

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



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“ ” 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%

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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



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“ ” 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