



ÆON CREDIT SERVICE

26TH ANNUAL GENERAL MEETING

21 JUNE 2023

**Responses to Pre-AGM Questions
Raised by Shareholders**

Pre-AGM Questions from Shareholders

Door Gift and AGM Matters (1/4)

Shareholder's Name	Question
TAN SIN HOW	I would like confirm my eligibility to attend the AGM as I yet to receive invitation to join the AGM to be held on 21st June 2023. Please reply what information you require for the further checking. On top of that, would like to confirm is the parking fee at Intercontinental Kuala Lumpur (whole day/ few hours) on 21st June 2023 will be waived when attending the AGM?
LIM SHAU WEN	I'm a shareholder of AEONCR. Do I need to register to attend the upcoming AGM?
TOSHIHIKO SAITO	Is there a procedure to gain admission to the meeting?

Response

As stated in our Administrative Details of the 26th AGM, shareholders whose names appear on the Record of Record of Depositors on 14 June 2023 will be eligible to attend the 26th AGM.

For the parking fee, please validate your parking ticket at the ticketing counter to enjoy the free parking on the AGM day.

Pre-AGM Questions from Shareholders

Door Gift and AGM Matters (2/4)

Shareholder's Name	Question
CHEONG SENG GEE	Is it possible to attend the AGM online instead of physical?
WONG MEE KIEN	How I can appoint a proxy to attend the 26th AGM on my behalf?

Response

26th AGM will be conducted physically at InterContinental Kuala Lumpur. Shareholders who wish to participate the AGM shall physically present on the day of the AGM.

Alternatively, a member who is not able to participate in the AGM is encouraged to appoint the Chairman of the Meeting as his/her proxy and indicate the voting instruction in the Proxy Form.

Proxy Form can download from AEON Credit's corporate website. Alternatively, you may login to <https://investor.boardroomlimited.com> for e-Proxy.

Pre-AGM Questions from Shareholders

Door Gift and AGM Matters (3/4)

Shareholder's Name	Question
LEE TAT KUEN	I am a shareholder of AEON Credit Service. I am advised to apply for a AMP Visa Card via the AEON WALLET for the upcoming AGM. Since I don't have a smart phone, please advise how I should proceed.

Response
<p>AMP sign-up booth will be set up on AGM venue, shareholders who are not the member of AMP can register and collect the card on the spot.</p> <p>Alternatively, you may also apply the card at any nearest AEON Credit Service Counter.</p>

Pre-AGM Questions from Shareholders

Door Gift and AGM Matters (4/4)

Shareholder's Name	Question
TAN WEI SIANG	I notice that upcoming AGM host at InterContinental KL, as a shareholder I'm not able to attend the AGM physically. May I confirm that we still can receive door gift as well?
WONG MEE KIEN	I have appointed a proxy however would like to request to direct credit the door gift to me as the shareholder.

Response

Door gift will be given to our Valued Shareholders and Appointed Proxies who physically participate and vote during the 26th AGM.

Pre-AGM Questions from Shareholders

Performance & Business (1/5)

Shareholder's Name	Question
CHOY HOE YEEN	For FY2023, the company's non-performing loan (NPL) had stood at 2.89%. What is the targeted non-performing loan ratio that the company target to achieve in this financial year since the company had mentioned that it will improve its asset quality in this financial year?
RAJKUMAR A/L PERIANNAN	AEON Credit's NPL has gradually deteriorated from 1.92% (FY20), 2.46% (FY21), 2.66% (FY22) to latest 2.89%. However, our Loan Loss Coverage Ratio has reduced from 339% (FY21), 289% (FY22) to 252% (FY23) despite increasing NPL during this period. Could you please elaborate why this is the case?

Response

Overall NPL for FYE23 was higher as a result of the inflationary pressure where our young age customers and those with lower disposal income have difficulties in serving their debts in a timely manner. We are unable to provide NPL guidance. However, we will continue to enhance our credit assessment framework, implement effective collection strategies with the use of Artificial Intelligence tool to perform risk-based collection on high risk accounts.

