and procedures where available.
- review of supporting evidence for claims made in the reports.
- visit of the headquarter office to confirm the data collection processes, record management and practices.

Responsibility

AEON CO. (M) BHD. is responsible for the preparation and fair presentation of the sustainability information and report in accordance with the agreed criteria. BSI is responsible for providing an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Independence, Quality Control and Competence

BSI is independent to AEON CO. (M) BHD. and has no financial interest in the operation of AEON CO. (M) BHD. other than for the assurance of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of AEON CO. (M) BHD. only for the purposes of verifying its statements relating to the Scope above.

This independent assurance opinion statement is prepared on the basis of review by BSI of information presented to it by AEON CO. (M) BHD. In making this independent assurance opinion statement, BSI has assumed that all information provided to it by AEON CO. (M) BHD. is true, accurate and complete. BSI accepts no liability to any third party who places reliance on this statement.

BSI applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021-1:2015 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

BSI is a leading global standards and assessment body founded in 1901. The BSI assurance team has extensive experience in conducting verification over environmental, social and governance (ESG), and management systems and processes.

INDEPENDENT LIMITED ASSURANCE REPORT

Issue Date: 20 February 2025

For and on behalf of BSI:

Salmiah Hasbullah

Evelyn Chye

Salmiah Hasbullah, Lead Assurer

Evelyn Chye, Managing Director BSI Malaysia

BSI Malaysia Suite 29.01, Level 29, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia.

Appendix A: Summary of Subject Matters Data for FY2024 – AEON CO. (M) BHD.

Subject Matters	FY2024	Units
1) GHG Scope 1	288,285.83	tCO ₂ e
• Stationary combustion	287,816.41	tCO ₂ e
• Mobile combustion	469.41	tCO ₂ e
2) GHG Scope 2		
• Purchased Electricity	263,990.85	tCO ₂ e
3) GHG Scope 3	1,211,978.85	tCO ₂ e
• Downstream transportation and distribution	362.71	tCO ₂ e
• Fuel and energy related activities	6,929.62	tCO ₂ e
• Waste generated in operations	26,884.63	tCO ₂ e
• Downstream leased assets	1,175,828.15	tCO ₂ e
• Business travel	552.89	tCO ₂ e
• Employee commuting	1,420.86	tCO ₂ e
4) Total Energy Consumption	403,840.02	MW



AEON CO. (M) BHD.

Registration No. 198401014370 (126926-H)

3rd Floor, AEON Taman Maluri Shopping Centre
Jalan Jejaka, Taman Maluri, Cheras
55100 Kuala Lumpur, Malaysia

Tel : +603-9207 2005

Fax : +603-9207 2006/2007

AEON Careline : 1-300-80-AEON(2366)

For more information, please visit:



www.aeongroupmalaysia.com



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