



## AEON CREDIT SERVICE (M) BERHAD

### 25<sup>th</sup> Annual General Meeting: Live Questions & Responses

#### 1. AGM Door Gifts

No.	Shareholder's Name	Question
1.	TAN CHAI HENG	Please provide an eWallet / eVoucher for attendees of this virtual AGM. TQ
2.	TAI PHOO SIEW @ THAY PHOO SIEW	Please provide an eWallet / eVoucher for attendees of this virtual AGM. TQ
3.	STEPHEN LYE TUCK MENG	Dear BOD - Kindly give us some e-vouchers, food vouchers or e-wallet (no discount vouchers please) for being loyal shareholders and attending this meeting. Times are bad now. Please be considerate to us shareholders during these trying times. TQ
4.	SIM SIEW EAN	Any free voucher or free gift ?
5.	LEONG FOOK SEN @ FRANCIS LEONG	Please provide e vouchers 100.00. Tqvm
6.	NG YING SENG	Yeah, we need voucher/doorgift etc to live... I just take breakfast, roti canai kosong and teh, it cost RM 6.30 this is so crazy...
7.	NG SOOK LUAN	Plz give us voucher or eWallet.
8.	CHAN HWEE GEEM	Can cancel the aeon card (the pink colour) annual fees for share holder? Attend this meeting will gift RM50. But annual fees occupied RM12.
9.	ONG SON YANG	TQVM for the generosity of BOD for providing the participants RM 50 door gift.
10.	TAN KIM KHUAT	Pls note that the reply below shows cash token of RM50, instead of RM30, in the admin notice. tqvm
11.	TAN CHAI HENG	I already had a Aeon Plus card but not my wife. Can I request a eform to facilitate consent to trasfer her door gift to my Aeon Plus card account, like what Aeon Retail had done so. TQ!
12.	TAI PHOO SIEW @ THAY PHOO SIEW	I already had a Aeon Plus card but not my wife. Can I request a eform to facilitate consent to trasfer her door gift to my Aeon Plus card account, like what Aeon Retail had done so. TQ!
13.	CHANG CHOW YEE	In your Doc, it mentioned door gift only RM30, but today AGM, it annouced door gift RM50.... please advise which amount is correct
Answer		
<p>In conjunction with AEON Credit's 25th Anniversary, shareholders participating in the AGM on 29 June 2022 will be given RM50 in a form of cash through direct credit into their respective AEON Member Plus Visa card (AMP).</p> <p>Shareholders who wish to receive the door gift but are not an AMP cardholder are required to register and apply for an AMP Visa Card before 14 July 2022. Existing active AMP cardholder do not require to apply for a new card.</p>		

## 2. Conduct of AGM

No.	Shareholder's Name	Question
14.	NG GEOK TING	When will physical agm resume
15.	HO CHUN KIT	Hope the company can continue virtual agm in next year..it can save a lot cost
Answer		
Virtual AGM is conducted for the safety and well-being of our shareholders, directors and employees who are of paramount importance to us.		
We take note on your valuable feedback. The Company will continue to access the situation and AGM platform from time to time.		

## 3. Connection Issue

No.	Shareholder's Name	Question
16.	TING KENG FUI	Hello Share Registrar, the live broadcast is lagging in transmission and not able to hear the presentation. Is there a connection or transmission issue faced by others, as well?
17.	TING KENG FUI	I am on the line with your En Hakim on the issue and have taken a video recording of the lagging. My Internet connection is on LAN line with 300Mbps link. So, no issue with connection. However, situation seems to have been restored.
18.	TING KENG FUI	How can I view the presentation as I missed the presentation from the start due to the lagging problem?
Answer		
Lagging issue is depending on your internet connectivity and stability. As of now, we have not received any comments from any other shareholders on the said issue. In order to ensure a seamless virtual meeting experience, having a stable network connection is crucial.		
Our Managing Director's presentation deck, Shareholders' Questions and Answers as well as MSWG shall be made available on our corporate website under the Investor Relations tab: <a href="https://www.aeoncredit.com.my/aeon-corporate/investor-relations/agm-egm">https://www.aeoncredit.com.my/aeon-corporate/investor-relations/agm-egm</a> .		

## 4. Voting Session

No.	Shareholder's Name	Question
19.	STEPHEN LYE TUCK MENG	Mr Chairman - Kindly allow us to vote when the meeting starts and not keep us waiting long. TQ
20.	STEPHEN LYE TUCK MENG	Mr Chairman - can we vote now?
Answer		
Please note that the voting session is available on the navigation bar at the bottom of the screen until the closure of the voting session.		