Loss loan coverage ("LLC") ratio is the Impairment Loss ("IL") provisions in the balance sheet dividend by Non-Performing Loans. A decline in the LLC for FYE23 was attributable to higher NPL amount as mentioned above. Our IL provisions comprising expected credit loss and management overlays were adequate and in line with MFRS9 requirements.

Pre-AGM Questions from Shareholders

Performance & Business (2/5)

Shareholder's Name	Question
RAJKUMAR A/L PERIANNAN	Could you please elaborate with details regarding product and services offered by our company where we are able to increase financing rates in tandem with increasing interest rates, and those where this is not possible. Please provide percentages of gross financing receivables where financing rates offered to customers are float and those that are fixed.

Response
<p>Please note that our Vehicle Financing (Hire Purchase-i financing) is a Shariah-compliant financing product governed under the Hire Purchase Act 1967 (“the Act”). The maximum profit rate allowable under the Act is capped at 10% per annum. For Personal Financing and Objective Financing, it is based on Shariah principle of Tawarruq and Consumer Protection (Credit Sale) Regulation 2017 respectively.</p> <p>The profit/interest rates for all our products offered to customers are at fixed rates.</p>

Pre-AGM Questions from Shareholders

Performance & Business (3/5)

Shareholder's Name	Question
RAJKUMAR A/L PERIANNAN	<p>There are already 6 super app providers in Malaysia with notable ones being Grab and Touch N Go. Within the 2023 Roadmap, one key focus will be to establish AEON Living Zone as a super app combining products and services offered by various companies within the AEON Group.</p> <p>Could you please elaborate on the following:</p> <ul style="list-style-type: none">a) Success already achieved through enhancements of the Mobile App, highlighting increase in revenue through this channel.b) How our company intends to make AEON Living Zone related app to become a successful Super App in Malaysia in light of already established players such as Grab and Touch N Go. Additionally, please share any metrics that would indicate we have been successful in this endeavour (e.g. desired Super app ranking in Malaysia, market share of Super App transactions, percentage of revenue generated through this app, etc).

Pre-AGM Questions from Shareholders

Performance & Business (4/5)

Response

- a) In FYE2023, we have revamped AEON Wallet with better interface design and upgraded e-wallet usability through the enablement of the new features.

Correspondingly, we have witnessed a 25% YoY growth in our wallet new registrations for FYE2023 with a sizeable user base of 1.63 million. The active ratio of the wallet users has also increased to 27% from 21% a year ago. Besides, the use of QR payment has also increased by 36%.

- b) Currently, the AEON Group of Companies have 6 million customers. We intend to consolidate the membership across all the AEON entities within our AEON Living Zone through the establishment of AEON Group Common ID and Data Management Platform.

With embedded financial services and retail solution in the New AEON Wallet app, and with the use of data analytic tools, we will be able to offer strategic marketing campaigns, increase transactions volume and member base for cross selling our products and services within the AEON Living Zone. The new enhanced AEON Wallet app is scheduled to be launched in FYE2024.

Pre-AGM Questions from Shareholders

Performance & Business (5/5)

Shareholder's Name	Question
CHOY HOE YEEN	<p>i. Which type of the financing segments (example: auto financing/personal financing) that the company will focus on and target to achieve high growth in this year?</p> <p>ii. Will the company expand its financing service to house loan financing?</p>

Response
<p>i. The Group targets to complete its digitalisation journey in FYE24, and continue to focus on its Personal Financing business and Vehicle Financing, where customers are able to complete their applications and receive instant conditional approval within 15 minutes. In order to support the needs of our customers, we will also enhance our Credit Card business and strengthen the collaboration with AEON Retail by enhancing card features and loyalty programme to drive the settlement business.</p> <p>ii. The Group will continue focus on expanding the current consumer product financing business via digital onboarding. At this juncture, the Company does not intend to expand to house loan financing.</p>

Pre-AGM Questions from Shareholders

Others – Printed Annual Report

Question
I would like to request for a printed annual report. <i>In total we received 24 requests from shareholders.</i>

Response
Kindly note that we have dispatched the printed annual report to all the shareholders.



AEON CREDIT SERVICE

Thank You