## 5. Resolution

No.	Shareholder's Name	Question
21.	HONG KEH WAI	Resolution 2, RM 1,497 million. Is it a typo error?
22.	BONG WEE KHONG	On Voting Page for Ordinary Resolution 2, noted that the approval sought for Payment of Directors' Fees of up to RM1,497 million? Is it typo error?
Answer		
Thank you for highlighting and we apologise for the typo error in online system. The correct amount for payment of Directors' fees should be RM1.497 million.		

## 6. AGM Cost

No.	Shareholder's Name	Question
23.	TEH SUE WEI	How much does the company spend on this virtual agm ? Would the board kindly provide shareholder with AEON voucher as a token of appreciation for attending today's RPV .
Answer		
We are estimating a total of RM95,000 for the 25th AGM. However, the actual amount spent will be finalised upon concluding today's AGM.		

## 7. Suggestion for Warrant Plan

No.	Shareholder's Name	Question
24.	HUA TENG SHEN	Hello AEONCR management, Is there any plan for free warrant plan. it is good for company and shareholders to take advantage on interest free capex and higher share holdings.  Issue 1 free warrant for every 5 ordinary shares. Expiry : 5 years. Exercise price : RM 22.00 (this is my personal target price in next 5 years).  Please consider my fellow Japanese
Answer		
Thank you for the suggestion. We do not have an immediate plan for free warrant issuance at this juncture. Any corporate exercise by the Company will be announced through Bursa Malaysia.		

## 8. Dividend

No.	Shareholder's Name	Question
25.	CHEA AH CHUN	Reward shareholder so they can continue support the shares price
26.	JASWANT SINGH A/L GURDIAL SINGH	Any plan to implement quarterly dividend payments which will also improve the demand of AEON Credit shares and as a high / consistent dividend paying blue chip share
27.	LIM SAN KIM	Shareholders will continue to support the shares or purchase more company shares as a appreciation of your reward.
Answer		
Dividend payment will be dependent on the Group's performance and regulatory capital requirements. The Management and the Board of Directors are focused on improving the fundamentals of the Company to create long term value for sharheolders.  We take note of the comments and shall consider it for future use.		

## 9. Annual Report

No.	Shareholder's Name	Question
28.	LOO YEO MING	Please send printed Annual Report. TQ
29.	TAN KIM KHUAT	Pls send the printed report to my puchong address, thanks
Answer		
We take note on the request for the hardcopy annual report and we will make the necessary arrangement.		

## 10. Outlook

No.	Shareholder's Name	Question
30.	KEH YEOW HWEE	<p>AEON Credit achieved highest revenue and profit last financial year, congrats to the team for such achievement.</p> <p>1. What are the opportunities and challenges ahead to break through moving forward?</p> <p>2. Will company consider to give higher dividend rate to share holders?</p>
Answer		
<p>The Malaysian economy grew by 5.0% in the first quarter of 2022 (4Q 2021: 3.6%) supported by higher domestic demand and recovery of labour as economic activity continued to normalise with the easing of containment measures.</p> <p>Malaysia's GDP is expected to grow between further expand in the range of 5.5% - 6.5% in 2022.</p> <p>Downside risks include a prolonged COVID-19 outbreak with the emergence of new variants, volatility in global financial markets, slower labour market recovery, commodity supply shocks and geopolitical uncertainties.</p> <p>AEON Credit will continue to focus on sales and receivables growth on a recovery path driven by pick-up in of domestic demand. The Company will focus to strive for better growth while continue supporting our customers' lifestyle and we aim at completing the digitalisation project in this new financial year.</p> <p>The Company dividend payout ratio ranged from 31.5% to 34.0% for past 5 years. However, the dividend payment will be depending on the Group's performance and regulatory capital requirements.</p> <p>We take note of the comments and shall consider it.</p>		

## 11. Expansion & Growth Plans

No.	Shareholder's Name	Question
31.	KOW LIH SHI	<p>What is solution planning for company get more new customer or financial serving, to competitive with banking, ewallet lending services?.</p> <p>Does company involve in micro loan for sme or some corporate?</p> <p>Does company have. Huge credit facilities /ability for stages government loan for some mega project tender devices company? Or Issue international bonds?</p>
32.	KOW LIH SHI	<p>The automation credit services. Could company competitive with banking finance in automation rate?</p>
Answer		
<p>The Company will accelerate its digitalisation journey to offer end-to-end onboarding processes for Credit Card, Personal Financing and Easy Payment Financing aim to penetrate and expand market share through digital processes. We are leveraging on scoring data through the app to provide instant approval for customers.</p> <p>We are developing a one-stop digital app journey for retail and financing by integrating our financial services and payment solutions such as AEON Wallet with QR functions, loyalty point programme, Credit Card and Personal Financing e-application into the AEON Group's mobile app named the iAEON.</p> <p>We do not have credit facilities/stages government loan for mega project tender devices company.</p> <p>Currently, we do not issue international bonds for funding purposes.</p>		

## 12. Digital Bank

No.	Shareholder's Name	Question
33.	CHANG CHOW YEE	1) Please advise Digital Banking launch date 2) Digital Banking require capital, how Aeon Credit will settle the capital? Will AEON Credit issue rights? or?
34.	GOW FEI CHIEH	Good morning BOD, 1. After obtaining the digital bank license, could it improve our finance cost in future? 2. What is our finance cost yield currently? 3. Rate hiking trend recently, the trend impact our bottomline positively or negatively in general? TQ
35.	KOW LIH SHI	Does company gaining or beneficial from the digital banking?
36.	BRYAN TAN HOE KIN	Regarding the Islamic Digital Banking business, to what extent exactly would MoneyLion be a part of the development of this digital bank?
37.	CHAN HWEE GEEM	What is the company next planning after get the virtual bank license?
Answer		
<p>The purpose of Digital Bank is to realise the financial inclusion in Malaysia, and drive the AEON Living Zone strategy offering comprehensive financial services to the living zone citizens. In addition, the Company is considering not only fulfilling financial services, but also providing services in collaboration with AEON Group Malaysia to offer a more convenient experience and lucrative benefits for the customers.</p> <p>Prior to obtaining the digital bank licence, we were unable to cater to the competitive market demand as our financial products are not in full range. Once the digital bank has been established, our customers will be able to leverage on our wide range of products and services and ultimately, we will become their preferred financial life partner and our customers are able to enjoy unique privileges through the Group's business domain.</p> <p>The Islamic digital bank is set to launch its operations within 24 months from 8 April 2022, and this is subject to its operational readiness review to be conducted by BNM. The bank is required to maintain minimum capital of RM100 million unimpaired by losses during its foundational phase. The capital contribution to the bank during the foundational phase will be from internal generated funds. There is an assets ceiling of RM3 billion for the digital bank during foundation phase. Once we exit foundation phase, in the future we are able to reduce funding costs by utilizing deposits from customers.</p> <p>AEON Credit will be utilising more short-term financing or shorter tenure financing so as to manage the cost of funds. Average funding cost for FYE2022 was 4.25% (FYE21: 4.35%).</p> <p>The AEON Digital Bank will be leveraging on AEON Credit's retail network and ecosystem, and empowered by MoneyLion's technology expertise in AI, advanced analytics and machine learning for delivery of solutions to target customers segment. They will also help the bank accelerate our learning curve based on their experience in USA.</p>		

### 13. Credit Card

No.	Shareholder's Name	Question
38.	KOW LIH SHI	AEON CREDIT CARDS are less benefit and merchant support, which compare to other banking player.  Are company will revise bsl or blr rate for housing finance servicing, which able competative with pure banking base services?
Answer		
On AEON Credit Card, we are currently reviewing the Credit Card privileges and will be focusing on AEON Retail, to be a "Must Have" Card for AEON shoppers, so as to strengthen card value proposition in market.		

### 14. Insurance

No.	Shareholder's Name	Question
39.	KOW LIH SHI	Does this financial years insurance claim rate higher then past years or past few years?  Which happen flooding, covid infections quarantine benefit, as well as dead claim?
Answer		
With the series of unfortunate events in 2021, there was an increase in claims especially on the nation's floods tragedy. According to our source, claims are mostly from motor insurance.		

### 15. Objective Financing

No.	Shareholder's Name	Question
40.	KOW LIH SHI	The ESG in company are fulfilled, does company offer financing rate lower to government server compare normal clients?  Does company get short term flexi sales low demand like electrical and electronical compare credit cards user?
Answer		
The Company offer financing rate base on the overall credit scoring of the applicant including the risk based. Our credit policy is continuously reviewed based on the current risk and emerging risk identified.  The demand for electrical product financing (Objective Financing) is stable. Application improved by 11% compared to last year especially for telecommunication, IT products, health and well-being goods and bicycle products. The Company continues to improve this segment by further creating new application touch points.		

### 16. ESG Financing

No.	Shareholder's Name	Question
41.	CHEA AH CHUN	Venture into electric battery for car. Bike and bicycle
Answer		
The Company aims to embed sustainability initiatives into the business model and operations including electric battery car and bike when the oppourtunity arise.		

### 17. Credit Cost/Written off

No.	Shareholder's Name	Question
42.	KOW LIH SHI	The after pandemic, facing huge amount of unpaid or process due to court claim (progress bankrupt client)?  Does company facing huge amount of losses?
43.	KOW LIH SHI	Are company getting more revenue gains in only finance segment is motorbike loan, does due payment uncollecting/bad debts rate is higher compare with credit cards segments?
44.	TING KENG FUI	CFO Ms Lee, to what extent does AeonCr anticipate to recover the financing receivables of RM389.1 million (9%) that was written-off?
Answer		
<p>Collection results of the Company remained stable post pandemic and we do not face any huge amount of losses. Impairment loss provision requirement has been reduced by 40.3% contributed by improved collection productivity and asset quality for FYE2022.</p> <p>The Company would leverage on external collection agency know-how to maximise written off account recovery.</p> <p>The Company continuously monitors collection portfolio performance closely, should there is a clear sign of deterioration in collection result, the company would response promptly and accordingly.</p>		

### 18. Funding Strategies

No.	Shareholder's Name	Question
45.	TUNG CHEE MING	Hi management, as i aware the AEONCR have a significate borrowing in USD. As Our Ringgit has depreciated against USD, any action that management has plan to mitigate on the borrowing cost increase?  As Yen, has also depreciated a lot, do you consider to borrowing more Yen to mitigate the borrowing cost increase?
46.	BRYAN TAN HOE KIN	Will the expected interest rate hikes by BNM be significantly accretive to Aeon Credit's business?
47.	CHANG CHOW YEE	When Bank Negara increase interest rate, what is the impact to Aeon Credit
Answer		
<p>The increase of BNM OPR rate will not have an immediate impact on the existing Group's borrowings as they are all fixed rate borrowings and on long-term basis and we do not foresee the current rate hike have material impact to the borrowing cost for this financial year.</p> <p>It is the Company's policy to fully hedged the foreign currency borrowings to mitigate the interest rate and currency risks. The Company continues to assess the market interest and currency rate to optimizse the borrowings cost.</p>		

### 19. Currency investment

No.	Shareholder's Name	Question
48.	CHEA AH CHUN	Invest in Russia and China currency
Answer		
No, we do not have any investment in Russia and China currency.		

## 20. Auditor Engagement

No.	Shareholder's Name	Question
49.	CHEA AH CHUN	Don't engage expensive auditor to save cost
Answer		
<p>We take note on your comment.</p> <p>Auditor Term engagement and audit remuneration was reviewed by the Audit Committee annually before seeking for shareholders' approval.</p> <p>Areas assessed included the level of knowledge, technical competencies, capabilities, adequacy of specialist support and the accessibility of senior audit partners and time committed.</p>		

## 21. Board of Director

No.	Shareholder's Name	Question
50.	CHEA AH CHUN	No need female directors unless they can perform.
51.	CHEA AH CHUN	Separate Director fees so others can vote against them if they don't perform or when they don't save cost for the company.
Answer		
<p>AEON Credit observes and complies with the Listing Requirements of Bursa Securities and Malaysian Code on Corporate Governance ("MCCG").</p> <p>For appointment of directors, the Board has to consider the diversity of board composition from a number of different aspects including skills, background, knowledge, international and industry experience, culture, independence, age, ethnicity, gender and any other factors which the Board think fit.</p> <p>We take note of the comment separate Directors' fee and shall consider it in future.</p>		

## 22. AEON Retail's Customer Services

No.	Shareholder's Name	Question
52.	SOFEA TAN CHOY HOONG	AEON is a well known household name. I have personally encountered customer service slacking in departmental stores especially when we want to ask for more products information. Can hardly find any sales PIC around and have to go all the way to cashier counter for assistance. Suggest AEON management look into this area. Thank you.
Answer		
<p>Thank you for your feedback and for being a loyal AEON customer. Please accept our apologies on your unfortunate experience. We will highlight this matter to AEON Retail and will strive to improve our customer experience.</p>		



### 23. AEON Credit's Customer Services

No.	Shareholder's Name	Question
53.	TIW CHEE KEONG	I am AEON credit cardholder since 2010, I always received call from AEON credit to ask for payment, but my account not due yet. As you all know now a day so many scam call, please stop make this type of call to disturb customer.
54.	TIW CHEE KEONG	Also as a financial services company, please make sure company have provide proper customer service care line to customer, I alway face problem when contact with care line, everytime need to wait for 15-25 minute, then leave down contact number to call back, wait for few day also not reply at all. Please improve the quality, also for the AI live chat, can throw to rubbish bin, not helpful at all.
Answer		
<p>We apologised for the inconvenience caused. The company shall look into our collection process to strive a balance between customer service and effective collection management.</p> <p>We apologise on the unpleasant experience that you have faced in contacting our Customer Service Care Line. We take note on your constructive feedbacks and shall take prompt action in order to improve our services.</p>		

### 24. Others

No.	Shareholder's Name	Question
55.	OON JOO LEE	Good morning Chairman
56.	LIM KIM YEW	Good morning Chairman
57.	LIM CHZENG JOHN	Good morning Chairman
58.	LIM CHZENG SIR	Good morning Chairman
59.	JASWANT SINGH A/L GURDIAL SINGH	Cheah Ah Chun was very rude politically incorrect in his statement
Answer		
Good Morning		